Articles

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Editorial Board

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Editorial

Demystifying the Emerging Possibilities

The concept of big data is progressive and holds potential for radical change in almost every business. The term *big* is relative – what is *big* today won't be so big tomorrow, and what is big to one organization is small to another. The only real way in which size matters with data is in the amount of hardware one will have to buy to store and process the same. Some authors have defined big data in terms of the three Vs (volume, variety and velocity); others have added even more Vs (veracity, value and venality). There are certainly popular elements to the big data idea, particularly since the broader notion behind it is not particularly new. The idea of analyzing data to make sense of what is happening in the business has been with us for a long time, so why do we keep having to come up with different names to describe it ?

The general activity of making sense of data has been called *decision support*, *executive support*, *online analytical processing*, *business intelligence*, *analytics*, and now *big data*. New elements in each generation of terminology has made Thomas H. Davenport to wonder in his book *big data @ work* that whether things have evolved enough to be worthy of six generations. What makes big data worthwhile of a new term is the new and vast forms of data that it involves – 2.5 quintillion (that's 2.5 followed by eighteen zeros) bytes per day generated around the world, as estimated by IBM. Less structured data types are even more worthy of a new term and approach. Some data types, like text and voice, have been with us for a very long time, but their size on the internet and in other digital forms indicate a new age, as do the new technologies that allow analysis of such data. Social media data are truly new, from Facebook and Pinterest pages to tweets.

The number of networked devices overtook the global human population in 2011. Analysts estimate that fifty billion *sensors* will be connected to the internet by 2025 ("the Internet of Things"), and each one can produce data in heaps. Early predictions had suggested that internet-connected sensors would primarily be used in consumer devices, but there has been only limited progress in that regard. Televisions, security systems, and thermostats are increasingly networked. Each of these devices generate data that can be managed to optimize usage, consumption, and provision of services.

Human beings are also being increasingly *sensored*, typically for the reasons of health and fitness. We are in the age of *auto-analytics,* or securing analysis of personal fitness, productivity, and health data. The earliest popular application of personal analytics was the Nike+ /iPad combination released in 2006. The Nike + shoe, when connected

to an iPad, could capture and display running time and distance, pace, and calories burned. Since then, Nike and Apple have mushroomed a variety of means to capture data on exercise (heart rate sensors, cardio fitness equipment links, clothing with sensors incorporated, etc.), and the many Nike+ users (reportedly over five million) often upload their data to their laptops and to the Nike+ Website. One can monitor running trends, challenge friends, and get online coaching for training programs.

Personal analytics are increasingly going beyond sports into the realms of health, wealth, work, and life satisfaction in general. Witherings introduced the WiFi - and Twitter - connected scale and is moving into blood pressure and other connected health devices. Smartphones are with us almost all the time and record our locations, conversations and purchases. Computers can keep track of virtually every aspect of our lives at work perhaps, our moods and brain waves will be captured and analyzed in future as well. One of the challenges is getting the right kind of people to do big data work. People are the key to making this work. While there is nothing entirely new about needing people for analytical activity, the kind of people needed for big data initiatives, the data scientists, are certainly different from conventional analysts. They are more effortless with data, more experimental, and more product-focused. Big data changes not only technology and management processes, but also basic orientation and culture within organizations. Business cannot be in the traditional way with this new resource.

The readers of AJM are requested to go through the contents of the journal and help us in improving the standard of this publication by offering suggestions based on their critical review and observations. The prospective contributors to this journal are advised to follow APA pattern (7th Edition) for presenting the references. We are happy to share with the readers that *AIMS Journal of Management* has been widely accepted by the researchers in general.

Dr Upinder Dhar
Chairman
Editorial Board – AJM

Consumer Perceptions Towards Cause Related Marketing: Mediating Role of Gender and Donation Size with Reference to Personal Care Products in Ahmedabad City

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Abstract

Cause related marketing is the specific marketing strategy where companies link the product purchase with donations to charity with an aim to create and maintain favorable brand image (Barone, Norman, & Miyazaki, 2007; Strahilevitz, 1999). It is a value creation process where firms promise to donate a portion of their profit or revenue to a social cause on purchase of a product by consumer (Nan & Heo, 2007). Companies are adopting cause related marketing as a corporate social responsibility tool which aims to create a positive impact on society. Cause related marketing has two major objectives, that is, to support a social cause and to improve firm performance.

Keywords: *Cause related marketing, consumer perceptions, donation size, value creation, corporate social responsibility.*

Introduction

Corporate Social Responsibility

Corporate social responsibility is gaining momentum now a day's which focuses on the actions which are beyond the profit and loss statements. CSR is considered as a voluntary action where companies respond to the needs defined outside the business and the companies here respond to the needs of all stakeholders including employees, shareholders, suppliers, customers, intermediaries and all the parties that are affected by the firm. The concept of CSR emerged in the year 1953. In the year 1953, Bowen wrote a book called "Social Responsibilities of Businessmen" where the focus was

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especially placed on the owner's social conscience, rather than on the company itself. Companies are focusing on social conscience through the concept of corporate social responsibility.

Corporate social responsibility will be helpful to the business and society as a whole if the CSR programs are planned appropriately and initiatives are taken in a disciplined manner (Rangan et al., 2015). Corporate social responsibility is a way to improve community well-being through distinctive business practices and contributions of corporate resources (Kotler & Levy, 2004).

Product concept, Production concept, Selling concept, Marketing concept, Customer concepts and Societal marketing concept are six major concepts of marketing, among which societal marketing concept is considered a promising tool of marketing communication for companies so that they can have an advantage of differentiation and emotional bonding with consumers (Meyer, 1999). Here, marketing communication can be defined, as the promotional elements of the marketing mix which consists the communications between company and target audience on all matters that affect marketing performance (Picton & Broderick, 2001).

It is always a debatable question that whether consumers are willing to respond positively to the company initiatives or not. Companies are trying to be socially responsible using cause-related marketing with a commitment to donate a certain amount of money to the charity per product sold (Beckman, 2006).

Cause Related Marketing

Cause related marketing can be defined as "the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives (Varadarajan & Menon, 1988).

Cause related marketing is a 34 years old concept which was initiated by American Express in the year 1983 (Cunningham, 1997), where American Express promised to contribute 1% for every card transaction and $1 for every new card issued during last quarter of 1983 with an aim to restore the statue of liberty. The campaign was very successful where American Express has contributed $1.7 million to statue of liberty and it also leads by 28% increase in use of credit cards along with advantage of high media coverage and free publicity.

Cause related marketing is beneficial to firms, NGOs and consumers. Cause related marketing improves the image of the firms among consumers (Smith, 1994). It is a cause-driven partnership to make a contribution to community (Creyer & Ross, 1997). Cause related marketing is the result of an association between nonprofit organization and enterprise with an aim to improve sales or corporate image (Kotler, 1998). Cause related marketing is a win-win situation for everyone that is a win for the cause or charity and a win for the consumer and business.

Review of Literature

Donation Size

Donation can be defined as an absolute dollar amount donated by a firm to the charitable cause for each consumer transaction. Consumers decide to support cause related marketing campaigns to support charity with smaller amount of money and without transactional costs (Smith & Alcorn, 1991; Burnett & Wood, 1988). There is no correlation between higher donation amount and positive behavioral intentions (Holmes & Kilbane, 1993).

Consumer's acceptance of cause related marketing campaign is very high. The amount donated by a firm and donation size affects the consumer's perceptions towards campaign (Subrahmanyan, 2004). Consumers evaluate the higher donation amount more positively compared to smaller donation amounts. In case of small donation amount, consumers consider it as an exploitation of nonprofit organization. Consumer goodwill towards cause related marketing campaign increases with larger donation size. Donation size matters a lot for consumers. The amount that a firm collects has a significant impact on consumers (Dahl & Lavack, 1995). Firm donation amount has a positive effect on consumers purchase intention and consumers perceptions of the firm. Purchase quantity effects participation intentions of the firm by social exchange and the effects of purchase quantities are because of economic exchange. Purchase intentions are affected by consumer participation efforts (Grau et al., 2010).

A cause should be selected as per the company's corporate philosophy and vision of the company. There is a strong fit with donation and campaign's success. If donations are made in products instead of monetary donations then it may damage a campaign's success. Monetary donations are more effective compared to in kind donations. Firm donation amount has a positive effect on consumer's perceptions of the firm (Moosmayer & Fuljahn, 2013). Campaign participation intention also matters to trigger the donation with reference to nonprofit cause. Here, campaign participation can be

defined as the expectation of the consumers, performed by them towards mentioned campaign behavior which is required to trigger donation to the nonprofit cause (Grau & Folse, 2007).

Consumer Perception

Perception can be defined as the process by which an individual selects, organizes and interprets stimuli into a meaningful and coherent picture of the world (Schiffman & Kanuk, 2015). The consumers have a positive perception of the firms that work with charities and good causes. The partnership between corporations and charities has a positive effect on society. Consumers prefer to support cause related to Children. Consumer perceptions towards corporate social responsibility can be defined as the perceived concern by firm for specific charitable cause (Brown & Dacin, 1997). Cause related marketing generates consumer's perceptions towards company (Mohr, Webb & Harris, 2001). Cause related marketing leads to brand differentiation and success of cause related marketing relies upon customer perceptions (Bronn & Vrioni, 2001). Perception differs from person to person and it's subjective. People have different perceptions based on their experience and personal situations. Subjectivity, Selectivity, Expectations and Past Experience affects the process of perception (Blythe, 2008). Perceptions towards company and perceptions towards brand are major factors that contribute to decision making of marketing managers (Sujo Thomas, 2015).

Gender

There is a relationship between socio-demographic characteristics and the evaluation of a cause related marketing offer. Demographic variables have a major influence on the purchase intention and decision making process of customers at the time of purchase. Age, education, occupation and gender of the respondent is required to be considered for better results from cause related marketing campaigns (Shabbir et al., 2010).

Gender has a large influence on cause related marketing activities. Women and men are having heterogeneous behavioral pattern and because of prosocial behavioral pattern their perceptions differ towards cause related marketing activity. Prosocial behavior cean be defined as the voluntary behavior done without any expectation of external rewards (Ross et al., 1992; Berger et al., 1999). There is no effect of gender on attitudes if cause related marketing campaigns are perceived favorably (Chaney & Dolli, 2001).

On the basis of gender, females have more positive attitude towards cause and associated products. Men tend to have some concerns that firm can exploit the cause while women have positive attitude towards the firm and cause (Sttuts & Patterson, 1992).

Consumers with different backgrounds respond differently considering the regional perspective. Females are comparatively more positive towards cause related marketing campaigns than males (Kroop et. al., 1999). Women responses towards cause related marketing are based on their internal feelings (Hou et al, 2008; Ross, 1992; Moosmayer & Fuljahn, 2010).

FMCG Sector

FMCG (Fast Moving Consumer Goods) Sector is an important contributor to India's GDP. The FMCG sector in India is considered as the fourth largest sector in the Economy and is having a market size of US $49 billion (IBEF, 2016). FMCG sector consists of unique features such as Intense heavy competition, Low per capita Income, low operating cost, effective and well established distribution network in organized and unorganized segments (Srinivasu, 2014).

In addition to rising incomes, growing awareness, easier access, changing lifestyles, growing youth population and brand consciousness are key drivers for growing demand of FMCG sector. The FMCG sector has shown a tremendous growth in the last decade. It has grown at an average rate of 11 percent (annual) in last decade. Modern retail share is expected to grow to US $ 180 billion in 2020 which shows a major advantage from FMCG perspective. Investment approval up to 100% in foreign equity in single brand retail and 51% in multibrand retail can be considered as a great policy support to FMCG sector. Another initiative such as Food security Bill and Direct cash transfer subsidies reach about 40% households in India and minimum capitalization for foreign FMCG companies to invest in India is US $ 100 million.

According to McKinsey Global Institute (MGI), if FMCG sector will be growing in the same high growth rate manner then India will become fifth largest consumer market by 2025. Currently, India is at the 12th rank[1]. According to a survey conducted by TMW and Marketing Sciences, young consumers are the most 'rational' and likely to spend more time weighing up potential purchases. The survey was of 2000 people who say that younger people are using recommendations and suggestions from their

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[1] *http://www.mckinsey.com/global-themes/asia-pacific/the-bird-of-gold (19th April).*

peers about products and services with an aim to make rational purchase decisions[2]. In India, it is a scenario where consumers play a vital role. Because of heterogeneity and wide diversity India is considered as a major destination for global and local players to target untapped potential areas.

Segments of FMCG Market

FMCG sector can mainly be classified into three segments:

1) *Food & Beverages (18%)*

   This segment consists of health beverages, staples/cereals, bakery products, snacks, chocolates, ice cream, tea, coffee, soft drinks, processed fruits and vegetables, dairy products and branded flour.

2) *Healthcare (32%)*

   This segment consists of OTC Products and ethicals.

3) *Household and Personal Care (50%)*

   This is the leading segment in FMCG sector. It covers 50% of the total market. This segment consists of Oral care, Hair care, Skin Care, Cosmetics, Deodorants, Perfumes, Feminine Hygiene, Paper Products, Fabric wash, Household cleaners etc. As per the Tech Sci Research, Hair care segment is the leading segment which accounts for 23% of the overall market in terms of market revenue while food products is the second leading segment which accounts for 18% followed by health supplements and oral care with 16% market share.

   One of the important factors in FMCG sector is the growth of semi urban and rural areas. The urban market gives 65% of the total revenue while semi urban and rural segments account for 35% revenues. As far as rural segments are concerned, it is observed that Dabur generates 40 to 45 % of domestic revenue from rural sales while HUL earns 40% of revenue of its overall sales in terms of rural revenue. 80% of the FMCG products are having faster growth in rural markets compared to urban markets.

Research Gap

In the FMCG sector in India, cause related marketing is considered as the most important tool where there is a commercial tie-up between business and nonprofit entity to market the product or service by linking it to a social cause or issue for a

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[2] *http://info.shine.com/industry/fmcg/6.html - 19th April.*

mutual benefit. It is necessary for the marketers, companies and charity organization to target the campaigns based on gender and donation size, which are considered as important mediating factors of cause related marketing. Because of research gap with reference to Ahmedabad city, there is a need to study the research topic.

Research Objectives

1. To find out an impact of donation size on consumer perceptions towards cause related marketing with reference to personal care products among young adults in Ahmedabad city.
2. To find out the mediating role of gender on donation size with reference to cause related marketing.
3. To find out the cause (based on priority) that customers support most.

Research Method

Descriptive research design method was used for this study. Non-probability convenience sampling Technique was chosen for this study. The consumers who are aware with the term cause related marketing are considered as sample for this study. Sample Unit is the young adults who are aware with the term cause related marketing. Sample is an individual. Sample size is 200 individuals which consists of 100 males and 100 females.

Data were collected from primary and secondary sources. To get an insight into the research area and to develop the hypothesis, the information was collected from various books, journals, websites and research projects. Structured Questionnaire was administered to respondents to get information on consumer perceptions towards cause related marketing: Mediating role of gender and donation size with reference to personal care products in Ahmedabad city was also explored.

Instrument Construction

Five point Likert scale was used, in a structured questionnaire, ranking from "strongly agree" to "strongly disagree".

Measures

The structured questionnaire was developed using the scales given by Sujo Thomas (2015) and Moosmayer and Fuljahn (2013). All factors used for further analysis were reliable with Cronbach's alpha above 0.6. For testing the developed hypotheses, the influence of gender and donation size on the product was analyzed with simple linear regression and independent sample t-test.

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Data Analysis

Respondent Profile

No	Variables	Categories	Frequency (Total-200)	Percentage (Total-100)
1	Gender	Male	100	50.0
		Female	100	50.0
		Total	200	100.0
2	Age (in years)	18-23	71	35.5
		24-29	86	43.0
		30-35	43	21.5
3	Marital Status	Married	104	52.0
		Unmarried	96	48.0
4	Education	No formal education	14	7.0
		Upto higher secondary	9	4.5
		Diploma	12	6.0
		Graduation	102	51.0
		Post graduation and above	63	31.5
5	Occupation	Student	61	30.5
		Home maker	21	10.5
		Self Employed	41	20.5
		Salaried	77	38.5
			200	100.0
6	Annual Income	Below 200000	29	14.5
		200001 - 400000	66	33.0
		400001 - 600000	46	23.0
		600001- 800000	33	16.5
		800001 – 1000000	20	10.0
		1000001 and above	6	3.0
7	Members in Household	1-2	15	7.5
		3-4	130	65.0
		5-6	45	22.5
		More than 6	10	5.0

Reliability Test

Sr. No.	Factors	Cronbach's Alpha Value
1	Donation Size	0.762
2	Perception towards Company and Brand	0.625

Here, Cronbach's alpha value is more than 0.6. So, all data are reliable.

Analysis Based on Simple Linear Regression

(A) Donation Size and Consumer Perception Towards Company (X_1)

ANOVA[a]

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	1.889	1	1.889	13.364	.000[b]
Residual	27.986	198	.141		
Total	29.875	199			

a.   Dependent Variable: Consumer Perception towards company

b.   Predictors: (Constant), Donation Size

Interpretation

1)   Hypothesis for ANOVA Test:

H1: The regression model is significant.

2)   Interpretation of P value of ANOVA Test:

Here Significant value is 0.000 so, the regression model is significant.

Hypothesis:

Ho: Donation Size is not making significant contribution in consumer perceptions towards company with reference to cause related marketing.

H_1: Donation Size is making significant contribution in consumer perceptions towards company with reference to cause related marketing.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Result
		B	Std. Error	Beta			
1	(Constant)	3.207	.307	10.448	.000	H_0	Rejected
	X_1	.257	.070	.251	3.656	.000	

Simple Linear Regression Equation: Consumer Perceptions towards company (CP)Y=3.207+ 0.257 X_1 where X_1 is Donation Size.

Interpretation of the Equation

Here, consumer perception towards company is dependent variable and donation size is independent variable. From the above equation, Donation size (X_1) has positive impact on consumer perception towards company with reference to cause related marketing.

(B) Donation Size and Consumer Perception Towards the Brand (X_2)

ANOVA[a]

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	.553	1	.553	3.815	.052[b]
Residual	28.701	198	.145		
Total	29.254	199			

a.   Dependent Variable: Consumer Perceptions towards brand

b.   Predictors: (Constant), Donation Size

Interpretation

1)   **Hypothesis for ANOVA test:**

H1: The regression model is not significant.

2) **Interpretation of P value of ANOVA test:**

Here, significant value is 0.052. Thus, the regression model is not significant.

Hypothesis for t-test

Ho: Donation Size is not making significant contribution in consumer perception towards brand with reference to cause related marketing.

H_1: Donation Size is making significant contribution in consumer perceptions toward brand with reference to cause related marketing.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Result
		B	Std. Error	Beta			
1	(Constant)	3.768	.311		12.122	.000	H_0 Accepted
	X_2	.139	.071	.137	1.953	.052	

Simple Linear Regression Equation

Consumer Perception towards brand (CP)$Y=3.768+0.139\,X_2$ where X_2 is donation size.

Interpretation of the Equation

Here, consumer perceptions towards brand is dependent variable and donation size is independent factor. From above equation, Donation size (X_2) have a positive impact on Consumer perceptions towards brand with reference to cause related marketing but it is not making significant contribution in consumer perceptions towards brand.

Independent Sample t-test

Hypotheses of the Study

(1) Hypothesis-1:

1. Ho: There is no significant difference in the consumer perception towards company (PC) between males and females.

2. H_1: There is a significant difference in consumer perception towards company (PC) between males and females.

(2) Hypothesis-2:

1. Ho: There is no significant difference in the consumer perception towards brand (PB) between males and females.

2. H_1: There is a significant difference in the consumer perception towards brand (PB) between males and females.

(3) Hypothesis-3:

1. Ho: There is no significant difference in the donation size (DS) between males and females.

2. H_1: There is a significant difference in the donation size (DS) between males and females.

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means		Results
		F	Sig.	t	df	
X_1 (PC)	Equal variances assumed	13.079	.000	-2.861	198	Reject H_0
	Equal variances not assumed	-2.861	171.286			
X_2 (PB)	Equal variances assumed	13.390	.000	-2.658	198	Reject H_0
	Equal variances not assumed			-2.658	180.507	
D_1 (DS)	Equal variances assumed	13.653	.000	-4.512	198	Reject H_0
	Equal variances not assumed			-4.512	174.736	

Here, calculated significance value is .000 which is less than 0.05 so we accept alternative hypothesis and here we can conclude that there is significant difference between males and females in terms of consumer perception towards company as well as consumer perception towards brand and donation size.

Consumer Support to Cause

Statistics

		Education	Health	Environment	Under privilege	Community Service	Safety
N	Valid	200	200	200	200	200	200
	Missing	0	0	0	0	0	0
Mode		1.00	2.00	4.00	6.00	5.00	3.00

Based on the above mode value analysis, we can say that consumers will give priority to support cause as mentioned below:

Cause	Rank (Consumer preference to support cause)
Education	1
Health	2
Safety	3
Environment	4
Community Services	5
Underprivileged	6

Findings

The aim of this study is to find Consumer Perception towards cause related marketing: mediating role of Gender and Donation size with reference to personal care products in Ahmedabad city. Here, we found that consumer's highest preference is to support education and health cause followed by causes related to safety, environment, community services and underprivileged.

From simple linear regression, we found that donation size has a significant contribution in consumer perception towards company. From the Independent sample t-test, it can be concluded that 1) There is a significant difference in the consumer perception towards company between males and females. 2) There is a significant difference in the consumer perception towards brand between males and females. 3) There is a significant difference in the donation size between males and females.

Managerial Implications

The present study suggests the set of implications for marketers and companies. From this study, it can be said that response of gender differs with reference to donation size. Companies should decide the donation size considering the fact that donation size makes significant contribution to improve the consumer perception towards company. Thus, marketers can target higher donation amount for the better results. Managers are required to be careful while drafting cause related marketing campaigns. It allows the customers to choose from different causes and from the findings of the present study we can say that customers are ready to support the cause with higher willingness if cause is associated with education or health.

There is a significant difference in the consumer perception towards company and brand between males and females. So considering the fact that companies and marketers can draft their strategies accordingly and can focus more on social activities, they can also try to create emotional connect. Key contribution of the current study in cause related marketing is the finding that there is mediating role of gender and donation size with reference to consumer perception and a proper focus on the same will be a value creation tool with key organizational success.

Limitations of the Study

The study is limited to specific city and specific sample size. Limited time and cost constraints can also be considered as limitations.

Further Scope

This kind of research study can be conducted in other cities and states. Comparative study between different cities and states can also be undertaken.

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Impact of Financial Incentives of Medical Representatives on Sales Promotion Strategies of Pharmaceutical Companies

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Abstract

Pharmaceutical Industry doesn't promote its products publicly through the means of mass media. It is because of the nature and characteristics of Pharmaceutical products. Nature Sales Promotion is indirect; therefore, entire Promotion Strategies of Industry through Medical Representatives (MRs) revolves around the Physicians. This paper has been prepared with an objective of evaluating the influence of Financial Incentives of Medical Representatives (MRs) on Sales Promotion Strategies. Primary data were collected through a self-designed questionnaire based on Rank Scale. The data were collected from a sample of 275 Medical Representatives. Spearman's Rank Correlation coefficient was used to analyze the data. t-test was also used to authenticate the significance of the results. Results revealed that the Financial Incentives of MRs play a significant role in implementation of Sales Promotion Strategies of Pharmaceutical Companies. For the purpose of business implication, the priorities of implementation of these strategies have been represented in a Model.

Pharmaceutical Firms and their Marketing Strategies

Drug and Healthcare Industry is one of the most essential industries in the world. They make and market medicines which are being used for the treatment of diseases. The Pharmaceutical Marketing is a kind of specialized marketing in which product promotion is different than that of Consumer Market. Physicians (Doctors), Medical Representatives (MRs), Companies, C&F, Stockist and Retailers are the major players. In Pharmaceutical Market, the nature of marketing is indirect; therefore, the nature of Pharmaceutical Product Promotion is also indirect. Unlike the Consumer/FMCG

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market where the commodities are directly booked from the retailers and this way the field staff or the companies comes to know immediately about the quantum of the sale; but in pharmaceutical market, sales come through the retailers (chemists) but end users (patients) do not directly ask for medicines until it is prescribed by a Medical Doctor.

Review of literature

The literature was reviewed in order to know various promotion strategies which have been used by the MRs. Many authors found that Product Samples, Gifts, CME, Sponsorship and Advertisements were among the main strategies followed by MRs. Through the literature survey, it has come to know about different prevailing marketing strategies, their impacts on pharmaceutical companies and the impact of demographic variables of Medical Representatives on these strategies.

Pokharel (2017) shows the effect of promotional tools on pharmaceuticals marketing. The study is based on survey method using marketing field force and their opinion in relation to the promotional tools used in pharmaceuticals marketing. The study shows that doctors detailing is the most effective tools used as promotional tool and has most significant effect on marketing. Use of product sample has also significant effect on marketing subsequent to the doctors detailing. In addition to that, pharmaceuticals marketing has been positively influenced by the corporate presence in different health related activities like CME programs, health camps where multiple promotional effects have been made. CME programs and health camps tools have been more successful in effective marketing especially on specialty products like: anti-diabetics, anti-psychiatric, and cardiac products etc.

Fickweiler et al. (2017) found that Physician–pharmaceutical industry and its sales representatives' interactions and acceptance of gifts from the company's PSRs have been found to affect physicians' prescribing behaviour and are likely to contribute to irrational prescribing of the company's drug. Therefore, intervention in the form of policy implementation and education about the implications of these interactions is needed. The main reason for conducting the research by Meo et al. (2014) was to explore the influence of social surrounding, discount level and buying behavior on sales promotion. They found that buying behavior, free sample, price reduction has a significant relationship with sales promotion.

Gopalkrishnan (2007) demonstrated that sales incentive programs can be very effective in delivering positive results from the standpoint of bottom-line measures. Vancelik et al. (2007) suggested in their study that the promotional and educational courses of

pharmaceutical companies were reported to be influential on their prescribing decisions by GPs. In addition to this, for the majority of the GPs, primary reference sources concerning prescribing was commercial information provided by sales representatives of pharmaceutical companies. All these results indicate a lack of formal continuing medical education and an adequate monitoring of prescribing behaviours provided by public sector.

Chimonas and Kessirer (2009) wrote in their article that everybody likes something free, and free prescription drug samples are no exception. Patients love to receive them, and doctors feel good about handing them out. The practice of providing free drug samples is based on the tacit assumption that "sampling" does much more good than harm. Free samples improve patient care, foster appropriate medication use, and help millions of financially struggling patients. He further said that samples benefit physicians by exposing them to new treatment options.

Concluding on the Promotional and Marketing Strategies, Brett et al. (2003) found that marketing of drugs by the pharmaceutical industry is pervasive and has become a part of everyday life for most physicians. Virtually all medical journals include advertisements for drugs; pharmaceutical companies provide physicians with information about new products. He observed that many pharmaceutical marketing strategies are far more personal. They include the provision of gifts to physicians, sponsorship of educational and social activities for physicians, and cultivation of relationships between company representatives and physicians.

Katz et al. (2003), in their article, while discussing about gifts and the resulting behaviour, marked that in the business world, gifts are a valuable, time honored marketing tool because they keep doors of communication open between cooperating parties. Gift exchange underlies the human tendency to engage in networks of obligation. When a gift or gesture of any size is bestowed, it imposes on the recipient a sense of indebtedness. The obligation to directly reciprocate, whether or not the recipient is conscious of it, tends to influence behavior. They discussed that the benefits of promoting goodwill between physicians and the pharmaceutical industry cannot be discounted, the main objective of Drug Company gift-giving is to create relationships and interests on the part of recipient physicians that conflict with their primary obligation to act in the best interest of their patients.

Reinforcing sampling as a dominant technique of sales promotion strategies, Cutrona et al. (2008) concluded that free prescription drug samples are used widely in the United States. The retail value of drug samples distributed in the United States totaled

more than \$4.9 billion in 1996 and climbed to over \$16.4 billion in 2004. They also confirmed with the help of various studies that free samples may influence the prescribing behavior of physicians and many physicians believe that samples allow them to give free medications to their neediest patients.

A Report on "Financial Relationships with Industry in Continuing Medical Education" presented by McMahon (2013) in the Council on Ethical and Judicial Affairs examined the specific context of continuing medical education (CME) funded by the pharmaceutical companies. It has been observed from the report that CME has been an inevitable technique of sales promotion of pharmaceutical Industry. Discussing about heavy investment made for pharmaceutical product promotion, Smith (2008) wrote in his paper that pharmaceutical companies have ramped up direct-to-consumer (DTC) television and web advertising. In 2004, the pharmaceutical industry spent over \$11 billion in pharmaceutical marketing, excluding medication samples (another \$7 billion) directed at clinicians. These findings proved the weightage of sales promotion techniques in pharmaceutical Market.

Janodia and Udupa (2007) studied that marketing and advertising of pharmaceutical products to healthcare prescribers for prescription only products and to the consumers for over the counter medications had been one of the ethical issues and is a challenge to pharmaceutical companies. Various measures have been taken by certain regulatory agencies across the world to effectively control and curb the misleading or false claims related to pharmaceutical products through strict regulations or with stringent regulatory standards that scrutinize all the advertisements for pharmaceuticals, targeted to doctors or consumers directly.

Answering "How web supported promotion could reshape sales activity", Bernewitz (2001) reinforced that drug promotion through sales representatives has remained the main technique of sales promotion strategies of pharmaceutical companies. Emphasizing on importance, he found that Face-to-face promotion, or product detailing in "pharma-speak", is the dominant promotion tool for pharmaceutical, medical equipment and biotechnology companies, often making up 60-70 percent of their total promotional budget. In the US alone, pharmaceutical companies spend more than \$ 10 billion on field force promotion.

Reinforcing the Relationship marketing Strategy, Wright et al. (2004) concluded that relationship marketing strategy is one of the primary drivers of sales in the pharmaceutical industry. Consequently, it is important to determine how physicians perceive pharmaceutical sales representatives. The purpose of their research is the

development of a theoretical model illustrating the formation of physicians' perceptions of pharmaceutical sales representatives especially in three areas of interest:

(1) Physicians' perception of the corporation for which the representative works;

(2) Physicians' perception of the pharmaceutical sales representative's values; and

(3) Physicians' perception of the personal characteristics of the pharmaceutical sales representative.

Kothari et al. (2010) concluded their study by suggesting that there should be continuous patient level activity by sales force at least once in a month. It would help sales force to make better and stronger relationship with physicians. The activity would help them for sales of overall product mix. They also recommended that there should be a campaign to differentiate product from old products that would help to make a brand image of product itself. With patient level activity there should be strong back-up of reasonable and ethical promotion.

A study by Clarka et al. (2011), conducted to know the effects of relationship marketing practices on the quality of relationship between the physician and the pharmaceutical sales representative (PSR), found that it is a topic of interest for pharmaceutical marketers and academics. The main focus of their research study is to understand the impact of relationship building activities by pharmaceutical firms in their effort to influence the decision making process of physicians. Specifically, this study was concerned with the relationships between relationship marketing concepts, such as relationship benefits, relationship investment, PSR expertise, and relational dependence, and relationship quality. A survey was administered to a physician sample, comprised of both PCPs and specialists. The results confirmed that relationship benefits, relationship investment, PSR expertise, and relational dependence are all important factors when building high quality relationships between PSRs and physicians.

Rationale of the Study

In the Pharmaceutical market, sales are generated mainly through the efforts of MRs. Therefore, the influence of demographic characteristics of MRs in the generation of sales of pharmaceutical products is of vital importance. Among these characteristics, Financial Incentives (FI) is the most important characteristic. Influence of Financial Incentives of MRs on generation of business is very vital to achieving sales. Financial Incentives of MRs plays a significant role in implementation of companies' promotion strategies.

A pilot study revealed that hundreds of promotion strategies are prevailing in the market. Almost all companies make use of them. Reader will agree that Financial Incentives of MRs is a significant motivational factor. All companies comprise of MRs, maximum of them are receiving varying Financial Incentives; therefore, they are at a different state of motivation due to which they start developing their own path of implementing the strategies; which may differ from the companies' desires. This creates deviations and companies may not get results as expected.

In this paper an effort has been made to explore the Impact of Financial Incentives of Medical Representatives on Sales Promotion Strategies of Pharmaceutical Companies so that companies may get desired results.

Objective of the Study

The main objective is to study the Impact of Financial Incentives of Medical Representatives on Sales Promotion Strategies.

Research Method

The Study: The study was exploratory in nature.

Sampling Unit: The present study was undertaken at Ujjain City in the state of M.P. Sampling Unit was the Medical Representatives (MRs) of Pharmaceutical Companies.

Sampling Technique: Non Probability purposive sampling technique was used to collect data from individual respondent of different Pharmaceutical Companies.

Sample Size: The total sample size was 275 Medical Representatives (MRs) of different

Pharmaceutical Companies who were getting varying Financial Incentives.

Tools for Data Collection: The data for the study was collected through a well-structured, self-designed questionnaire. The questionnaire consisted of two parts A and B. Part-A consists of demographic variables like Age, Qualification, Experience and Financial Incentives of MRs. The Part-B consisted of statements regarding the Sales Promotion Strategies of Medical Representatives (MRs) of Pharmaceutical Companies. This Part-B consisted of forty statements related to Pharmaceutical Sales Promotion Strategies. These Statements grouped under five major Strategies like Sales Promotion, Personal Selling (MRs specific), Public Relations related, Publicity and Advertisement related Promotional Strategies have revealed that almost all kinds of promotional strategies used in the Pharmaceutical Market.

Each of the major strategies consists of eight statements. *Ranking Scale was used in the questionnaire.* All respondents were asked to rank their choices ranging from 1 to 8 for each major strategy, where 1 stands for topmost rank, 2 for next top rank,………, and 8 stands for the lowest rank.

Validity and Reliability Assessment of the Questionnaire: Initially, the questionnaire, immediately after the design, was submitted to 40 MRs to determine whether the questions were clear, understandable, and in a logical order (Face validity). Moreover, the same MRs, 10 Industry Experts who had long experience of working in Pharmaceutical Industry (working in the capacity of Regional Managers) and 5 experts of Management were asked to criticize the content of the questionnaire (Content validity). More specifically, they were asked to express their views on whether they consider these main strategies and sub strategies of each, be representative of the Sales Promotion Strategies or if some additional statements need to be added. The Criterion validity of the questionnaire was not checked, as the gold standard tool for assessment of the Sales Promotion Strategies has not been proposed yet.

Regarding face and content validity both MRs and experts reported that the statements were clear, easy to understand, in a logical order, and totally representative of the needs of the Product Promotion Strategies.

Questionnaire was reliable too as it produced the same results when administered again and again. Therefore, the questionnaire is a valid and reliable measurement instrument for assessment of Sales Promotion Strategies.

Tools for Analysis: Present study is based on establishing a correlation between different sets of independent (varying levels of Financial Incentives) and dependent (strategies) variables. Since rank scale is used in the questionnaire, Spearman's Rank Correlation Coefficient"r" was used to analyze the data, which is worked out as under:

(i)   Spearman's "r" $= 1 - \{6\sum d^2 / n(n^2 - 1)\}$

where n= number of paired observations Computed value of "r" was compared with tabulated value of "r" for degree of freedom {n=8 (number of paired observations)}. If computed value of "r" was less than the tabulated value of "r", null hypotheses were accepted else rejected.

In order to know the significance of correlation so calculated t-test was applied at 5% level of significance as under:

(ii) $t = r * \sqrt{[(n-2)/(1-r^2)]}$
        with (n-2) degree of freedom

Computed value of "t-statistics" was compared with tabulated value of "t-statistics" for 6 degrees of freedom {(n-2) = 6, where n=8 (number of paired observations)}. If computed value of "t" was less than the tabulated value of "t", null hypotheses were accepted or else rejected.

Hypotheses of the Study

Five major Strategies were identified in accordance with the study which formed the bases of the hypotheses as under:.

$H_0$1. There is no correlation in the perception of MRs of varying Financial Incentive Groups with respect to the Sales Promotion related Strategies

$H_0$2. There is no correlation in the perception of MRs of varying Financial Incentive Groups with respect to the Personal Selling (MR specific) Promotional Strategies

$H_0$3. There is no correlation in the perception of MRs of varying Financial Incentive Groups with respect to the Public Relations related Promotional Strategies

$H_0$4. There is no correlation in the perception of MRs of varying Financial Incentive Groups with respect to the Publicity related Promotional Strategies

$H_0$5. There is no correlation in the perception of MRs of varying Financial Incentive Groups with respect to the Advertisement related Promotional Strategies. Therefore, several sub hypotheses were formulated and put at test later on.

Analysis and Findings

Classification of Financial Incentives: The collected data comprised of MRs receiving varying Financial Incentives. In order to perform brisk analysis, their Financial Incentives were classified (Table 1) as under:

Table 1: Varying Sets of Financial Incentives of Respondents

Distribution of Respondents	Financial Incentives (FI) Group Code	Frequency	Percent
Financial Incentives up to Rs.2,000/- PM	**FI Group 1**	87	31.6
Financial Incentives b/w Rs.2,000/- to 4,000/-PM	**FI Group 2**	100	36.4
Financial Incentives > Rs.4,000/- PM	**FI Group 3**	88	32
Total		**275**	**100**

Financial Incentive-wise Analysis and Discussion

Data were analyzed in two steps:

(1)   Rankings were computed as a first step, i.e., average of rankings has been taken which were given by all MRs receiving varying Financial Incentives. They have ranked sub-strategies in the range of rank #1 to rank #8 for each of five broad categories of Sales Promotion Strategies. (Table 2 shows the average rankings of all 275 MRs receiving varying Financial Incentives).

Table 2: Financial Incentive-wise Ranking of Sales Promotion Strategies

Strategies	Sl. No.	Sub-strategies	FI Group 1	FI Group 2	FI Group 3
Sales Promotion related Promotion Strategies	1	Booking of Products from Doctors	3	6	5
	2	Gifts to Doctors	2	1	4
	3	Product Sampling	4	2	1
	4	Short Reminders through Rose Buds/ Reminder Cards	1	3	3
	5	Sponsorships to Doctors for Attending Medical Conferences/Symposia	5	4	2
	6	Sponsorships to Doctors for Recreation Tours/ Personal Tours	6	5	7
	7	Trade Discount, Offers and Schemes to Distributors / Chemists	7	7	6
	8	Trade Schemes on Booking to Doctors	8	8	8

Personal Selling (MRs specific) Promotion Strategies	1	Communication Skills	1	1	1
	2	Dressing Sense	5	5	5
	3	Incentive Plans for MRs	6	7	6
	4	Motivation Level of MRs	7	8	8
	5	Product Detailing.	3	4	4
	6	Regular Visits to Doctor	2	3	2
	7	Self Confidence	4	2	3
	8	Training and Development Programme of Company	8	6	7

Public Relations related Promotion Strategies	1	Arranging Health Care Camps etc. with the Doctors	1	1	1
	2	Celebration of Birthdays/ Anniversaries of Doctors and their Relatives	2	3	4
	3	Distribution (Stockiest) Network of the Company	3	4	6
	4	Providing Funds for Personal Needs of the Doctors	6	7	7
	5	Providing Medical Books and Medical Equipments to Doctors	4	2	2
	6	Providing Medical Journals and Medical Literatures to Doctors	5	5	3
	7	Special Promotion at Chemist Level (also applicable for OTC Products)	8	8	8
	8	Sponsorships to arrange for Local Conferences/ Meetings/Forum etc	7	6	5

Publicity related Promotion Strategies	1	Trendsetter Doctors' Help to Promote the Products	3	4	3
	2	Arranging Continuous Medical Education (CME) Programme	1	1	1
	3	Providing Free Medicines and Diagnosis to Patients through Camps	2	2	2
	4	Research and Development activities of the Company	4	3	4
	5	Reputation and Level of Sales Volume (Size) of the Company	7	6	6
	6	Coverage (Geographic Coverage) of the Company	5	5	5
	7	Contribution of the Company to the Society	6	7	7
	8	Promoting through Stalls at Conferences/ Symposia etc.	8	8	8
Advertisement related Promotion Strategies	1	Advertisement through Print Media	2	2	2
	2	Advertisement through Electronic Media	4	3	4
	3	Advertisement through e-mail	5	6	6
	4	Advertisement through Social Media	6	4	5
	5	Advertisement through Hoardings	8	8	8
	6	Advertisement through Medical Journals	1	1	1
	7	Advertisement through Magazines	3	5	3
	8	Advertisement through Displays and Wall Paintings etc.	7	7	7

Source: Primary data

(2)   Data analysis has been processed through statistical procedure (using Spearman's Correlation Coefficient "r" along with t-test) covering demographic (varying level of Financial Incentives) variables. (Table 3 shows the status of hypotheses and Table 4 can be referred to know the value of "r" and "t-test" between various sets of Financial Incentive groups).

Table 3: Analysis and Result of Data

Strategies	Null Hypotheses	Value of Spearman's "r"	Value of t-test	Status of Null Hypotheses
Sales Promotion Strategies	$H_0 1.1$	0.7619	2.8814	Rejected
	$H_0 1.2$	0.7619	2.8814	Rejected
	$H_0 1.3$	0.6191	1.9311	Accepted
Personal Selling Strategies	$H_0 2.1$	0.8571	4.0754	Rejected
	$H_0 2.2$	0.9524	7.6526	Rejected
	$H_0 2.3$	0.9524	7.6526	Rejected
Public Relations Strategies	$H_0 3.1$	0.9048	5.2046	Rejected
	$H_0 3.2$	0.881	4.5612	Rejected
	$H_0 3.3$	0.6905	2.3353	Accepted
Publicity related Strategies	$H_0 4.1$	0.9524	7.6526	Rejected
	$H_0 4.2$	0.9762	11.0258	Rejected
	$H_0 4.3$	0.9762	11.0258	Rejected
Advertising Strategies	$H_0 5.1$	0.881	4.5612	Rejected
	$H_0 5.2$	0.9286	6.1296	Rejected
	$H_0 5.3$	0.9762	11.0258	Rejected

Source: Primary data

1.   Sales Promotion Related Promotion Strategies

(A)   Table 2 shows Average Ranking of Sales Promotion related Strategies by different Financial Incentive Groups.

(B)   Null hypotheses with respect to Sales Promotion related Promotion Strategies were as under:

$H_0$1.1: There is no correlation in the perception of MRs of FI Group 1 and 2 with respect to Sales Promotion Strategies.

$H_0$1.2: There is no correlation in the perception of MRs of FI Group 2 and 3 with respect to Sales Promotion Strategies.

$H_0$1.3: There is no correlation in the perception of MRs of FI Group 1 and 3 with respect to Sales Promotion Strategies.

(C)   Discussion: Table 3 shows that hypotheses H01.1 and H01.2 were rejected because calculated values of Spearman's "r" and "t-test" exceed their critical values which are 0.7147 and 2.447, respectively. This implies that opinions regarding the Sales Promotion Strategies of MRs between these FI groups were correlated. This fact can be understood through an interpretation that almost all FI groups 1, 2 and 3 have given the same rank especially to item number 7 and 8, where they have shown almost a perfect agreement. Rankings to other items like Booking of Products from Doctors, Gifts to Doctors, Product Sampling, Short Reminders through Rose Buds/ Reminder Cards, Sponsorships to Doctors for Attending Medical Conferences/ Symposia, Sponsorships to Doctors for Recreation Tours/ Personal Tours were not much distant.

$H_0$1.3 *was accepted.* This indicates that the perception of MRs of FI group 1 and 3 towards the Sales Promotion Strategies is different or not correlated which is cleared by the values of Spearman's "r" (0.6191), which is lower than the Critical value (0.7147) and t-test (1.9311) is lower than the Critical value of t-test (2.447). Hence, it can be interpreted that MRs of both the FI groups have perceived different standards in ranking the items of this particular strategy. The difference in the Financial Incentives of both the groups might be the reason because group 3 consists of MRs receiving higher incentives (FI > 4, 000/- pm) while group 1 consists of MRs receiving comparatively lower incentives (FI <= 2,000/- pm).

Differences in the perception of MRs can also be explained by the ranks given by both the groups, e.g. Group 1 has given first rank to "Short Reminders through Rose Buds/ Reminder Cards" while group 3 has given it 3rd rank, similarly Group 3 has given first rank to "Product Sampling" while 1 has given it 4th rank (just opposite in deciding rankings). It can be interpreted that the difference in the perception of MRs regarding the items

of Sales Promotion Strategy with respect to the Financial Incentives of MRs can be best interpreted through the "Maslow's Hierarchy of Needs" Theory of Motivation (Robbins, 2005).

MRs of FI group 1 are primarily in quest of getting regular basic salary and job security etc. [these attributes are associated with "Physiological needs and Safety needs" (first two stages of theory)] that is why they don't want to do any experiment and straightly follow the guidelines of the companies. Therefore, they prioritise the strategic implementation as per companies' policies and ranked the items of Sales Promotion Strategies accordingly like 'Short Reminders through Rose Buds/ Reminder Cards' as 1, 'Gifts to Doctors' as 2, 'Booking of Products from Doctors' as 3, 'Product Sampling' as 4.

While MRs of FI group 3 surpassed the first two stages, i.e. "Physiological needs" and "safety needs" of "Maslow's Hierarchy of Needs" and entered the third stage, i.e. "Belongingness needs" and now they are in the influence of 'Work groups', 'supervisors', 'stockists', 'Retailers' and other 'Co-workers'. One can observe this effect through their ranking to the items of Sales Promotion Strategies as they ranked 'Short Reminders through Rose Buds/ Reminder Cards' as 3, 'Gifts to Doctors' as 4, 'Booking of Products from Doctors' as 5, 'Product Sampling' as 1. Therefore, it can be interpreted that strategic implementation of MRs of FI group 1 are affected by the "Physiological needs and Safety needs" while MRs of FI group 3 are affected mainly by "Belongingness needs."

2.   Personal Selling (MR Specific) Promotion Strategies

(A)   Table 2 about here shows the Average Ranking of Personal Selling (MR specific) Promotion Strategies by different FI groups.

(B)   Null Hypotheses with respect to Personal Selling (MR specific) Promotion Strategies were as under:

$H_0$2.1: There is no correlation in the perception of MRs of FI Group 1 and 2 with respect to Personal Selling (MR specific) Promotion Strategies.

$H_0$2.2: There is no correlation in the perception of MRs of FI Group 2 and 3 with respect to Personal Selling (MR specific) Promotion Strategies.

$H_0$2.3: There is no correlation in the perception of MRs of FI Group 1 and 3 with respect to Personal Selling (MR specific) Promotion Strategies.

(C)   Discussion: Table 3 above shows that hypotheses H02.1, H02.2 and H02.3 were rejected because calculated values of Spearman's "r" and "t-test" exceed their critical values which are 0.7147 and 2.447, respectively. This implies that opinions regarding the Personal Selling (MR specific**)** Promotion Strategies of MRs between these FI groups have been the same or correlated.

This fact can be understood through an interpretation that almost all FI groups 1, 2 and 3 have given top rank to the item number 1 i.e. "Communication Skills" and to item number 7 and 8, where they have shown almost a perfect agreement. Ranking patterns describe that items associated to personal selling factors are ranked almost in similar trend and the fluctuation is a matter of chance. Thus, Implementation of Personal Selling (MR specific) Promotion Strategies are correlated irrespective of Financial Incentives.

3.   Public Relations Related Promotional Strategies

(A)   Table 2 above shows Average Ranking of Public Relations related Promotion Strategies by different FI groups.

(B)   Null Hypotheses with respect to Public Relations related Promotion Strategies were as under:

$H_0$3.1: There is no correlation between MRs of FI Group 1 and 2 with respect to Public Relation related Promotion Strategies.

$H_0$3.2: There is no correlation between MRs of FI Group 2 and 3 with respect to Public Relation related Promotion Strategies.

$H_0$3.3: There is no correlation between MRs of FI Group 1 and 3 with respect to Public Relation related Promotion Strategies.

(C)   Discussion: Table 3 above shows that hypotheses H03.1 and H03.2 were rejected because calculated values of Spearman's "r" and "t-test" exceed their critical values which are 0.7147 and 2.447, respectively. This implies that perception regarding the Public Relation related Promotion Strategies of MRs between these FI groups have been the same and correlated. Rankings to items like 'Celebration of Birthdays/Anniversaries of Doctors and their Relatives', 'Distribution (Stockiest) Network of the Company', 'Providing Funds for Personal Needs of the Doctors', 'Providing Medical

Books and Medical Equipments to Doctors', 'Sponsorships to arrange for Local Conferences/Meetings/Forum etc.' were not much distant.

$H_0$3.3 *was accepted.* This indicates that the opinions of MRs of FI group 1 and 3 towards these Strategies were not correlated because the value of Spearman's "r" (0.6905), which is lower than the Critical value (0.7147) and t-test (2.3383) which is also lower than the Critical value of t-test (2.447). This implies that the MRs of both the FI groups have perceived different standards in ranking the items of this particular strategy. The difference in the Financial Incentives of both the groups might be the reason because group 3 consists of MRs receiving higher incentives (FI > 4, 000/- pm) while group 1 consists of MRs receiving comparatively lower incentives (FI <= 2,000/- pm).

The differences in perception or ranking can be again interpreted through the initial stages like "Physiological needs, Safety needs and Belongingness needs" of "Maslow's Hierarchy of Needs" Theory of Motivation (Robins, 2005) in which MRs of FI group 1 belong to first two stages which are associated with regular base salary and job security etc., whereas MRs of FI group 3 belong to third stage which is associated with the influence of 'Work groups', 'Supervisors', 'Stockists', 'Retailers' and other 'Co-workers'. This is the reason that the said two groups are not correlated in their perception.

4. Publicity Related Promotional Strategies

(A)   Table 2 above shows the Average Ranking of Publicity related Promotion Strategies by different FI groups.

(B)   Null Hypotheses with respect to Publicity related Promotion strategies were as under:

$H_0$4.1: There is no correlation between MRs of FI Group 1 and 2 with respect to Publicity related Promotion Strategies.

$H_0$4.2: There is no correlation between MRs of FI Group 2 and 3 with respect to Publicity related Promotion Strategies.

$H_0$4.3: There is no correlation between MRs of FI Group 1 and 3 with respect to Publicity related Promotion Strategies.

(C)   Discussion: Table 3 above shows that hypotheses H04.1, H04.2 and H04.3 were rejected because calculated values of Spearman's "r" and "t-test" exceed their critical values which are 0.7147 and 2.447, respectively. This

implies that opinions regarding the Publicity related Promotion Strategies of MRs between these FI groups have been the same and correlated. This fact can be interpreted as almost all FI groups 1, 2 and 3 have given first and second rank to the item number 2 and 4, i.e. "Arranging Continuous Medical Education (CME) Programme" and "Providing Free Medicines and Diagnosis to Patients through Camps" where they have shown almost a perfect agreement.

5. **Advertisement Related Promotional Strategies**

    (A) Table 2 above shows the Average Ranking of Advertisement related Promotion Strategies by different FI groups.

    (B) Null Hypotheses with respect to Advertisement related Promotion strategies were as under:

    $H_0$5.1: There is no correlation between MRs of FI Group 1 and 2 with respect to Advertisement related Promotion Strategies.

    $H_0$5.2: There is no correlation between MRs of FI Group 2 and 3 with respect to Advertisement related Promotion Strategies.

    $H_0$5.3: There is no correlation between MRs of FI Group 1 and 3 with respect to Advertisement related Promotion Strategies.

    (C) **Discussion:** Table 3 above shows that hypotheses H05.1, H05.2 and H05.3 were rejected which means that the perceptions of MRs of all FI groups were correlated with respect to Advertisement related Promotional Strategies.

This implies that MRs of these FI groups have applied probably the same standard in ranking their perception regarding the Advertisement related Promotional Strategies. This fact clarifies that MRs give due importance and weightage to these items irrespective of their FI. It can also be interpreted that perception of MRs regarding the implementation of items of Advertisement related Promotional Strategies are correlated and financial factor has less impact on strategies.

Though the "Advertisements" are not much preferred way of promoting the pharmaceutical products and its share in overall promotion activities are lesser than any other mode in all respect but promotion through this mode is also used up to permissible extent. It is due to the fact that pharmaceutical product promotion is not meant for mass promotion. These products are sold in the

market after recommendation of physicians only. That's why advertisements are limited to Medical Journals, Magazines and other similar kinds of advertisement tools. MRs under study had given preference only for these tools.

Conclusion of the Study

After discussion over analysis, it has been found that the Financial Incentives of MRs have significant impact on formulation and implementation of companies' strategies. For ease and convenience of reader, a MODEL (refer Table-5) has been put forwarded. This MODEL reveals the two most sought-after sub-strategies to be implemented by the MRs receiving varying Financial Incentives with respect to five broad level strategies. This MODEL basically provides ready-made guidelines to the companies regarding the assignment of strategies to the MRs for implementation as per their interest (which is dependent on varying Financial Incentives).

It has been further concluded that Medical Representatives have been using varied Sales Promtion Strategies. Pokharel (2017) showed that doctor's detailing is the most effective tool used as a promotional tool and has most significant effect on marketing. Use of product sample has also significant effect on marketing subsequent to the doctor's detailing. In addition to that, CME programs, health camps were also used as promotional tools. Meo et al. (2014) found that buying behavior, free sample, price reduction has a significant relationship with sales promotion. Gopalkrishnan (2007) demonstrated that sales incentive programs can be very effective in delivering positive results from the standpoint of bottom-line measures. Katz et al. (2003) marked that in the business world, gifts are a valuable, time honoured marketing tool because they keep doors of communication open between the cooperating parties.

Implications for Business

Financial Incentives have been proved to be a great motivating factor which contributes significantly in promotion and implementation of strategies by the MRs. The proposed MODEL has following implications for the pharmaceutical industry:

● It can be concluded that Financial Incentives of MRs play an important role in prioritizing the selection and implementation of Sales promotion strategies. Financial Incentive is a kind of strong stimulus that triggers MRs to take up and implement strategies differently.

● Pharmaceutical market is distributed in various zones, regions and areas for almost each company. Therefore, it is suggested that MRs of each zone, region or area of every pharmaceutical company should be segregated in appropriate Incentive Mix.

- Formulation of Incentive Mix and assignments of strategies to this Mix can be done conveniently at each zone, region or area instead of company as a whole. This task can be done in their Cyclic/Review meetings because of easy identification of incentives of MRs.

- Intrinsic liking for various strategies is discovered and filtered. The specific Incentive group of MRs can now be assigned with specific strategies.

- It saves money, energy and time of both companies and MRs; companies' in terms of strategy formulation and MRs' in terms of implementation.

- Reduces chances of overburden of assignments to the MRs, which in turn, proves helpful in increasing the efficiency of MRs.

- Fruitful results can be arrived at effectively.

Limitations of the Study

Respondents were limited to geographical region of Ujjain Division. There are chances for some deviations in generalized interpretation.

- Sample size of 275 has been treated as a large sample for the purpose of statistical analysis.

- Some deviations might may be there in the collected data due to the mental state of the respondents while filling up the questionnaire, though adequate measures to minimize the bias were undertaken.

- Researchers had tried their best to incorporate as many promotion elements as possible but there are chances that a few elements which might be playing good role in sales Promotion Strategies were missed out.

Scope for Further Research

1. This study has much scope for future research. Some research can be done in more comprehensive way to generalize the results. The area of study can be extended and number of respondents can also be increased to arrive at a more realistic conclusion regarding the Sales promotion strategies.

2. Present study focused on the ethical promotion of Pharmaceutical products through Medical Representatives. Pharmaceutical Industry has some more segments like OTC, Generic segments etc. A few studies related to manufacturing, quality, distribution, marketing and promotion of these variables can be taken up.

3. Social, cultural and family factors are such independent variables which can affect companies differently. If some research studies can be done taking these independent variables one by one, more concrete results can be arrived at.

4. Perception of female elements was not investigated in this study; therefore, some researches comprising the female respondents can be conducted.

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Appendices

Table 4: Spearman's Rank Correlation Coefficient "r" for various set of Financial Incentives & Strategies

S.N.	Strategies	inc1 to inc2	inc2 to inc3	inc1 to inc3
1	Sales Promotion Related Strategies	0.7619	0.7619	0.6191
2	Personal Selling (MRs specific) Promotional Strategies	0.8571	0.9524	0.9524
3	Public Relation related Promotional Strategies	0.9048	0.8810	0.6905
4	Publicity related Promotional Strategies	0.9524	0.9762	0.9762
5	Advertising related Promotional Strategies	0.8810	0.9286	0.9762

"t-statistics" for various set of Financial Incentives

S.N.	Strategies	inc1 to inc2	inc2 to inc3	inc1 to inc3
1	Sales Promotion Related Strategies	2.8814	2.8814	1.9311
2	Personal Selling (MRs specific) Promotional Strategies	4.0754	7.6526	7.6526
3	Public Relation related Promotional Strategies	5.2046	4.5612	2.3383
4	Publicity related Promotional Strategies	7.6526	11.0258	11.0258
5	Advertising related Promotional Strategies	4.5612	6.1296	11.0258

Table No. 5
Suggested Model for Selection of 'Product Promotion Strategies' for Pharmaceutical Industry

Finacial Incentives (FI) Group(in Rs./-)	Preference	Strategies				
		Sales Promotion	Personal Selling	Public Relation	Publicity	Advertisements
FI Group 1 (FI up to Rs.2,000/- PM)	First	Short Reminders through Rose Buds/ Reminder Cards	Communication Skills	Arranging Health Care Camps etc with the Doctors	Arranging Continuous Medical Education (CME) Programme	Advertisement through Medical Journals
	Second	Gifts to Doctors	Regular Visits to Doctor	Celebration of Birthdays/Anniversaries of Doctors and their Relatives	Providing Free Medicines and Diagnosis to Patients through Camps	Advertisement through Print Media
FI Group 2 (FI b/w Rs.2,000/- to 4,000/-PM)	First	Gifts to Doctors	Communication Skills	Arranging Health Care Camps etc with the Doctors	Arranging Continuous Medical Education (CME) Programme	Advertisement through Medical Journals,
	Second	Product Sampling	Self Confidence	Providing Medical Books and Medical Equipments to Doctors	Providing Free Medicines and Diagnosis to Patients through Camps	Advertisement through Print Media
FI Group 3 (FI > Rs.4,000/- PM)	First	Product Sampling	Communication Skills	Arranging Health Care Camps etc with the Doctors	Arranging Continuous Medical Education (CME) Programme	Advertisement through Medical Journals
	Second	Sponsorships to Doctors for Attending Medical Conferences/	Regular Visits to Doctor	Providing Medical Books and Medical Equipments to Doctors	Providing Free Medicines and Diagnosis to Patients through Campus	Advertisement through Print Media

Brand Image of Mobile Handsets: A Comparative Study of Western and Oriental Brands

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Abstract

In this modern world, customer is surrounded with multiple electronic gadgets, one of the most important one being a mobile handset. This magical innovation has been widely accepted by males and females. Moreover, it has penetrated deep in all social class, economic groups and geographical regions in India. Today, an average Indian cannot think of living without a mobile handset. The mobile handset market has gone through a drastic transformation in last decade with the entry of smart handsets. This paper critically reviews customer perception on different mobile handset attributes and summarises them into three distinct groups for two leading brands Nokia and Samsung. The paper also summarises customer preferences for one brand over other brand and provides an insight to all the stake holders like customers, mobile handset manufacturing companies and researchers. This paper also provides a framework for inter-brand comparison and evaluation for mobile handset. The attributes listed in this study can also be used for development of a scale and for comparison of similar electronic products.

Introduction

Branding is an integral part of any marketing activity. Products may see a decline but brands are immortal and are intangible assets for any organisation. Branding though looks a simple activity but in practice, it is one of the complex activities which are undertaken by an organisation. Successful branding can increase the value of an organisation but a failure in branding may result in downfall of organisation and, thus, branding needs to be carefully planned and executed. Brand image is a subset of brand building exercise and a carefully planned and projected brand image can help

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in success. Brand image is often viewed as a complex phenomenon which is influenced by large number of factors.

Brand image building needs to be looked upon from organisation as well as customer perspective (Bickerton, 2000). An early attempt on the systematic study on image formation was undertaken by Bardin (1962) which resulted in seven principles for image formation. He proposed that customers are not rational and image formation is a combined process of knowledge and feelings. In addition to knowledge and feelings, some unconscious drivers also contribute in image formation. The response of individuals is with reference to their self-image and congruence with the prevailing social norms. People rarely deviate from these social norms. In this process, some inbuilt reference points also play an important role. Thus, all the three factors: self-image, social norms and an inbuilt reference point help in initial image formation in the mind of customer.

People are always surrounded by friends, relatives and colleagues who constitute their reference groups. Every reference group has a particular image for a product or service which is the result of a collective process. An image collectively formed by the group generally remains in the mind of a customer and he/she is influenced by it. So, the response of a customer to image formation is generally in accordance to the group norms and it is difficult to bring any change in the image. So, the process of new image formation requires stimulation and participation from a large number of customers. In case an image is unclear, individuals undertake additional search, which may either clarify the image or distort it (Bardin, 1962). In today's electronic world, customer generally carries out search on some electronic platforms. Thus, a clarity in communication on electronic platforms is essential in positive image formation. The success of brand image building activity depends on the development of a favourable image in large number of customer groups.

The first step in brand image building is to select an appropriate brand name. The brand name carries a symbolic meaning and helps customers in decision making process (Herbig and ilewich, 1997, 1995). A relevant brand name coupled with positive reputation of an organization is generally looked by the customers as a mark of quality. So, a good brand name need to match with the product attributes, stimulate the customer and develop a favourable association (Koll and Wallpach, 2009). The brand image also needs to be consistent (Kohli and Thakor, 1997), so that it could help customers in decision making process (Herbig and Milewich, 1997, 1995).

Brand image is influenced by multiple factors like country of origin and culture (Lee et al., 2008; Essoussi and Merunka, 2007; Koubaa, 2007; Souiden et al., 2006; Paswan and Sharma, 2004; Hui and Zhou, 2003; Lee and Ganesh 1999). Many brands are now designed and developed in one country, and are manufactured in other countries. These brands can be called as multi-national brands. This trend is now visible in India (e.g., Mercedes cars are designed in Germany and manufactured in India). Customers link the quality of a product with country of design as well as country of manufacturing. Thus, the country of design and the country of manufacturing, both, significantly influence the brand image. Developed countries are seen very positively by customers for some products, like Germany (for Cars) or Japan (for TV) as compared to moderately developed countries like Italy or Taiwan (Essoussi and Merunka, 2007). Thus, customers are able to associate a country distinctly with a particular product group for quality and the country of origin does have a positive impact on brand image.

In addition to familiarity of the brand or product, familiarity with country of origin also influences brand image. When a brand has positive general image, then its image is seen positively by the customers even if it is manufactured in some other country. At the same time, if a country has positive image in the minds of customers, then customers view a brand positively if it is made in that country. The image of a multi-national brand is related to both, the image of the product as well as the image of the country (Lee et al., 2008). Brand image can also be viewed as a multi-dimensional phenomenon with an impact of the country of origin, and it may differ across product categories (Koubaa, 2007).

Customer knowledge about a country also influences the country of origin image and image of brands originating from that country. In the context of globalisation, many persons travel to different countries for business as well as personal leisure, resulting in increasing knowledge of customers about various countries. This increased and accurate knowledge about a country is influencing the image of brands originating from that country (Paswan and Sharma, 2004). Some brands are well-known, whereas other brands are less known. Many well-known brands manufacture their products in some other country for cost advantage. An incongruence between brand image and country of manufacture image may negatively affect the overall brand image of a well-established high equity brand (Hui and Zhou, 2003). A positive country of origin image is seen to enhance image of a weak brand, whereas image of a strong brand gets diluted when it originates from a country with weaker country of origin image (Ahmed et al., 2001; Hui and Zhou, 2003).

Some countries do have a favourable image in customer's mind due to past associations. This prevailing positive country image is often explored by companies from these countries in marketing their products. However, an increase in global trade has given rise to a newer phenomenon when customers use products from a less known country. A sustained and long term use of a product develops a country image in the mind of customers even if they have not visited that country. In case a product meets customer expectations, a favourable product image is formed and vice versa. This image is then transferred to the image of the country of origin and on the other products originating from that country. Thus, the product image and country of origin image are interlinked, influence each other and cannot be separated (Lee et al., 2016). An increased customer awareness and use of internet has made the image formation process even more complex, because now the customer knows a lot about culture of a country and gets influenced with it. So, marketers need to target for congruence in these two images i.e. country of origin image and brand image (Frías et al., 2012).

Companies often go for brand extension. An extension of a brand is a double edged sword which may prove either a success or a disaster. An extension in unrelated category may dilute brand image (Rotfeld, 2008; Serrao and Botelho, 2008) and an extension in similar product category with congruence and fit between old and new procuct can boost brand image (Lau and Phau, 2007). A three point fit between old product and new brand extension product i.e., image congruence, similarity between old and new product and proper marketing communication is instrumental in successful brand image extension (Montaner and Pine, 2009). In this study Nokia does not have brand extension, whereas Samsung has brand extension in diverse product categories. The review of literature indicates that brand image depends on multiple dimensions like: overall global image of the brand; image of country of manufacture; congruence between global brand image and country of manufacture image; and brand extension and nature of brand extension.

The widespread use of social media has generated a two-way communication channel between customers and companies. One-to-one communication between company and the customer is now replaced by many-to-many communication. This makes things more complex for a marketer because any inappropriate communication can spread very fast and can be disastrous for an organisation. The need of the hour is to double check the message, theme style and visuals, to name a few, before projecting marketing communication to the customer so as to avoid problems (Kuvykaite & Piligrimiene, 2013).

In the present study, two brands from distinct cultures were taken (Nokia from the west and Samsung from the east) to study the constituent factors of brand image of mobile handsets. One of these brands i.e. Nokia (Microsoft) does not have brand extension, whereas Samsung has multiple brand extensions.

Objectives of the Study

The paper was conceived to accomplish the following objectives:

1. To understand the perception of the user about two brands (Nokia and Samsung) on the attributes of mobile handsets.

2. To differentiate the perception of users about one oriental brand (Samsung) and one western brand (Nokia) on the attributes of mobile handsets.

3. To understand the perception of the user about a brand without extension (Nokia) and a brand with multiple extensions (Samsung) on the attributes of mobile handsets.

Method

This study was undertaken as an exploratory investigation in Indian context. In this study, two popular brands of mobile handsets were selected. The first brand being Nokia (Microsoft) which is from west and is a single product brand, whereas the second brand selected was Samsung which is from east and is a multiple product category brand. Brand image scale developed by Bhagwat (2017) was used in the study. This scale has 32 brand image attributes (Table 1). These attributes were administered in a seven-point bipolar semantic differential scale.

The scale was administered to a sample of 192 respondents. The sample was collected from ten cities in India spread across eight states. These states and cities were carefully chosen to have an appropriate response. The geographic details of the cities are: Ahmedabad (Gujarat), Allahabad (UP), Dehradun (Uttarakhand), Dhanbad (Jharkhand), Indore (MP), Jaipur (Rajasthan), Jamshedpur (Jharkhand), Jhansi (UP), Mumbai (Maharashtra), Patna (Bihar) and Pune (Maharashtra). The impact of extraneous variables was controlled through randomization and elimination.

The average age of respondents is 37.68 years with median age of 35 years. The sample covers entire population of mobile service users. The average usage of mobile service per day was found to be 3.31 hours. The response group has following demographic distribution: Males (117), Females (43); Service class (99), Others (61); Graduates (90),

Postgraduates (70); Income per month below Rs. 20,000 (52), between Rs. 20,000 – 29,999 (31), between Rs. 30,000 – 39,999 (27), and above Rs. 40,000 (50).   A review of the filled scale was done and incomplete ones were discarded. Thus, final response of 160 respondents was considered. Each respondent had filled the same scale, one each for Airtel and Vodafone. The "t" test analysis was carried out and a total of 29 null hypotheses were tested, one for each attribute under the study (Table 1).

A review of the filled scale was done and incomplete ones were discarded. Thus, final response of 160 respondents was considered. Each respondent had filled the same scale, one each for Nokia and Samsung. The "t" test analysis was carried out and a total of 32 null hypotheses were tested, one for each attribute under the study.

Results and Discussion

Results of "t" test are summarised for both the brands in Table 2. In the case of some product attributes, the customer perception is significantly positive for Nokia over Samsung; whereas in some other product attributes, Samsung had a significantly positive difference over Nokia. In the last set of attributes, no significant difference in customer perception is observed between Nokia and Samsung.

The first group of attributes in Table 2 (adaptable, comfortable, convenient, durable, reliable, safe, strong and tough) indicates that customer considered Nokia significantly better than Samsung. In India, Nokia had an early entrance advantage over Samsung. A large number of Indian customers might have purchased Nokia mobile phones in their early life i.e., in the pre-smart phone era. The mobile handsets in that era had basic features only and they used to be sturdy. The customers may have linked attributes like durable, reliable, safe, strong, tough etc. with their past experience and indicated preference for Nokia over Samsung. In the pre-smartphone era, mobile handsets had few limited features like calling, SMS or primitive task planners. Handling of pre-smartphone generation mobile handsets was also easy. This past experience of customers is reflected in this study when customers rated Nokia more comfortable and convenient in comparison to Samsung which is seen as a complex mobile handset.

The second group of attributes in this study (Table 2: attractive, beautiful, classy, colourful, cool, elegant, exclusive, innovative, modern, smart, sophisticated, stylish and unique) can be considered as contemporary attributes because they are related to social status or class of an individual. In this category of attributes, Samsung was considered significantly better than Nokia. It is a well-known fact that Nokia did not

change its handsets for the next generation. In fact, when Samsung was planning to launch smart phones, Nokia was very slow to respond to these changes. As a result, Samsung launched smart phones in early 2010. These new generation handsets were definitely attractive, beautiful, colourful, cool, elegant, exclusive and had a classy look. In addition to these attributes, the next generation handsets were innovative and exclusive because after their launch, handset models changed very quickly with the introduction of new features.

The new generation handsets carried a modern and smart look; they were sophisticated, stylish, unique, could perform multiple tasks and also connect a user on social media platform. This customer perception is also reflected in this study when a significant difference in customer perception was observed for Samsung over Nokia on the attributes in the second group (Table 2). Chen and Yeh (2014) in their research in Taiwanese market also observed similar need for a smart mobile handset which can connect a customer on multiple social media platforms. In this group of attributes, Samsung scored significantly better than Nokia. This customer preference may be associated with continuous product innovations and launch of new smart phones at regular intervals.

A similar trend in customer perception was also observed by Desai and Desai (2013) in their research when they concluded that customers consider brand name, professional looks and good design as important attributes for evaluation of mobile handsets. In the present study, both brand names are well known but on attributes of professional looks i.e., attractive, beautiful, classy, colourful, cool, elegant, exclusive, innovative, modern, smart, sophisticated, stylish and unique, Samsung scored significantly over Nokia.

The third set of attributes was rated equally important by the respondents for both the brands. The response indicates that customers perceived Nokia and Samsung equally good from economical aspect, effectiveness, friendly in handling and value for price. Among the two brands, no significant difference in customer perception was observed on value for price, prestige, trendiness. Desai and Desai (2013) in their study reached to similar conclusion that customers consider price and pride (i.e., prestige) least important while evaluating mobile handset brands. Similar observation was reported by Watanabe et al. (2010) on quality adjusted price for mobile handsets, when they concluded that price does not play a major role in evaluation of mobile handset brands in Japan. Briglauer et al. (2011) observed a similar customer response for price in Australian market where customer did not give a major attention to it for the evaluation of telephone services.

In group three, attribute like secure was perceived to be equally good by customers of both the brands i.e., customers were unable to differentiate between any security related issues among the two brands under study. Both the brands were seen as economical brands, effective in operations and friendly. None of the brands was perceived as different in prestige. Bhagwat (2017) in his thesis observed that customers prefer contemporary mobile handsets and are seen both as utility items and style statements. Number of researchers also reported that customers prefer contemporary and modern electronic gadgets (Stanikunas and Burinskas, 2011; Page, 2009; Pleshko and Heiens, 2008). This research supports these facts as both the mobile handset bands (Nokia and Samsung) were rated equally good on the attributes like decent, good-looking, prestigious and trendy. It is an indication that handset manufacturers are now acknowledging the importance of these attributes and are offering contemporary mobile handsets. Thus, the results indicate that in India mobile handsets are viewed as utility items as well as status symbols.

Conclusion

This paper provides a detailed list of attributes for inter-brand comparison for other mobile handset brands for the benefit of all the stakeholders like customers, retailers, mobile handset manufacturers and researchers. The list of attributes presented in this paper can be used for comparison of brand image of similar products. The list of attributes developed in this research paper provide a base for the development of a new scale (instrument) for comparison of brand image of other electronic products.

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Table 1: List of Attributes for Mobile Handsets (*Bhagwat, 2017*)

Attribute	Attribute	Attribute	Attribute
Adaptable	Decent	Innovative	Smart
Attractive	Durable	Interactive	Sophisticated
Beautiful	Economical	Modern	Strong
Classy	Effective	Prestigious	Stylish
Colourful	Elegant	Reliable	Tough
Comfortable	Exclusive	Robust	Trendy
Convenient	Friendly	Safe	Unique
Cool	Good looking	Secure	Value for Price

Table 2: Summary of "t" test results

Nokia is significantly better than Samsung (*Group 1*)	Samsung is significantly better than Nokia (*Group 2*)	No significant difference between Nokia and Samsung (*Group 3*)
Adaptable	Attractive	Decent
Comfortable	Beautiful	Economical
Convenient	Classy	Effective
Durable	Colourful	Friendly
Reliable	Cool	Good looking
Safe	Elegant	Interactive
Strong	Exclusive	Prestigious
Tough	Innovative	Robust
	Modern	Secure
	Smart	Trendy
	Sophisticated	Value for Price
	Stylish	
	Unique	

Cosmetics Purchase Behaviour with Special Reference to Women Customers in Kolkata

Arijit Maity*

Abstract

Middle-class Indian women in general attach great importance to cosmetics and fashion. The focus on personal appearance is considered to be very significant. In India, there are various cosmetic manufacturers who market cosmetics and attempt to prove that they are different and better than other cosmetics manufacturers. The multiple brands available in the market make brand selection a difficult process. The present paper focuses on studying the customer purchase behavior process in selecting cosmetics to get an insight into the market, and identify the major product features and services expected by the customers during the purchase. The available literature on cosmetics buying behavior in developing countries in general is inadequate and ambiguous. Many brand players are competing aggressively for market share in this emerging market especially in metro cities in India. The purpose of this paper is to study women's buying behavior and brand loyalty as regards to cosmetics in Kolkata. The findings offer lessons for practitioners and more avenues of study for researchers. The finding can be used by marketers to design appropriate marketing strategy for cosmetics.

Introduction

Consumer buying behaviour is the sum total of a consumer's attitudes, preferences, intentions, and decisions regarding the consumer's behavior in the marketplace when purchasing a product or service. It is important to determine the interaction of consumers with the marketing mix to understand their buying behavior. The reason behind that is the psychology of each individual towards products and services that differs according to the culture, attitude, past learning and perception. On the basis of that consumers make further decisions regarding whether to purchase or not and from where to buy the product.

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Understanding behavior of consumers is a key to the success of business organizations. Marketing personnel are constantly analyzing the patterns of buying behavior and purchase decisions to predict the future trends. Consumer behavior can be explained as the analysis of how, when, what and why people buy. According to Global Cosmetic Industry report the advanced education provided by brands about the products' ingredients and benefits have made today's consumer more aware of what they're putting on their bodies, and making them more willing to pay. Consumer behavior can be understood as: "The decision process and physical activity individuals engage in when evaluating, acquiring, using, or disposing of goods and services." (Loudon and Della Bitta, 1980).

The general term 'cosmetics' is applied to all preparations used externally to condition and beautify the body, by cleaning, coloring, softening, or protecting the skin, hair, nails, lips or eyes. Cosmetics are, therefore, products intended to be applied to the human body for cleansing, beautifying, promoting attractiveness or altering the appearance without affecting the body's structure. This broad definition includes any material intended for use as a component of a cosmetic product. The growth of cosmetics and beauty product markets has become significant as consumers are increasingly becoming aware of appearance, beauty, grooming and the choice of personal care products.

The understanding of this sector should be of valuable use to marketers in identifying the marketing opportunities to ensure greater efficiency in the use of resources and other efforts, which are directly related to consumer purchasing behavior such as market segmentation, consumer targeting, product features, promotional and selling efforts. This paper provides an overview of the cosmetics market and its importance and examines the influence of various parameters and brand loyalty on women's buying behavior concerning cosmetics. This study will provide useful information to the business sector as well as dealers in retailing sectors.

The Study Area

The study area is limited to Kolkata city, West Bengal. This city is identified as one of the fast developing cities in India with higher per capita income.

Aims and Objectives

In Kolkata, the beauty and cosmetics sector has been experiencing exemplary expansion. The domestic market for personal care products is projected to grow at a CAGR of around 22% during the period 2017-2020. This study will help to understand

consumer buying behavior of modernized women who are involved in business linked with the massive campaign among young generation towards using fashion and cosmetics to deal with social and cultural changes. The new trends give more attention to personal appearance especially among new educated young generation and based on that, the researcher has chosen respondent age between 16 – 45 years.

This study will enrich and add more to the trivial literature and provides information to the business and retailing sector. This information will be of valuable use to marketers to identify marketing opportunities to ensure greater efficiency in their use of resources and other efforts, which is directly related to consumer purchasing behavior such as market segmentation, customer targeting, product features, promotional schemes and selling efforts. Based on this scenario, the objectives of this paper are:

1.   To understand the factors that lead to purchase decision of cosmetic products.
2.   To understand the influence of brand loyalty on buying behavior of cosmetics brand in Kolkata.

Review of Literature

Chiang and Yu (2010) studied female consumer behavior in cosmetics market. Case study of female consumers in Hsinchu Area Taiwan was developed. The main aim of the study was to identify the attributes and value attached by female consumers towards cosmetics. Their demographic statistics were used in research study. 390 samples were used to collect data. Factor analysis and ANOVA were used for examining various hypotheses. Means End chain theory was used to understand the signification of product attribute valued by consumers. Jawahar and Tamizhjyothi (2013) studied consumer attitude towards cosmetic products. The main aim of the study was to examine the influence of attitude on consumer buying behavior and to identify the important factors that determine the buying behavior.

Desai (2014) studied consumer buying behavior of cosmetic products in Kolhapur. His main objective to study the paper is to identify the factors influencing the consumer buying decision of consumers for cosmetic products. Another objective of the research was to study buying process for cosmetic products. Convenient sampling method was used as data collection method. Simple percentage and ranking techniques were used as statistical techniques. He found that the major part of cosmetic market is covered by females. According to his research, quality is the most important factor influencing the consumer buying decision. Television and reference groups are other important factors to influence consumer buying decision.

Hemanth, Franklin and Senith (2014) studied factors influencing consumer buying behavior in cosmetic products. The main aim of study was to identify the factors influencing consumer buying behavior along with a study of influence of income level on consumer buying behavior decisions. Data were collected from 500 respondents. Descriptive statistics including one way ANOVA was used for data analysis. They found that quality and price are the most important factors which can influence consumer buying behavior. Tajeddini and Nikdavoodi (2014) reported on the results of a cross-sectional study that focused on the impact of attitudes, subjective norms and consumer innovativeness on intention to purchase cosmetic products. The paper advanced the understanding of three key antecedents by investigating structural relationships among attitudes towards new cosmetic products, novelty-seeking tendencies, behaviors and attitudes of people with the intention to purchase skin care and make up products.

Anute, Deshmukh and Khandagale (2015). studied consumer buying behaviour towards cosmetic products. The main aim of study was to study demographic profile of consumers and to find factors affecting consumer purchase decision. They also want to know the purchase pattern for cosmetic products. They found that majority of people use domestic cosmetic brand; television is the most effective media to get information of cosmetics; and quality of product is considered as most important factor for consumer purchase decision. Banu Rekha and Gokila (2015) studied consumer awareness, attitude and preference towards herbal cosmetic products with special reference to Coimbatore city. The main aim of study was consumer awareness towards herbal cosmetics, to identify the factors influencing the consumers to use herbal products.

Descriptive research design was used with non-probability sampling with 50 respondents of Coimbatore city. Karl Pearson's co-efficient of correlation, average ranking analysis and chi-square analysis were used for data analysis. They found that family income per month and spending for herbal products have positive correlation. Quality was ranked as most important factor that influences consumers to purchase cosmetics. They concluded the research with a note that consumers believe that herbal cosmetics are not a luxury now and should be used by consumers.

Rameshwari, Mathivanan and Jeganathan (2016) studied consumer buying behavior of cosmetic products in Thanjavur, Tamilnadu. Main objective of the study is to identify reasons for purchasing cosmetics and to identify factors influencing consumer buying decision for cosmetic products. Convenient sampling method was used as research method. Factor ranking method was used as statistical technique for analyzing data.

In this study, it was found that though cosmetic market is dominated by female consumers, male consumers also participate in the same. The working respondents are more focused about their appearance and ready to buy high end products.

Bhatt and Sankhla (2017) conducted a study on consumer buying behavior towards cosmetic products. The purpose of the paper was to study the consumer buying behavior towards cosmetics. 100 elements of the sample were taken from Navsari city, Gujarat. Both Primary and secondary data were used. One sample t-test, frequency analysis and multiple response analysis were used as data analysis statistical tools. It was concluded that people consider quality as the most important factor to purchase cosmetics.

Cosmetics Market in Kolkata

In recent years, it has been observed that women spend more on cosmetics and beauty products and particularly go for various brands, which are quite popular. According to industry experts, the market size of India's beauty, cosmetics and grooming market will touch 20 billion dollars by 2025 from the current level of 6.5 billion dollars. The rising awareness of personal care products, growing disposable incomes, changes in consumption patterns and lifestyles and improved purchasing power of women, promises exciting times for the personal care industry. These trends are anticipated to boost the personal care market in India and raise the consumption of personal care products and services.

This rapid growth in cosmetics sales and market of Kolkata grabs the attention of beauty and skin care companies throughout the World. India's incredibly large consumer base has a growing disposable income and places importance on personal care. Retail sales look to increase at an average of seven percent over the next decade and that presents a huge opportunity to global brands to tap exponential growth that we are going to witness. The beauty business is booming and there's enough room for more players. Through our exhibition, we aim to provide international and domestic brands a suitable platform for exploring business opportunities, finding partnerships, exchange of ideas and networking (ANI-NewsVoir, Economic Times, 2017).

Brand Loyalty

Howard and Sheth's theory of buyer behavior was the first to introduce the notion of brand consideration into marketing. Brand loyalty is defined as keeping preferable to a specific product or service. Aaker (1990) believed that loyalty is closely associated with various factors, one of the main ones being the experience of use. Customers may be loyal owing to high switching barriers related to technical, economical or

psychological factors, which make it costly or difficult for the customer to change. In another point of view, customers may also be loyal because they are satisfied with the brand, and thus want to continue the relationship (Fornell, 1992).

It is admittedly true that shopper allegiance for a brand in truth contributes much to marketing. According to the concept of brand loyalty, it is regarded as the essential feature of brand value. The American Marketing Association gives it the explanation as "the situation in which a consumer generally pays money for the same manufacturer-originated product or service repeatedly over time rather than buying from multiple suppliers within the category" or the degree to which a consumer consistently purchases the same brand within a product class (Moisescu, 2006).

Factors of Brand Loyalty

Research has indicated that brand attributes are viewed as important elements in a consumer's decision-making. There are five factors that influenced consumers' brand loyalty towards certain brands. The factors were brand name, product quality, price, promotion and satisfaction of the product.

Brand Name

McConnell (1968) had conducted a field experiment which showed that consumers developed preferences for three brands of a physically homogeneous product (beer), identical except for brand name and price. The significance of the experiment for marketing researchers lies mainly in the relative importance of perceived quality as a determinant of brand loyalty. Obviously price is only one cue to quality in the real world, and this makes perceived quality more difficult to measure than purchases over time. Nevertheless, it is considered that more complex models having such variables will provide considerably greater predictive power than the stochastic models being suggested.

Customer-based brand equity occurs when consumer is familiar with the brand and holds some favorable, strong, and unique brand associations in memory. The article also explores some specific aspects of this conceptualization by considering how customer based brand equity is built, measured, and managed. Building brand equity requires creating a familiar brand name and a positive brand image–that is, favorable, strong, and unique brand associations. Strategies to build customer-based brand equity are discussed in terms of both the initial choice of the brand identities (brand name, logo, and symbol) and how the brand identities are supported by and integrated into the marketing program. Two basic approaches to measuring customer-based brand equity are outlined. The indirect approach measures brand knowledge (brand awareness and image) to assess the potential sources of brand equity. The direct

approach measures the effects of the brand knowledge on consumer response to elements of the marketing mix. This article provides the base for this research study.

Cathy J. Cobb-Walgren, Cynthia A. Ruble and Naveen Donthu in their paper titled Brand Equity, Brand Preference, and Purchase Intent explored some of the consequences of brand equity. In particular, the authors examined the effect of brand equity on consumer preferences and purchase intentions. As a result of this study, across the two categories of hotels and household cleansers, the brand with the higher advertising budget yielded substantially higher levels of brand equity. In turn, the brand with the higher equity in each category generated significantly greater preferences and purchase intentions**.**

Product Quality

Product Quality encompasses the features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. In other words, product quality is defined as "fitness for use" or conformance to requirement (Russell, 2006).

Consumers may repeatedly purchase a single brand or switch around several brands due to the tangible quality of the product sold. Material plays important role in product quality because it affects the feel, texture and other performance aspects of the product. Further, consumers relate personally to colour, and could select or reject a product because of colour. If the colour does not appeal them or flatter their own color, they will reject the product and move on to new one. Functional attributes in cosmetics include quick-dry, breathable, waterproof, lightweight, and finally, durability. For instance, some consumers use cosmetics for work and some for leisure and sports, as they need a lot of movement, while durability is an important consideration in purchasing cosmetics.

Perfectionist or quality consciousness is defined as an awareness of and desire for high quality products, and the need to make the best or perfect choice versus buying the first product or brand available (Sprotles and Kendall, 1986). This indicates that quality characteristics are also related to performance.

Price

According to Cadogan and Foster (2000), price is probably the most important consideration for the average consumer. Consumers with high brand loyalty are willing to pay a premium price for their favored brand, so, their purchase intention is not easily affected by price. In addition, customers have a strong belief in the price and value of their favorite brands so much so that they would compare and evaluate prices with alternative brands (Keller, 2003).

Consumers' satisfaction can also be built by comparing price with perceived costs and values. If the perceived values of the product are greater than cost, it is observed that consumers will purchase that product. Loyal customers are willing to pay a premium even if the price has increased because the perceived risk is very high and they prefer to pay a higher price to avoid the risk of any change (Yoon and Kim, 2000).

Long-term relationships of service loyalty make loyal customers more price tolerant, since loyalty discourages customers from making price comparison with other products by shopping around. Price has increasingly become a focal point in consumers' judgments of offer value as well as their overall assessment of the retailer (De Ruyter, 1999).

Price communicates to the market the company's intended value positioning of its product or brand. Price consciousness is defined as finding the best value, buying at sale prices or the lowest price choice (Sprotles and Kendall, 1986).

Promotion

Promotion is a marketing mix component, which is a kind of communication with consumers. Promotion includes the use of advertising, sales promotions, personal selling and publicity. Advertising is a non-personal presentation of information in mass media about a product, brand, company or store. It greatly affects consumers' images, beliefs and attitudes towards products and brands, and in turn, influences their purchase behaviors. This shows that promotion, especially through advertising, can help establish ideas or perceptions in the consumers' minds as well as help differentiate products against other brands. According to Clow (2010), promotion is an important element of a firm's marketing strategy. Promotion is used to communicate with customers with respect to product offerings, and it is a way to encourage purchase or sales of a product or service. Sales promotion tools are used by most organizations in support of advertising and public relations activities, and they are targeted toward consumers as final users.

Satisfaction

Oliver and Anand (1997) gave a famous comment stating, "Everyone knows what satisfaction is, until asked to give a definition. Then, it seems, nobody knows." Selnes (1993) defined satisfaction as a process that customers evaluate performance of the product or service with their ideal norm. Similarly, satisfaction is defined as the response of customers after evaluated expectation with the actual value that received from product or service (Omanga, 2010).

Koller and Armstrong (1993) stated that consumer/customer satisfaction is determined by the relationship between the customer's expectations and product's perceived performance. Satisfaction of the product is important because a company earns sales from new customers and retained customers. Satisfied customers buy the product again, talk favorably about the product features to others and hence pay less attention to competing brands and advertising

Ou et al. (2011) found that quality of product or service would increase customer satisfaction and it would lead to brand loyalty. Moreover, satisfaction with a product or service increased with good performance of product or service, and the satisfaction directly affected loyalty behavior positively (Chen, 2006). Similarly, Bowen (2011) found that if customer satisfaction increases, the level of loyalty behavior would increase dramatically.

Giese and Cote (2002) studied various literatures and indicated that customer satisfaction is a response (emotional or cognitive), the response pertains to a particular focus (expectations, product, consumption experience, etc) and the response occurs at a particular time (after consumption, after choice, based on accumulated experience, etc).

Conceptual Framework

De Ruyter (1999) developed five factors in the research which are brand name, quality, price, promotion and satisfaction of the product. The relationships between independent variables and dependent variable were constructed in the fig. below.

Figure 1: Conceptual Framework
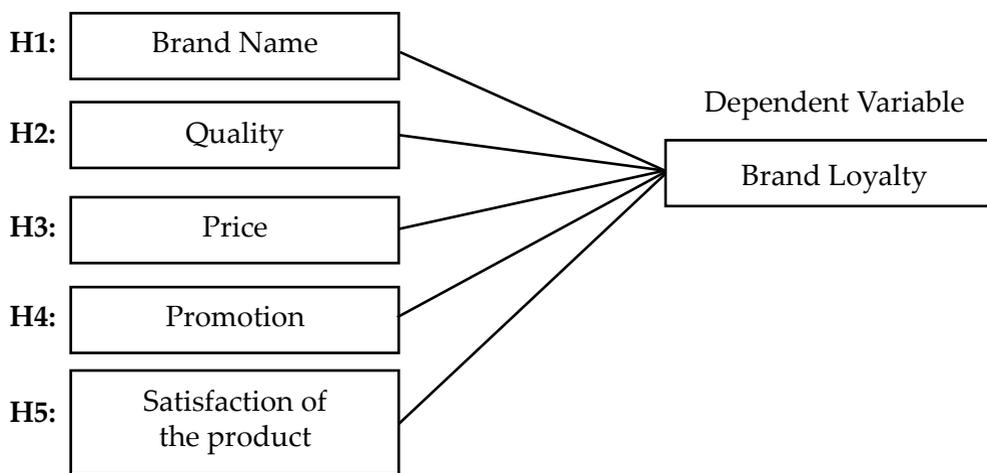
(Source: Developed by the researcher)

Hypothesis

This article focuses on the factors that influence consumers' brand loyalty towards a particular brand. Based on the factors that influence brand loyalty, the following hypotheses are derived.

H1: There is a significant and positive relationship between brand name of cosmetics and brand loyalty.

H2: There is a significant and positive relationship between quality and brand loyalty.

H3: There is a significant and positive relationship between price and brand loyalty.

H4: There is a significant and positive relationship between promotion and brand loyalty of cosmetics.

H5: There is a significant and positive relationship between satisfaction on the product and brand loyalty of cosmetics.

Research Method

The quantitative approach was used to investigate the hypotheses. The method of collecting primary data was a survey questionnaire that was developed to measure the level of response in each variable. A pilot survey was done at the most famous cosmetics outlet in Kolkata. The questionnaire contained two sections: the first section about consumers' demographics and the second section about brand loyalty factors. A total of 200 usable questionnaires were collected. Response Rate was 100%.

Sources of Data

The study is based on both primary data and secondary data. The primary data have been collected by using a questionnaire and the secondary data have been collected from books, magazines and the internet

Target Population and Sample Size

The target population of the current research was on consumers of Kolkata who have purchased cosmetics products. The sample size of 200 female cosmetics consumers aged between 18 to 45 years.

Sampling and Data Collection Procedure

Non-probability and Convenience sampling method was utilized in this study.

Tools Used for Analysis

The collected data were computed and analyzed by Statistical Package for Social Science (SPSS) version 20.0 to test research hypotheses and answer research question.

Most of the respondents were 18-25 years old (35%), followed by 25-35 years old (40%) and 35-45 years old (25%). The sample was balanced between married (50%) and the unmarried (50%) respondents. The education profile of the surveyed respondents indicates that 50% of the respondents had undergraduate degree, 30% had done high school and only 20% had postgraduate degrees. Regarding occupation, there were 25% students and rest were House-wives, Government servants, Businessmen and Professionals. About income, 25% of the respondents earned less than Rs 15,000 a month, 40% of them earned between Rs.15, 000 – Rs. 25,000. Around 20% of respondents earned between Rs.25,000- Rs35,000 followed by 10% who earned between Rs.35,000 – Rs.45,000. Around 5% of respondents had monthly household income above Rs. 45,000.

Table 1: Demographic Profile of the Respondents

Characteristics	Sub-categories	No. of respondents	% of respondents
Age	18-25	70	35
	25-35	80	40
	35-45	50	25
	Total	**200**	**100**
Marital Status	Married	100	50
	Unmarried	100	50
	Total	**200**	**100**
Education	High School	60	30
	Under-Graduate	100	50
	Post-Graduate	40	20
	Total	**200**	**100**
Occupation	Student	50	25
	House-wife	40	20
	Govt.-service	20	10
	Business	10	5
	Private service	50	25
	Professionals	30	15
	Total	**200**	**100**
Monthly Household Income	Below Rs.15,000	50	25
	Rs.15,000-Rs.25,000	80	40
	Rs.25,000-Rs.35,000	40	20
	Rs.35,000-Rs.45,000	20	10
	Above Rs.45,000	10	5
	Total	**200**	**100**

Table 2: Preferred Places for Purchase of Cosmetics

Place	Score	Rank
Shopping Malls	3.30	II
Beauty Salons	3.20	IV
Departmental stores	3.60	I
Medical Shops	3.10	V
Online	3.20	III

It is clear from the above table that first preference is given to departmental stores followed by shopping malls and online portals. The least preference is given to medical shops.

Table 3: Preferred factors while Purchasing Cosmetics

Factors	Score	Rank
Brand Name	3.45	III
Quality	3.70	II
Price	3.30	IV
Promotion	3.15	V
Satisfaction	4.40	I

Above data show the factors for purchasing of cosmetics. It is inferred from the table that first rank is satisfaction given by the respondents satisfaction received on the product followed by quality and brand name of the product. The least important factors for respondents are price of the product and its promotion.

Hypothesis Testing

Multiple linear regressions were utilized to examine relationship between independent variables and brand loyalty. Table shows the combination of independent variables significantly predicted the regression model ($F_{(5,200)} = 107.800$, $p<.001$). Moreover, the adjusted R square value was 0.510 indicating 51 percent of variance in brand loyalty

is explained by brand-name, price, quality, promotion and satisfaction of the product. Further, as shown in Table 4, the Variance Inflation Factor (VIF) value for each predictor was less than 5.000 showing no serious violation of multicolinearity.

Table 4: Summary of Multiple Linear Regression Analysis (N=200)

Variable	B	Standard Error B	Beta	Sig. Value	VIF
Brand Name	0.210	0.040		.000	1.580
Price	0.210	0.050	-.108	.000	2.190
Quality	0.125	0.030	-.015	.002	1.725
Promotion	0.130		-.140	.001	1.035
Satisfaction	0.340	0.050	.330	.000	1.040

*Note: R^2=.520   Adjusted R^2=.510, p-value <0.01

Each independent variable had a statistical positive relationship with brand loyalty at 99 percent confidence interval. Particularly, here the most powerful factor affecting brand loyalty was the satisfaction on the product. All the hypothesis were supported by the findings of the current research as shown in Table 5.

Table 5: Summary of Hypothesis Testing

	Hypothesis	Result
H1$_a$	Brand name affects brand loyalty to cosmetics products	Accepted
H2$_a$	Price affects brand loyalty to cosmetics products	Accepted
H3$_a$	Quality affects brand loyalty to cosmetics products	Accepted
H4$_a$	Promotion affects brand loyalty to cosmetics products	Accepted
H5$_a$	Satisfaction of the product affects brand loyalty to cosmetics products	Accepted

As shown in Table 5, brand name was found to have significant positive relationship with brand loyalty. The research results showed that consumers favored brand image

when they perceive positive benefits or function from the product. They would then recommend the brand, have positive reaction on the price premium and are willing to accept brand extensions to other product categories within the same brand. Product quality was shown to have positive relationship with brand loyalty. The correlation between these two variables is shown in Table 5. The correlation is considered a moderate correlation (r=0.302) based on Cohen's (1988) guidelines.

This finding indicates that product quality is significant in the consumer decision making process. The research findings showed that price and brand loyalty had a positive relationship. Price was an important consideration for the average consumer. However, consumers with high brand loyalty were less-price sensitive. The result suggested that as long as the respondents were satisfied with a particular brand, they would repurchase the product with the same brand name even if it was highly priced. However, the findings showed that there was no relationship between design and brand loyalty.

From the five variables identified, design was not considered an important factor for Kolkata consumers to be loyal to particular cosmetics brand. The results showed that promotion and brand loyalty were positively related. Promotion was considered as one of the most important factors in determining a consumers' brand loyalty. From the study conducted, it was seen that female respondents actually spent more time reading product labels before buying products. The finding also showed that service and brand loyalty had a positive relationship. Service was an important factor in influencing and encouraging consumers to patronizing to a store.

The results indicated that the salesperson-consumer relationship will generally result in long-term orientation of consumers toward a store. At the same time, trust in the salesperson appeared to relate to the overall perception of the store's service quality which resulted in the consumer's total satisfaction with the store. Store environment was positively related to brand loyalty. The Store environment is considered one of the factors that can influence consumer brand loyalty. From this study, it is observed that consumers paid much attention to store attributes such as merchandise display, variety of selection, parking space, easily accessible by car and the reputation of the store in purchasing products.

Findings
1)   It has been observed that even though the cosmetic market is dominated by female consumers, male consumers are coming at par with them.

2)   The working respondents were found more conscious of their appearance and ready to buy high priced products as compared to housewives and students.

3)   Majority of the respondents preferred to purchase products from the shop that provide quality products with variety at reasonable price.

4)   Majority of the respondents preferred to purchase cosmetic products from permanent stores, private bazaars and medical shops as they feel they are easily available and products are of good quality.

5)   Quality was found as the most important factor for purchase of cosmetics by the respondents than price.

6)   Most of the respondents are interested to recommend the product to others.

7)   Television has found more impact on consumer and widely used for receiving information about the product. The use of internet by students and highly educated consumers is also emerging as an important factor.

8)   It has been observed that in purchase decision, in spite of the impact of friends, family members, beauticians and others, the actual decision to buy was taken by the respondents on their own.

Suggestions

1)   A company should market exclusive cosmetic products for male consumers.

2)   A marketer should build up a prompt distribution channel to avoid the problem of non–availability of products.

3)   A proper communication should be created with doctors, beauticians and should be involved in advertisement to make them more attractive, effective and reliable.

4)   Marketer should include your attitude and personal appeal in their advertising communication as the consumer buy cosmetic products on their own.

Conclusion

This research has provided insights into female consumer buying behavior in Kolkata. Marketers agree that developing an understanding of target customers and segments are important inputs in differentiating products and enhancing selling propensity. The purpose of this research is to investigate how the respondents are influenced by factors of brand loyalty towards cosmetics brands. Brand loyalty is important for an organization to ensure that its product is kept in the minds of consumers and prevent them from switching to other brands. The research showed that it was not easy to

obtain and maintain consumer loyalty for a company's product because there were many forces drawing consumers away, such as competition, consumers' thirst for variety, etc.

From the analysis of this study, it was shown that there are five factors of brand loyalty that were appropriate in the Kolkata region which are: the brand name, product quality, price, promotion, and satisfaction of the product. The findings revealed that product quality plays a significant role in influencing consumers to be brand loyal customers. Additionally, the overall findings of this study also show that amongst others Kolkata consumers prefer brand name, product quality, price, promotion, store environment and service quality as relevant factors attributable to brand loyalty. All these factors showed positive relationships with brand loyalty except design which had no relationship. Undeniably, the cosmetics industry is one area, which offers vast potential in the consumer market where there is increase in social activities. More reliable and positive findings on this topic would impact on consumers, marketers and policy makers.

The results of this study are similar to some other studies conducted in this field. For example, the results of Wong and Yahyah (2008) on the Influence of Brand Loyalty on Consumer Sportswear were similar to the present study. The results of Shaharudin (2010) are in line with this study in terms of the relationship between extrinsic attributes of product quality with brand loyalty. As cosmetic industry in India is one of the growing industries, marketers should know about the factors affecting purchase decision along with the attitude, perception and learning habits of consumer towards cosmetics. People always consider quality as the most important factor while purchasing cosmetics.

Finally, marketers should find it useful to understand how loyalty factors can affect consumer-buying behavior in the marketplace, which can help in segmenting consumers and markets for their brands and marketing communication. By examining how cosmetic usage determines brand perceptions, companies can improve their marketing strategies to enhance customer satisfaction and increase their customer base. Moreover, by identifying the brand personalities that attract consumers, companies can pinpoint the characteristics customers look for in a product, which in turn can be used to enhance brand image.

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Impact of IPR on Business Performance in Micro, Small and Medium Sector in India with Reference to Pharma Sector

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Abstract

Micro, Small and Medium Enterprises (MSMEs) have been recognized as one of the crucial sectors in contributing to the most of the nations in the world in terms of Industrial production, exports, employment generation and growth of entrepreneurship. The liberalization of Indian economy opened new opportunities and more challenges to MSME sector in India. One of the problems that the sector is facing is intensive competition not only from within the country but also international players. The existing literature proves that developing, improving or adopting new technologies strengthen the competitive position of the MSME Sector. Here comes the role of Intellectual property rights. Again within the MSME sector, there are a number of sub-sectors where intellectual rights play dominant role. One such sector is Indian pharmaceutical industry. This paper evaluates how far the Indian micro, small and medium pharmaceutical enterprises are adopting new technologies to improve their performance. It also assesses the range of technologies required and used in the respective pharmaceutical industries. The paper is based on the study conducted with the help of managing directors/chief executive officers/ managers of 161 micro, small and medium pharmaceutical enterprises. The study reveals that MSMEs recognized the importance of adopting process and product patents to improve their competitive strength. Significant number of enterprises have adopted latest technologies. However, majority of the pharmaceutical enterprises are still in the process of recognizing and adopting better technologies. The study concludes that there is a positive impact of Intellectual property rights on the MSMEs in terms of their business growth and overall development.

Keywords: Pharmaceutical Enterprises, Intellectual Property Rights, MOT, SME.

Introduction

Worldwide SMEs have been accepted as the engine of economic growth for promoting equitable development. SMEs occupy a place of strategic importance in the Indian economy. Technology and its management are today matters of global primacy. The

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manufacturing scenario has undergone a rapid change in the last decade, more so in the last few years. In the modern age, technology is perhaps every nation's most important resource [CBCR 2012]. As per the National Sample Survey (NSS) 73rd round, conducted by National Sample Survey Office, Ministry of Statistics & Programme Implementation during the period 2015-16, there were 633.88 lakh unincorporated non-agriculture MSMEs in the country engaged in different economic activities (196.64 lakh in Manufacturing, 230.35 lakh in Trade and 206.84 lakh in Other Services and 0.03 lakh in Non-captive Electricity Generation and Transmission,) excluding the MSMEs registered under (a) Sections 2m(i) and 2m(ii) of the Factories Act, 1948, (b) Companies Act, 1956 and (c) Construction activities falling under Section F of National Industrial Classification (NIC) 2008. The Micro, Small & Medium Enterprises (MSMEs) have been contributing significantly to the expansion of entrepreneurial endeavours through business innovations. The MSMEs are widening their domain across sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets.

Profile of the pharmaceutical small and medium scale sector: The Pharma Industry in India is playing an significant role in improving the health standards of the people. Indian pharmaceutical sector particularly small and medium scale enterprises are essentially a fragmented and heterogeneous sector, with firms having very varied levels of tehcnolological capability. The revised definition of micro, small and medium scale sector under the MSMSD Act, 2006 and consequent enlarged investment limits of the small scale sector and medium sector. There are around 5640 units consisting of both registered and unregistered. Most of these units are bulk drug units, formulation units and units producing intermediates. Majority of the small units produce anti-infectives, anti-bacterials, nutritional supplements and anti-inflammatory drugs. Similarly, most of these units are concentrated in Maharastra, Gujarat, Telangana and Andhra Pradesh. In the post-patent regime, majority of the units are contract manufacturing of generics for the organized sector and also in the form of sub-contracting and loan licensing activities (MSME database, third Census).

In the undivided Andhra Pradesh Hyderabad has become the hub of bulk drug and pharmaceutical companies owing to low cost manufacturing, large population, high demand and highly skilled work force. The Industry consists of Large, Medium and many small scale units which provide tremendous employment opportunities. The large number of SME entrepreneurs is technocrats who have work experience with large or medium pharma firms and organizations who have established small and medium pharmaceutical enterprises in and around Hyderabad.

Review of Literature

The pharmaceutical industry is one of the fastest emerging international center for contract research and manufacturing services. More than 90 percent of the world wide pharma production and 97 percent of the R & D activities occur in developed countries and also more than 80 percent of the patents granted in developing countries belong to the residents of industrial nations (Agrawal et al., 2006). Technology plays a key role in providing cutting edge for development with acquisition and technology adaptation to suit the local conditions (Nikaido, 2004). Effective and efficient technology management practices are especially important for Small and Medium-sized enterprises (SMEs) during all life-stages of an enterprise due to the critical role of technology in entrepreneurial activities (Jain & Kiran, 2012).

The main variables affecting innovation are consisting of firm strategy, expenditure on research and development, use of technological information sources and overall performance of the firm (Ramayah et al., 2009). The technology adaption and firm performance in Small and Medium Enterprises mainly depend upon the Educational background and previous Industrial experience of the Managing Director/General Manager of the firms (Carr, 2005). The higher education sector and its growing expertise play a key role in learning technology implementation to develop effective performance in small and medium enterprises (Campos et al., 2009).

Chadha (2006) inferred that Indian firms are spending maximum resources to secure non-infringing process patents in foreign countries, especially of the growth of small and medium enterprises. Kiran (2017) highlighted the IPR scenario and factors for promoting IPR culture: a post TRIPS period analysis of selected pharmaceutical firms in North India observed that, small-scale pharmaceutical industries have performed well in terms of productivity, product cost, competitiveness, capital investment and technological skills. Technologically strong and totally self-reliant, the pharmaceutical industry in India has low costs of production, low R&D costs, innovative scientific manpower, strength of national laboratories and an increasing balance of trade. The Pharmaceutical Industry, with its rich scientific talents and research capabilities, supported by Intellectual Property Protection regime is well set to take on the international market.

Pharmaceutical industry in post-TRIPS period (1995-2008)

The recent surge in patent applications in India in the post-1995 period has now received attention in policy analysis. It provides important data for evaluating the potential for domestic actors to adjust to the new patent regime. The number of patent applications filed in the Indian Patent Office has risen approximately 420 percent

in 2006 from 1995. In terms of the number of PCT international applications (IAs) filed in 2008, India stood at 18th position. R&D expenditure as a percentage of sales, which stood at around 2 percent in 1993-94, increased to around 5 percent in 2005-06. Presently, Indian pharma companies are increasing the number of regulatory filings such as DMFs and ANDAs as these enable them to manufacture and market drugs in the regulated markets such as the United States and Europe. A study of the competitive advantage in successful new technology based firms found that their technology strategy played a key role for making these companies improve their competitive advantage (Nikaido, 2004).

Technology plays a key role in providing cutting edge for development with acquisition and technology adaptation to suit the local conditions (Maheshwari & Bhatnagar, 2008). Small scale industries have failed to cope with the emerging challenges to keep pace with the latest developments especially in terms of IPR (Kutty & Chakravarty, 2011). The acquisition of new technology is absolutely vital for all enterprises that want to procure or retain a competitive edge in the market. The Technology Transfer agreements are necessary to fulfill technological needs that are impossible to meet with local technical capabilities (Khalil, 2009). Small scale industries have failed to cope with the emerging challenges to keep pace with the latest developments especially in terms of IPR. In the present age of increasing degree of globalization, it has become equally imperative for SMEs to be technologically innovative and show improved performance. The success of SMEs widely depended on innovations, research and development and intellectual property. It is critical not only to remain competitive but also to gain significant advantages by developing and commercializing new technologies (Jain & Kiran, 2012).

The main objective is to study the impact of Intellectual property rights in Micro, Small and Medium Enterprises of selected Pharmaceutical enterprises in the state of Andhra Pradesh in India and identify key factors which influence the business performance. This broad objective is crystallized into the following specific objectives:

- To assess the use of IPRs based vs non-IPRs based manufacturing pharmaceuticals.
- How far the IPRs are influencing the business performance.
- Finally, to assess the strategies adopted in managing MSMEs technologies.

Method

The study area consists of three regions of Andhra Pradesh, namely Rayalaseema, Telangana and Coastal. The study focuses on the selected pharmaceutical formulations. A purposive sample of 161 processing enterprises among four categories in three

different regions in Andhra Pradesh were selected for the study. Primary data was collected through a structured questionnaire administered with the enterprise owners/ chief executive officers/managers in selected SMEs. The questionnaires were distributed to 161 respondents of SMEs. The assessment of variables, i.e. Technology strategies identified from the study of Jain and Kiran (2012). The Secondary data was

Table1: Demographic Characteristics of the Sample

Item		N	%
Gender	Male	129	80.12
	Female	32	19.88
		161	
	over 50 years	63	39.13
		161	
Highest Level of Education	Normal education	41	25.46
	Diploma	15	9.31
	Degree	28	17.39
	Masters	32	19.87
	Professional	45	27.95
		161	
Prior business experience	5 to 6 years	9	5.59
	7 to 8 years	27	16.77
	9 to 10 years	35	21.73
	11 to 12 years	32	19.87
	Above 12 years	58	36.02
		161	
Age of the enterprise	5 to 6 years	18	11.18
	7 to 9years	22	13.66
	10 to 11 years	33	20.49
	12 to 14 years	38	23.60
	Above 14 years	50	31.05
		161	
Generation of Entrepreneur	1st generation	45	27.95
	2nd generation	89	55.27
	3 rd generation	27	16.77
		161	
Location of enterprise	Special Economic zone	10	6.21
	Non-Special Economic zone	20	12.42
	Industrial development area	90	55.90
	Non-Industrial development area	30	18.63
	Cluster group in specified location	11	6.83
		161	

collected from annual reports of the companies, books, journals and articles related to SMEs, MOT and IPR.

The demographic profile of the respondents of SMEs is shown in Table 1. One hundred and sixty one (161) usable responses were used for the analysis. 80.12 percent were male owners and 19.88 percent were female owners. Age group above 50 years was 37.13 percent. 39.13 percent enterprises were partnership firms. 36.02 percent had prior business experience of above 12 years. 31.05 percent enterprises had the age of above 14 years, and finally 55.27 percent entrepreneurs belonged to second generation.

Results

Of the total 161, 59 are using patented technologies to manufacture the required products. Over 51 are using just technology upgradation, 34 are using the help of transfer of technology and the remaining 17 are through just improvement through their own efforts. This clearly indicates that there is an improvement in this sector to follow IPR orientation in their efforts to face competition and to better their business performance.

Table: 2 Industry-wise distribution

S. No.	Technology Strategies	Mean	Rank	No of Industries	Percen-tage
1	Intellectual Property Rights	4.46	1	59	36.65
2	Technology Upgradation	3.96	2	51	31.68
3	Transfer of technology	3.89	3	34	21.12
4	Investment in R & D	3.60	4	17	10.55
	Total			161	100

Table 3: Technology Strategies adopted by SMEs – ANOVA results

Technology Management Strategies	Cronbach's Alpha if Item Detected	Between Groups (BG) / Within Groups (WG)	Sum of Squares	df	Mean Square	F	Sig.
Intellectual Property Rights	0.831 WG	BG	0.521	3	0.172	0.789	0.002
		WG	34.342	158	0.25		
	Total		34.863	161			
Adoption of new technology	0.852	BG	1.672	3	0.471	1.67	0.038
		WG	33.934	158	0.252		
	Total		35.606	161			
Technology Transfer	0.823 WG	BG	17.238	3	5.34	30.44	0.045
		WG	21.619	158	0.165		
	Total		38.857	161			
Investment in R & D	0.862	BG	19.368	3	6.743	36.54	0.021
		WG	17.147	158	0.119		
	Total		36.515	161			

From the above table, the reliability of the data shows adequate consistency to appropriately interpret the analysis. ANOVA was used to analyze the impact of technology management strategies in chemical processing enterprises of three selected regions. The ANOVA results highlight that all the strategies are significant since $p < 0.05$

Table 4: Performance of Business: IPRs Versus Non-IPRs Units

S. No.	Performance Status	IPR Industries (78)	%	Non - IPR Industries (83)	%	No. of Industries
1	Improved	45	57.69	23	27.71	68
2	Status quo	13	16.67	35	42.17	48
3	Declined	20	25.64	25	30.12	45
	Total	**78**	**100**	**83**	**100**	**161**

The above table clearly indicates that over 57 per cent of the small and medium scale enterprises following IPRs are able to improve their business performance and nearly 26 per cent of the units have a decline in the performance. However, nearly 28 percent of the enterprises are showing better performance in spite of not following IPRs. On the other side over 42 percent of the units maintain their status quo and 30 percent of the units showing negative performance among the non-IPRs. The above analysis clearly indicates that IPR units are better placed than non-IPR units. However, this is only an indication but not a clear direction.

Conclusion

Small and medium scale enterprises in India particularly pharmaceutical enterprises naturally follow trade mark, registered patents, acquire the technology from distant sources and finally invest funds in their own R&D. Similarly, many of the units in this category follow IPRs or expired IPR technologies in their existing manufacturing system. In the study it is observed that there is an indication that units following IPRs are showing better performance compared to non-IPR units. It is also observed that there is a shortage of technical manpower in this industry. The post-patent regime under the WTO, some firms are able to improve their performance but others fail to grow. The IPR regime still making , the SME sector to prove their strength. For this more funds are to be pumped into R and D areas for innovations in the field. However, further studies may prove more clearly that whether this performance is the clear direction in future with IPR regime.

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Factors Affecting Individualism-Collectivism: An Empirical Study

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Abstract

With the impeding liberalization and globalization, the Indian society has witnessed social, psychological, cultural and behavioral changes. The changing role of male and female in both personal and professional fronts has transformed their individual and collective behavior as well. The aim of the paper was to explore current positions in the individualism-collectivism dimension of male and female students in undergraduate and postgraduate courses and male and female bank employees. The study was based on primary data and respondents were selected from undergraduate and postgraduate students pursuing management course and bank employees. Group behavior in females is effective and if channelized properly, this inherent trait of group conformity can help female managers to effectively handle the teams along with sound peer relationship.

Keywords: *Individualism, Collectivism, Behavior*

Introduction

The term individualism is defined as a condition in which people are concerned with themselves and family members only, while collectivism is defined as a condition in which people believe they belong to larger in-groups or collectives which care for them in exchange for loyalty (Hofstede & Bond, 1984). Individualism is the belief in the importance of the individual and in the virtues of self-reliance and personal independence, showing less concern for others' needs and interests (Hui & Triandis, 1986). It focuses on the rights of the individual and the importance of individual goals such that the emphasis is on promoting one's self-interest (Lalonde et al., 2004). These individuals often regard relationships as competing with personal needs and group pressures as interfering with personal goals (Fiske et al., 2002). In addition, individualists tend to have a more stable and autonomous view of the self (Markus and Kitayama, 1991).

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Collectivism is the theoretical or practical emphasis on the group's goals, as opposed to the individual goals (Hui & Triandis, 1986). It is the attitudes and behaviors based on the belief that the basic unit of survival lies within a group, not the individual (Hofstede, 1991; Triandis, 1994). Individualism-Collectivism refers to the social connectedness among individuals. The theory of collectivism emphasizes interdependence between the self and one's group or society, implying that collectivists place more value on communal goals and is guided more by group norms and traditional authority figures (Oyserman et al., 2002; Triandis, 1995). Collectivism is related to family integrity and family unity; therefore, goals cannot be considered without thinking of the implications for others (Gibbons et al., 1995; Lalonde et al., 2004). This is associated with a sense of duty toward one's own group, interdependence with others, a desire for social harmony and conformity with group norms (Ghorbani et al., 2003; Green et al., 2005).

Collectivism refers to an outlook or orientation where the individual emphasizes the interdependence and the priority of group or collective goals over individual goals. In contrast, individualism refers to a state where the individual focuses on looking after him or herself. Individualists are more self-centered and prioritize or seek personal gains over common benefits (Verma, 1985; Sampson, 1988). The difference between individualism and collectivism can be expressed by the range of social bonds and links people develop with others (Hui & Triandis, 1986). There are a number of dimensions, which can distinguish individualists from collectivists, such as the relation to the group, the role of hierarchy, the need to belong to a group, the use of language, and the role of family. An important component of belonging to a group is focusing on in-group relationships and seeking for harmony among the in-group (Oyserman et. al. 2002; Markus and Kitayama, 1991; Oyserman, 1993; Triandis, 1995).

Individualists are more likely to prioritize the self and be explicit in enhancing their self-esteem (Triandis 1996). They also desire to enhance or emphasize their personal goals, interests and values over the society they relate or belong to (Bellah et al. 1985; Hsu, 1983; Kagitcibasi, 1994; Markus and Kitayama, 1991; Sampson, 1977; Triandis, 1995; Oyserman et al., 2002, Triandis 1996). According to Ho and Chiu (1994), value of the individual, autonomy, individual accountability, individual achievement, and self-sufficiency were the main components of individualism. In contrast, collectivists are likely to value belonging to their in-group or culture and relating one's self to the group, e.g., family, tribe, nation, etc., Fiske 1992; Hofstede 1980; Hsu 1983; Markus & Kitayama, 1991). It is commonly acknowledged that individualist and collectivist attitudes are not mutually exclusive (Bontempo, 1993, as cited in Green et al., 2005). Individuals may be characterized by specific combination of individualist-collectivist

attitudes; some people may be high on individualist and low on collectivist or vice versa, while others can be high or low on both (Green et al., 2005).

The process of categorizing things and people as masculine or feminine is known technically as gender typing (Sears et al., 1991). People usually display their gender as a prominent part of their self-presentation. The distinction between male and female is a universal organizing principle in all societies. While there is debate as to their origins, there is little debate in the psychological community as to the existence of gender-based personality differences. In their comprehensive review, Sackett and Wilk (1994) state that it has long been known that gender differences exist for a variety of personality dimensions. They reviewed several well-known personality instruments and found sizeable gender differences in various instruments and scales. Sex differences in values, attitudes and behaviors arise due to different gender roles, gender stereotypes and gendered social structures that influence self-concept and self-presentation (Konrad et al., 2000).

According to the gender-centered hypothesis (Fagenson, 1990), gender differences are expected because of the different ways that women and men are socialized by parents, schools, and mass media, among others. Hence, it could be interpreted that norms, values, and social conventions affect the behavioral patterns of different sex. The differential nature of gender roles, gender stereotypes and gendered social structures is attributed to the division of labor between women and men and to the greater status and power of men that emerges in the control of women's general behavior (Wendy & Alice, 2002). The traditional value systems attributed to males and females make males more individualistic and less collectivistic than females. Research has provided strong evidence for the importance of individualism and collectivism on organizational attitudes and behaviors. For example, Cox et al. (1991) found that racially various groups with people from collectivist cultural traditions tended to be more cooperative than groups composed of only individuals from individualistic traditions.

Similarly, Earley (1989) found that social loafing did not occur in groups with collectivistic beliefs. Subsequently, Earley's (1993) research indicated that the performance of collectivists is the highest when working in a group. Earley and Gibson (1998) specifically show the importance between individualism and collectivism and job design. Thus, looking at the relationship between individualism and collectivism and job attribute preferences would help understand how to design jobs to increase individual outcomes of organizational commitment, satisfaction and job performance.

Individualism and Collectivism have also been connected with gender differences (Arora et al., 2011). Present study focuses on identifying factors and exploring whether differences in gender and occupation affect individualistic-collectivist behavior.

Review of Literature

Ogihara (2017) reviewed studies investigating temporal changes in individualism in Japan and their ramifications on psychology and behavior. Japan has experienced rapid and dramatic economic growth and urbanization and has adopted more social systems based on individualistic concepts in various contexts (e.g., workplace, school). Recent studies have suggested that, along with these socioeconomic changes, Japanese culture has become more individualistic over time. Vu et al. (2017) investigated in their study whether individualism and collectivism (IC) at country, individual, and situational level influence how quickly and accurately people can infer mental states and analyze the data for the groups separately and found that IC did not predict accuracy or reaction time performance.

The value orientations of individualism and collectivism are poles apart. Individualism focuses on the self-distinctiveness, while collectivism focuses on the interpersonal relationships. So far many new theories have been proposed in order to explain the factors that influenced individualism/collectivism. There are four representative theories among them: modernization theory, pathogen prevalence theory, rice theory and climate-economic theory. The latter three theories are relatively new theories put forward in recent years, and they discuss the causes of individualism/collectivism from the perspective of distal factor (Jiang et al., 2016).

Volkema et al. (2016) found that individualism/collectivism affects initiation, with individualists more likely than collectivists to initiate a negotiation. Atkins et al. (2016) found that (collectivism-representing) Chinese participants were more accurate in judging someone else's social pain (empathic accuracy), compared to (individualism-representing) British participants. Regarding Vietnamese participants, on whom the priming effect was manifest to a certain extent, being in an individualistic situation, or having to think of themselves as an independent entity separate from others, was detrimental to their accuracy performance. This finding is in line with the cultural fluency model (Mourey et al., 2015).

Researchers have recognized that cross-cultural psychology needs to take into account Individual IC when examining cultural differences, over and above Country IC effects (Greenfield, 2014). Oyserman et al. (2014) found that the participants who were in the

individualism-primed condition were more likely to make perspective-taking mistakes–by moving the wrong object–than the participants in the collectivism-primed condition. Research by Monkhouse and Stephan noted that Vietnamese people, as collectivist consumers, have little knowledge about different luxurious brands although they well-understand that classy brands are important for the self's image (Monkhouse et al., 2012).

Leng and Botelho (2010) stated that individualist purchasers are more novelty-conscious while Leo et al., (2005) concluded that collectivistic consumers are much more interested in innovation. Various consumer marketing researchers from different fields have employed the theory of individualism/collectivism in their studies (Nayeem, 2012; Mooij & Hofstede, 2011; Hofstede, 2001). Collectivism pertains to societies in which people strongly integrate to form extensive and close-knit in-groups. (Triandis & Gelfand, 2012). The concepts of individualism and collectivism are quite popular in the literature dealing with social and personal orientations (Spence, 1985; Wagner & Moch, 1986; Sampson, 1988; Dansereau, 1989; Wheeler et al, 1989; Schwartz, 1990; Morris et al., 1993). Attributes of individualists include an emphasis on personal responsibility and freedom of choice (Waterman, 1984), personal autonomy and self-fulfilment (Hofstede 1980), distinctive personal attitudes and opinions (Oyserman & Markus, 1993; Triandis, 1995), need for detachment from others and individual autonomy (Andersen, Reznik & Chen, 1997) and functioning according to personal choices (Walsh & Banaji, 1997). Individualism also relates to attributes of personal success, status and competitive characteristics (Bellah et al., 1985, Chiou, 2001, Oyserman & Markus, 1993, Gudykunst et al., 1996, Triandis, 1995, Triandis et al., 1988, Schwartz, 1990).

In sum, collectivism includes a sense of belonging and duty to in-groups, interdependence with group members, maintenance of one's social status, seeking harmony and avoiding conflicts, and a preference for an indirect communication style. Individualism includes distinction of the self from others, a dominance of self-reliance, values self-interest and personal goals over those of society striving for personal goals, and a preference for a direct communication style. One should consider that what is often interpreted as differences in Individualism and Collectivism can be accounted for demographic variables such as education, type of employment and urban versus rural environment (Kagitcibasi, 1997). Markus and Kitayama (1991) suggested that people in collectivist societies tend to have higher interdependent and lower independent self-construal, whereas the opposite relationship is expected in individualistic societies. Individuals describe categories, such as ethnicity, to

themselves, and these categorizations provide a basis for their self-definition or self-concept.

Through these identities, specific values, attitudes, and needs are translated to goals for behavior (Cropanzano et al., 1992; Markus and Wurf, 1987). The values of individualism and collectivism or the extent, to which individual initiative versus interdependence is favored in a culture (Hofstede, 1980; Triandis, 1994). An individualistic orientation emphasizes autonomy, independence, individual initiative, and a collectivistic orientation emphasizes group solidarity (Triandis et al., 1988). Triandis (1994) identified that in collectivistic cultures, job characteristics such as task interdependence and affiliation could be more important than task variety, task identity, task significance, and autonomy. Cox et al. (1991) found that ethnically diverse groups with people from collectivist cultural traditions tended to be more cooperative than groups composed of only individuals from individualistic traditions.

Hofstede (1980) found that collectivistic cultures placed greater emphasis on having training opportunities, good working conditions, and being able to use their skills, while individualistic cultures placed emphasis on having a job which leaves sufficient personal time, gives freedom to perform the job according to the individual's preferences, and having challenging work which gives a sense of accomplishment. Meindl et al. (1989) found that collectivism was less related to certain work values such as achievement, autonomy and development, and a greater emphasis on other work values such as benefits, safety, pay, recognition, and working environment. Earley (1994) examined managers from China and the US and found that regardless of the cultural and geographical differences between the two countries, there were differences among individuals in each group in their level of individualism and collectivism. The study found that those with a high level of individualism performed better in individual-oriented tasks, while those who ranked high in collectivism performed better in group-oriented tasks.

Consumer-interest researchers consider culture as a "prism" through which consumers assimilate products' information and others' buying behaviors. Based on what they "observe" from the "prism", individual buyers shape their own purchasing choices. (Solomon et al., 2013). On the contrary, misunderstanding the local collectivist/individualist orientation may cause huge revenue loss for companies when introducing their products or services to international markets. For instance, IKEA faces difficulty when the company penetrates their business to Turkey, which is a collectivism-oriented nation. Unlike individualistic American buyers who purchase small furniture packages used for 2 or 3 people, Turkish customers normally choose large set of furniture as

they live in extended families. Also, they prefer buying furniture that everyone likes because Turkish people often welcome lots of relatives and friends coming to their homes (Solomon et al., 2013).

In a study, it was found that students with a high level of individualism cooperate less in group settings than those with a high level of collectivism (Wagner, 1995). Masculinity and femininity were described as the roles division between sexes to which people in a society put different emphasis on work goals and assertiveness as opposed to personal goals and nurturance (Hofstede, 1980). The differential nature of gender roles, gender stereotypes and gendered social structures is attributed to the division of labor between women and men and the greater status and power of men that emerges in the control of women's general behavior (Wood and Eagly 2002). The traditional value systems attributed to males and females make males more individualistic and less collectivistic than females.

Pavlou and Chai (2002) explained relationship between attitude and transaction intention was significant for collectivist culture, but insignificant for the individualistic culture. Job characteristics are typically divided into task-related and contextual factors. Intrinsic motivation leads individuals to engage in behaviours that make them feel competent and, therefore, is typically derived from performing a job (Deci, 1975). For example, task-related job attributes such as challenge, responsibility, and autonomy would lead to intrinsic motivation. In contrast, contextual job attributes tend to be derived from the work environment and include pay, fringe benefits, company policies, quality of supervision, and quality of work relationships.

Herzberg et al. (1959) also made the distinction between task-related and contextual job attributes, noting that task-related job attributes (termed motivators), and not contextual job attributes (termed hygiene factors) lead individuals to feelings of growth and personal development. Accordingly, models of job enrichment, such as the Job Characteristics Model (JCM). Hackman and Oldham, (1976) have focused on increasing task-related job attributes; they note that the applicability of this model is moderated by individual traits. Similarly, cross-cultural research has noted that employees from countries with different cultural values are motivated by different rewards (Adler, 1997).

In collectivistic cultures, job characteristics such as task interdependence and affiliation could be more important than task variety, task identity, task significance, and autonomy. Hofstede (1980) found that collectivistic cultures placed greater emphasis on having training opportunities, good working conditions, and being able to use

their skills, while individualistic cultures placed emphasis on having a job which leaves sufficient personal time, gives freedom to perform the job according to the individual's preferences, and having challenging work which gives a sense of accomplishment. Chen and West (2008) suggested that collectivism appeared to be a function of social distance. They measured it with respect to parents, friends, and general others. Collectivist societies stress 'we' consciousness including: collective identity, emotional dependence, group solidarity, sharing duties and obligations, need for stable and predetermined friendship, group decision, and participation.

In addition, research supports a relationship between individualism versus collectivism and task-related versus contextual work goals. Kalleberg and Reve (1993) found that task-related rewards such as meaningful, interesting, and challenging tasks were more important in promoting commitment for US employees (an individualistic culture) than for Japanese employees (a collectivistic culture). In contrast, they found that the use of teamwork had a stronger effect on organizational commitment for Japanese employees than for US employees. While task interdependence could be seen as a task-related job attribute, most measures include aspects of 'relations' with others under contextual attributes. Present study is an attempt to find out factors contributing to individualism and collectivism.

Objective

To explore the factors contributing to individualism and collectivism among the students and bank employees.

Method

Scope and Design of the Study: The present investigation is based on exploratory research inquiry and examines Gender and Occupation as determinants of Individualism – Collectivism. The study is based on primary data that is collected through the use of a questionnaire. The data were collected from 140 respondents. 70 respondents were students (35 male and 35 female) and 70 respondents were bank employees (35 male and 35 female). The respondents were selected through convenient sampling. As this research has a quantitative base so questionnaire used in this research is close ended questionnaire. The questionnaire consists of 15 close ended questions based on an interval scale adopted from Oyserman et al. (2002). Respondents were asked to indicate their degree of agreement with each of the questions on a five-point Likert scale. The data were analyzed using window based statistical package of the social science (SPSS). The statistical tools used to analyze the data were Kaiser-Meyer-Olkin (KMO), Bartlett's test and Factor Analysis.

Item Total Correlation and Reliability of the Measures: Questionnaire adopted in this study consisted of 15 questions; item total correlation was used in order to check the normality of the sample. As the sample size was 140, item with correlation value of less than 0.1948 should be dropped. All the items in the study had correlation of values more than 0.1948 thus; no item was dropped from the questionnaire. Reliability of the measures was assessed with the use of Cronbach's alpha on all the 15 items. Cronbach's alpha is designed as a measure of internal consistency and allows us to measure the reliability of different variables. It consists of estimates of how much variation in scores of different variables is attributable to chance or random errors (Selltiz et al., 1976). As a general rule, a coefficient greater than or equal to 0.7 is considered acceptable and a good indication of construct reliability (Nunnally, 1978). The Cronbach's alpha for the questionnaire is (0.707). Hence, it is reliable and can be used for analysis.

Hypothesis: Bartlett's test is used to test if samples are from populations with equal variances (Snedecor and Cochran, 1989). The Bartlett's test of sphericity tests the null hypothesis that the variables in the population correlation matrix are uncorrelated. Test of the strength of the relationship among variables was done using the Bartlett's test of sphericity and hypothesis was formulated.

H_{01}: There is no correlation among fifteen variables in the population under study.

Results and Discussion

To test the correlation among all the variables in the population under study, Kaiser-Meyer- Olkin (KMO) measure of sampling adequacy and the Bartlett's test of sphericity were performed and to test the significance of variance and understand inter-level difference between and within group treatments, the data were treated with F-test analysis.

Results of KMO and Bartlett's test of sphericity: The 15 variables used for the factor analysis were coded using the five-point Likert Scale. To test the correlation among all the variables in the population under study, Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Bartlett's test of sphericity were performed. As indicated in Table-1, the generated score of KMO was 0.685, reasonably supporting the appropriateness of using factor analysis. The Bartlett's test of sphericity was highly significant ($p < 0.01$), which implied that all fifteen variables are correlated in the population.

Table-1: Results of the KMO and Bartlett's Test for Individualism and Collectivism

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.685
Bartlett's Test of Sphericity Approx. Chi-Square	362.809
Df	105
Sig.	.000

Table 2 provides the varimax rotated factor loadings against the 15 variables measuring individualism and collectivism. This was obtained in 7 iterations through SPSS (Version 16). Using Principal components with varimax rotation only attributes with factor loadings of 0.5 or greater on a factor were regarded as significant. Factor analysis using Varimax rotation finds six derived factors, each having Eigen value greater than unity. In the rotated factor matrix, variables are grouped under their respective derived factors.

The Eigen values of six factors were 3.227, 1.737, 1.365, 1.147, 1.129 and 1.058, respectively. The total variance accounted for the six factors was 64.435 percent which is quite reasonable, and this establishes the validity of the study.

Table 2: Rotated Factor Matrix for Individualism and Collectivism

Var. No.	F1	F2	F3	F4	F5	F6	Communalities
V1		0.749					0.621
V2					0.846		0.750
V3			0.528				0.665
V4				0.798			0.706
V5	0.844						0.750
V6			0.661				0.598
V7	0.458						0.494
V8						0.623	0.618
V9		0.499					0.590

V10					0.745	0.636
V11				0.532		0.600
V12	0.741					0.606
V13			0.707			0.642
V14		0.785				0.639
V15				0.734		0.750
Eigen value	.227	1.737,	1.365,	1.147,	1.129	1.058	
Cumulative variance	21.51%	33.09%	42.20%	49.85%	57.38%	64.44%	

Note: F1, F2, F3, F4, F5 and F6 are six derived factors.

Results of Factor Analysis: Naming of the factors has been done on the basis of size of the factor loading of the variables. Greater a factor loading for a variable, greater are the chances of the factor being named after this specified variable. Table 3 depicts the variables under each of the six derived factors namely Achievement orientation, Assertive behavior, Dutiful behavior, Group orientation, Collectivist conscientiousness and In-group harmony.

Table- 3: Factors of Individualism and Collectivism

Sl. No.	Factor	Item	Item	Item	Item
1	**Achievement orientation**	Compete	Self Know	Unique	
2	**Assertive Behavior**	Direct communicate	Independent	Private	
3.	**Dutiful Behavior**	Hierarchy	Duty	Goals	
4.	**Group orientation**	Belong	Group		
5.	**Collectivist conscientiousness**	Related	Context		
6.	**In-group harmony**	Advice	Harmony		

Achievement orientation: The distinction of the individual from others is defined in terms of the uniqueness of the self in comparison to the other (Bellah et al., 1985; Hsu, 1983; Kagitcibasi, 1994; Markus and Kitayama, 1991; Sampson, 1977; Triandis, 1995; Oyserman & Markus, 1993; Walsh & Banaji, 1997).

Hofstede (1980) pointed out that power distance is significantly high in India. In Indian setting, superiors have considerable power over their subordinates and they can make or mar the achievement of their subordinates. Respecting authority figures is an important skill achievement oriented subordinates shall develop in societies like India. That is the reason this item is considered as correlated to achievement (Reddy and Reddy, 2004). It is measured by items 5, 12 and 7 as identified in table 2. These items are "It is important to me that I perform better than others in a task", "I know my weaknesses and strengths", "I am unique – different from others in many aspects". Table 2 displays that variable 5 is the strongest and explains 21.51 per cent variance and has a total factor load of 0.844.

Assertive behavior: Individualistic attributes can be expressed in a personal communication style (Gudykunst et al., 1996; Holtgraves, 1997, Triandis, 1995). Triandis and Suh (2002) showed that direct communication was a typical behaviour of individualists, and there is a higher likelihood of using 'I' more than 'we' and of being more assertive (Wu & Rubin 2000). The communication style of the collectivists is characterised by a tendency to use indirect language (Gudykunst 1997; Gudykunst and Matsumoto 1996, Holtgraves 1997; Triandis 1995; Triandis and Suh 2002). Such indirect communication is associated with emotional restraint and the desire to keep harmony and save face within the group (Gudykunst, et al., 1996; Markus and Kitayama, 1991; Kwan et al., 1998, Holtgraves 1997). Collectivists are likely to present themselves in relation to the relevant in-group by using expressions such as "my family thinks I am too busy" or "my co-workers think I am kind" (Triandis, et al., 1990). It is measured by items 14, 1 and 9 as identified in table 2. These items are "I tend to do my own thing and others in my family do the same", "I always state my opinions very clearly" and "I like my privacy". Table 2 displays that variable 14 is the strongest and explains 33.09 per cent variance and has a total factor load of 0.785.

Dutiful behavior: One of the symptoms of group binding is a sense of hierarchy. Hierarchy can be a collectivist as well as an individualist attribute. For collectivists hierarchy acts as a reference that shows them their position or rank within their in-group, whereas for individualists' hierarchy relates more to competition as Individualists are seeking to move higher than others on the social scale/level (Triandis,

1995; Singelis et al., 1995). It is measured by items 13, 6 and 3 as identified in table 2. These items are "I have respect for the authority figures with whom I interact", "I would help within my means if a relative were in a financial difficulty" and "I take great pride in accomplishing what none else can accomplish". Table 2 displays that variable 13 is the strongest and explains 42.20 per cent variance and has a total factor load of 0.707.

Group orientation: People in collectivist cultures, compared to people in individualist cultures, are likely to define themselves as aspects of groups, to give priority to in-group goals, to focus on context more than the content in making attributions and in communicating, to pay less attention to internal than to external processes as determinants of social behavior, to define most relationships within group members as communal, to make more situational attributions, and tend to be self-effacing (Triandis, 2001; Nguyen et al., 2010). Individualists are likely to belong to more in-groups in comparison to collectivists (Triandis 1989). Individualists are more likely to prioritize the self and be explicit in enhancing their self-esteem (Triandis 1996). They also desire to enhance or emphasize their personal goals, interests and values over the society they relate or belong to (Bellah et al., 1985; Hsu, 1983; Kagitcibasi, 1994; Markus and Kitayama, 1991; Sampson, 1977; Triandis, 1995; Oyserman et al 2002, Triandis 1996).

In contrast, collectivists are likely to value belonging to their in-group or culture and relating one's self to the group, e.g., family, tribe, nation etc. (Fiske 1992; Hofstede 1980; Hsu 1983; Markus and Kitayama 1991). The influence of the in-group is much stronger on collectivists (Triandis 1989). Belonging to the group is not just a matter of identification; it is subordination of personal goals to the collective's goals and taking into account the needs of others. This is because collectivists give more weight to norms as determinants of their social behavior (Triandis 1996). They identify themselves as members of a group to which they belong, and thus they internalise the group's goals and values and give these higher priority (Hofstede, 1980; Hsu, 1983; Markus and Kitayama, 1991; Triandis et al., 1988). In a more distinct way, Triandis (2000b), suggested that collectivists tend to be very sensitive to other in-group members, and can be quite distant from out-group people (Oyserman, 1993; Schwartz, 1990), and even hostile when conflict arises from out-groups.

The sense of belonging to the group among collectivists affects their well-being as their life satisfaction depends more on their ability to fulfil social obligations, roles and expectations (Kwan et al., 1997; Markus and Kitayama, 1991). Singelis (1994)

suggested that the collectivists are obligated to their in-group, sacrificing the self-good or self-interest for the good of the collective. It is measured by items 4 and 15 as identified in table 2. These items are "To me pleasure is spending time with others" and "I would rather do a group task rather than an individual task". Table 2 displays that variable 4 is the strongest and explains 49.85 per cent variance and has a total factor load of 0.798.

Collectivist conscientiousness: Levin (1936) indicated that people differ in their concepts of what is private and what is public? In collectivistic societies everything is context oriented. In such societies, what is private or public depends on the context and with whom the collectivists are dealing. As such there is no definiteness to the concepts of what is private and what is public? It is measured by items 2 and 11 as identified in table 2. These items are "To understand who I am you must see me with members of my group" and "How I behave depends on who I am with, where I am, or both". Table 2 displays that variable 2 is the strongest and explains 57.38 per cent variance and has a total factor load of 0.846.

In-group harmony: The influence of the in-group is much stronger on collectivists; Individualists are likely to belong to more in-groups in comparison to collectivists (Triandis 1989). Morling and Fiske (1999) found that harmony correlated with interdependence and collectivism. The value of keeping harmony and 'saving face' is most present in conflict situations. Ohbuchi et al., (1999) showed that collectivists prefer to deal with conflicts by methods that maintain relationships with others (e.g. mediation) while individualists seek justice. It is measured by items 10 and 8 as identified in table 2. These items are "Before making a decision I always consult others" and "I make an effort to avoid disagreements with my group members". Table 2 displays that variable 10 is the strongest and explains 64.44 per cent variance and has a total factor load of 0.745.

Bendix (1967) explained that traditional characteristics that do not come in the way of the demands of modern urban living will stay and traditions that are not compatible with modern living are ignored and neglected. Frager (1970) has found that Japanese subjects (more collectivist) conformed less than U.S. subjects (more individualistic) in situations when norms are not enforced. This may be the reason that males have been rated significantly higher on collectivist facet of group orientation in comparison to females. Modernity is also changing the gender stereotypes. Allan and Coltrane (1996) found that images of women have changed to become less stereotypically feminine.

Conclusion

Individualism-Collectivism is one of the major contributing factors to the formation, growth, and development of society. This research explores determinant of Individualism–Collectivism of students and bank employees are Achievement orientation, Assertive behavior, Dutiful behavior, Group orientation, Collectivist conscientiousness and In-group harmony. This study finds out that there is a correlation between the factors of Individualism–Collectivism and indicates Achievement orientation, Assertive behavior, Dutiful behavior, Group orientation, Collectivist conscientiousness and In-group harmony are six factors. It is clear that there is a significant relationship among the factors of Individualism–Collectivism among students and bank employees. Future research can study these topics with a large sample size.

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Economic Impact of Microfinance Institutions: A Study on the Financial Transformation of Financially Underprivileged

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Abstract

In the last few decades, microfinance has become a popular tool in reducing poverty, particularly after the successful impact of Grameen Bank in Bangladesh. Members of the Grameen Bank improved in their socio-economic conditions like better housing, increased income, better diet conditions with improved nutrition, women empowerment, participation of women in socio-political activities, lesser birth rate and child mortality, improved health, better access to education and consumption on clothing. Microfinance has emerged as an effective tool for poverty alleviation. Several microfinance programmes have significantly helped in the upliftment of the disadvantaged and vulnerable sections of the society. This paper aims to evaluate the impact of one such microfinance programme on the lives of its beneficiaries. To assess the impact of the programme, primary data was collected from 100 beneficiaries of Bhadrakh district in Odisha. Results have revealed an increase in the income, expenditure, savings, and household assets. In addition to this, it was found savings of the beneficiaries is significantly dependent on their income.

Keywords: *Microfinance, Impact Assessment, Underprivileged.*

Introduction

Microfinance structure has been designed to have an aim of giving low income people an easy access to socio-economic services. It gives them an opportunity to get self-employed and bring themselves out of poverty. Microfinance is an important tool to brawl poverty. In layman's term, microfinance is the provision of loans, savings, insurance and other financial products or services to the financially underprivileged who otherwise do not have access to these services. Microfinance is a simple but

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effective credit tool that enables the most poor to pull themselves out of poverty. It involves advancing small loans to the working poor. These loans are usually less than $200 and made by local organizations called microfinance institutions (MFIs). Microfinance helps the working poor to establish or expand small businesses that generate additional income for the family use. This extra income allows a poor family to buy food, access healthcare, educate their children, put aside savings and lay the foundation for a better future. Microfinance is one of the best alternatives to generate self-employment.

Microfinance has been defined differently by different authors. According to Otero (1999), "microfinance is the provision of financial services to low-income poor and very poor self-employed people." Schreiner and Colombet (2001) defined microfinance as "the attempt to improve access to small deposits and small loans for poor households neglected by banks". NABARD Task Force 2000 has defined microfinance as "provision of thrift, credit, and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas enabling them to raise their income levels and improve living standards." Microfinance, thus, helps empower the poor and vulnerable sections of the society and has emerged as a means of economic development.

India, since independence, has been trying to address the problems of the poor and the underprivileged. As a step to include the poor in the banking domain, NABARD in 1992 launched the SHG-Bank Linkage Programme. The SHG-Bank Linkage programme has expanded at a fast pace and is the largest microfinance programme in India. Along these lines, a significant number of Microfinance Institutions or MFIs (which include NBFC MFIs, trusts, societies etc.) have evolved which, are extending financial and non-financial support to the financially underprivileged. The mainstreaming of microfinance is evident from the microfinance programmes initiated by new generation private sector banks like ICICI Bank, HDFC Bank, etc. (Satish, 2005). All these developments point to the growing realization that the poor are bankable.

HDFC Bank's Sustainable Livelihood Banking

In an attempt to reach the still unbanked and with a view to provide financial services to the poor, especially women, HDFC Bank started the Sustainable Livelihood Initiative. The main aim of this initiative is to further its financial inclusion objective by empowering livelihoods in the under-banked and unbanked segments of the population. SLI (Sustainable Livelihood Initiative) provides a host of financial services like loans, savings account, micro-recurring deposits, and micro-insurance products.

SLI (Sustainable Livelihood Initiative) has taken a holistic approach towards developing the rural poor by offering training and enhancing skills and credit counselling and financial literacy of the participants. Till 2012, SLI has taken its microfinance lending to more than 5,174 villages in 20 states covering more than 20 lakh households under this initiative. The SLI programme in Odisha has covered 5395 households (Table 1).

Table 1: HDFC Bank's SLI Business Performance Report in Odisha (Quarter June'16)

Particulars	June'16 Quarter	Cumulative since inception
Loan disbursement (Rs. in Crs.)	1.23	4.24
Families included	929	5,395
Districts covered		3
Business location		3
Villages covered		51
No frill accounts	1,204	4,320

Review of Literature

Several studies have been conducted which confirm that microfinance programmes have significant impact on increasing income and reducing poverty. An improvement in the standard of living of the households has also been reported by studies. A number of studies also point out the fact that participation in the programme has led to greater levels of women empowerment. However, some impact studies have also shown that the microfinance programmes are not reaching the poorest of the poor. The loans are being utilized for non-income generating activities and women have limited control over group loans resulting in limited women empowerment.

Hossain (1988) conducted an impact assessment study of Grameen Bank's microfinance programme in Bangladesh by comparing the participants and the non-participants in the programme. The study revealed a positive impact of the microfinance programme on the economic activities of members as compared to non-members. The average household income of the Grameen Bank members was 43% higher as compared to the eligible non-participants. Morduch (1998), during 1991-92, investigated a cross-sectional data of 1,800 households in Bangladesh served by microfinance programmes

of Grameen Bank, BRAC, and BRDB. It was concluded that microcredit contributed to reducing household vulnerability. The household that participated in the survey had significantly lower variation in consumption and labour supply across seasons as compared to a control group of households in the area not served by any microfinance programme.

Puhazhendhi and Satyasai (2000) conducted a study commissioned by NABARD in 223 states spread over 11 states across India. The comparison of pre- and post-SHG situation revealed a 33% rise in the average annual income from pre-to post-SHG situation. It was also found that 40% of the incremental income was generated from non-farm activities. Todd (2001) studied the impact of SHARE Microfinance Ltd. on its clients. The compared existing clients who had received assistance and new clients who were yet to receive any. It was found that 76.8% of the clients had experienced a reduction in poverty which included 38.4% shifting from very poor to moderately poor category and 17.6% that had left poverty entirely. It was also found that most of the mature clients send their children to school and spend money for health purposes as compared to the new clients.

Singh (2001) conducted a study in Uttar Pradesh to find out the socio-economic impact of microfinance. The study showed an increase in the annual income by 28% and increase in the value of assets by 46%. Gaonkar (2001) investigated the impact of SHGs on women in Goa. The study demonstrated that SHGs helped in improving their quality of life by increasing their income, savings, consumption expenditure, self-confidence, productive use of free time, getting opportunity to improve hidden talents and getting more importance in the family. Kabeer and Noponen (2005) assessed the socio-economic impact of PRADAN's microfinance programme in Jharkhand. Members reported higher levels of savings and lower incidence of indebtedness. The study also revealed that members had better access to food, clean drinking water, as well as improved housing.

Yamuna (2007) assessed the status of SHG members in Coimbatore. The study reported an increase in the income level, savings, value of assets and household durables. Borbora and Mahanta (2008) studied the role of credit in the generation of employment opportunities in Assam. It was found that 43% of the beneficiaries expanded their source of income and the microcredit linked SHG programme significantly increased the employability and promoted the habit of savings. Shrestha (2010) analyzed the Microfinance and social Mobilization in the context of ADBL (Agricultural Development Bank, Nepal) in promoting SFCLs (Small Farmers Cooperative Limited) in his book entitled "Financial Performance of Small Farmers Cooperative Limited in

Nepal." Considering the positive outcome of SFDP in terms of targeting the poor for their overall well-being, expansion of the program was highly demanded in rural Nepal to deliver services to the poor and disadvantaged groups. Social mobilization is also equally required in order to improve and maintain better financial performances of SFCLs.

Mustafa and Saat (2012) conducted a Case Study on "Assessing Performance and Intervention of Microfinance Institutions in Sudan" the finding shows that microfinance program in Sudan will have a positive social impact. Adhikary and Papachristou (2014) in their research do not confirm a statistically significant negative relation between financial performance and outreach goals, Kar and Swain (2014) reveal that interest rate has a significant impact on the financial performance of MFIs and their loan repayments. However, the results vary with respect to the loan delivery methodology. Rahman and Mazlan (2014) investigates the performances of financial self-sustainability of microfinance institutions and compared their positions in five MFIs of Bangladesh and revealed that most of the micro-finance institutions are financially self-sustainable to operate their operations in this region.

Marakkath and Ramanan (2012) assess the efficient and sustainable performance of Indian Micro-Finance Institutions, Sivasankaran, N., Saravanan P. (2011) in their study revealed the impact of organizational characteristics, operational performance managerial performance and financial performance on social efficiency of Micro-Finance Institutions and found organizational characteristics of the respondent MFIs have influence on their social performance and managerial performance; operational performance and financial performance do not influence their social performance. Agarwal and Sinha (2010) point out is a cross-sectional study on "Financial Performance of Microfinance Institutions of India" that MFIs must be able to sustain themselves financially in order to continue pursuing their lofty objectives, through good financial performance.

Manoharan, Ramachandra and Devi (2011) in their study on "Micro Finance Institutions in India – A Study on Financial Performance" revealed that MFIs must be able to sustain themselves financially in order to continue pursuing their lofty objectives through good performance and vivid functioning. Thus, there is an urgent need to widen the scope, outreach as also the scale of financial services to cover the unreached population. Tiwari, A. (2012) demonstrates "A comparative study on Bangladesh and India" and found that the Indian MFIs have performed better than Bangladesh in most of the financial indicators. Venkata, M. (2011) in their case study on Ethiopion

MFIs revealed that MFIs are playing a dynamic role to uplift the poor and down trodden from centuries together.

Roy and Chandana (2013) have presented a paper "A Scientometric Analysis of Literature on Performance Assessment of Microfinance Institutions (1995-2010)" in this paper they have shown that that many studies considered only one criterion to be important while measuring the performance of MFIs namely, Financial performance (24%), outreach (18%), sustainability (16%), Efficiency (12%) or social performance (10%); secondly, it has been observed that many studies conducted on the assessment of the MFIs considered combinations of different dimensions like sustainability and outreach (13.46%) financial performance and outreach(8.65%) and financial performance and social performance (6.73%).

Bi and Pandey (2011) in their article on "Comparison of Performance of Microfinance Institutions with Commercial Banks in India" has examined that the performance of MFIs have improved significantly over the past years and sufficient regulatory and governance would help to achieve the goal of poverty alleviation and financial inclusion. Thus, most of the studies reveal a positive impact of microfinance programmes on the socio-economic lives of the poor. It has, therefore, been regarded as a poverty alleviation tool and is considered to be helpful in attaining millennium development goals by reducing hunger and poverty and empowering women.

Purpose of the Study

The present study is an attempt to assess the impact of microcredit programme of HDFC Bank's Sustainable Livelihood Initiative (SLI). The paper investigates the pre- and post-intervention scenario by mainly concentrating on income, expenditure, savings, and asset base of the participants. In addition, the research study also tries to determine the income differences across the various livelihood activities. Further, the paper tries to determine the dependency of savings on income.

Method

To assess the impact of SLI microcredit, primary data were collected from 100 respondents in the Bhadrakh district of Odisha through convenience sampling. Participants of the survey were beneficiaries of SLI programme of HDFC. The impact assessment was made by comparing the clients' present position with respect to their position before availing the microcredit facility. Analysis of Variance (ANOVA) technique was used to explore the income variation across groups. Correlation and regression have been used to determine the dependency of savings of the respondents

on their income. Tabular and graphical methods have been utilized to represent the data.

The study intended to capture the true picture of the impact of microfinance on the livelihood of the rural poor. The subsequent section discusses the results on the study. It was observed from the study that 98% of the respondents took assistance from HDFC Bank's SLI to expand their existing livelihoods and rest 2% to start a new business. It was also found that 100% of the respondents utilized the assistance in productive purposes.

Results

Change in household income

Table 2 shows that, on an average clients' income has increased by 35% after joining the SLI programme. The highest income change (Rs.19,743 per year) has been observed for handloom. The average annual income for the livestock sector has also increased significantly but the highest change recorded in the handloom sector implies that clients' prefer investing in the handloom sector as it generates more income as compared to rest of the sectors.

It is important to note that none of the respondents in the survey were involved in agriculture or cropping. The reason may be attributed to the fact that majority of the respondents (94%) are landless having neither homestead land, nor cultivable land. Moreover, it can be inferred that agriculture or cropping required more drudgery as compared to other non-land based activities like livestock, poultry and handloom.

Table 2: Average annual income generation from different livelihood activities

Source of Income	Household's Income (Rupee/year)		Change in Income	
	Before	*After*	*Rupees*	*Percent*
Livestock	27,046	42,330	15,284	57%
Poultry	32,500	47,200	14,700	45%
Fishery	25,783	36,960	11,177	43%
Handloom	44,071	63,814	19,743	45%
Others	57,573	61,555	3,982	7%
Total	186973	251859	64886	35%

Income effect of SLI

Figure 1 shows that the microcredit facility has resulted in increasing the households' yearly income. The microcredit has significantly elevated their income base and most of them now earn more than Rs. 50,000 annually, which was not the case earlier.
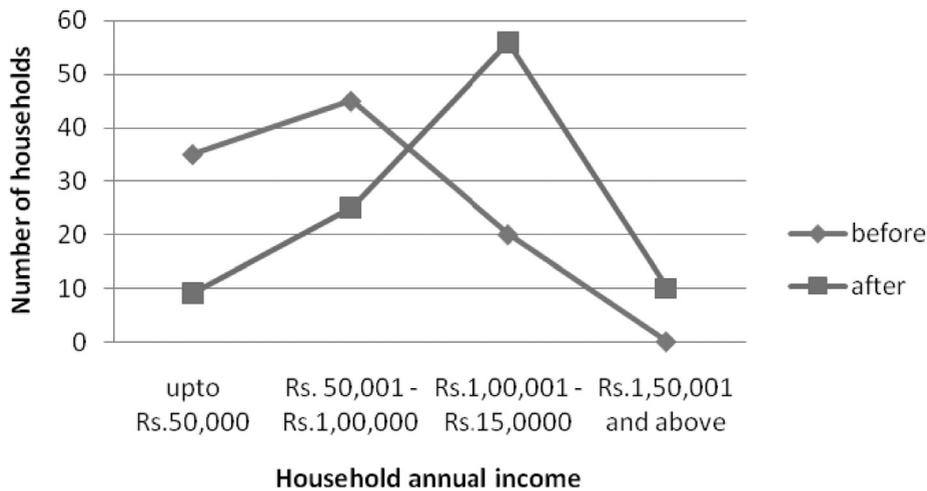

Figure 1: Change in the households' yearly income

Income variation across livelihoods

To understand if there is any significant variation in income of the beneficiaries with respect to their livelihoods an analysis of variance (ANOVA) test was conducted. The respondents (or beneficiaries) were classified on the basis of their livelihood activity. Thus, the research hypothesis is:

H_{0a} - There is no difference of income across the groups based on their livelihood activity.

H_{1a} - There is significant difference of income across the groups based on their livelihood activity.

Table 3 presents the output of the one-way ANOVA test and table 4 presents the descriptive statistics and means of the income from various livelihood activities. It can be observed from Table 3 that F-value is 10.615 and p-value is 0.000. Therefore, there exists a significant difference in the income across groups based on their livelihood activities at 0.01 significance level. Table 4 further shows that the means of income differ significantly across the 'others' category and livestock, poultry, handloom, and fishery taken together.

Table 3: Output table of one-way ANOVA (Income)

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	88474699.671	4	22118674.918	10.615	.000
Within Groups	197950756.329	95	2083692.172		
Total	**286425456.000**	**99**			

Table 4: Descriptive statistics table for one-way ANOVA (Income)

Particulars	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Mini-mum	Maxi-mum
					Lower Bound	Upper Bound		
Others	4	9000.0	2000.00	1000.0	5817.5	12182.4	6000.00	10000.00
Poultry	10	5600.0	875.59	276.8	4973.6	6226.3	5000.00	8000.00
Livestock	18	4833.3	938.08	221.2	4366.8	5299.8	2500.00	6300.00
Handloom	45	5480.4	1586.31	236.4	5003.8	5957.0	2800.00	9000.00
Fishery	23	4195.6	1557.52	324.7	3522.1	4869.1	500.00	7000.00
Total	**100**	**5221.2**	**1700.93**	**170.0**	**4883.6**	**5558.7**	**500.00**	**10000.00**

Change in households expenditure

Table 3 shows the expenditure of the households, further segregating the various sources. The household expenditure of the SLI clients' on an average has increased by Rs.11,937 per annum. Expenditure on food shows the highest increase (Rs.4344 per year) followed by education (Rs.2785 per year) and repairs and maintenance (Rs.2475 per year). The increase in repairs and maintenance (81%) is significant which may be attributed to the fact that poor always avoid these expenses due to shortage of money. But whenever they have ability they try to create better facilities or improve and repair the existing ones.

Table 5: Annual expenditure of households

Sources of Expenditure	Household's expenditure (Rupee / year)		Change in expenditure	
	Before	*After*	*Rupees*	*Percent*
Food	17232	21576	4344	25%
Clothing	7356	8802	1446	20%
Education	8430	11215	2785	33%
Health	4950	4988	38	1%
Repairs and Maintenance	3040	5515	2475	81%
Others	4925	5774	849	17%
Total	**45932**	**57869**	**11937**	**26%**

Change in the asset base of the households

Clients' assets denote his or her land, house, furniture as well as the livestock and poultry. The assets possessed by the clients' before joining the SLI and after joining the SLI are presented in Table 4. The mean values indicate that there has been a significant increase in the poultry and livestock asset category. Further increase is noted in the number of equipments as well. However, there has been no increase in both homestead as well as cultivable land.

Table 6: Household assets owned by the households

Household assets	Mean value before availing credit	Mean value after availing credit
Homestead land	0.09	0.09
Cultivable land	0	0
House	0.06	0.07
Equipment	0.52	0.86
Livestock	2.14	3.67
Poultry	3.51	5.68
Electronic goods	0	0.37

Change in household savings

The annual savings of the households, on an average, increased by Rs.1142 per annum. When asked about their savings options, the respondents preferred savings account (42%), insurance (32%) and fixed deposits (10%). A significant portion of the respondents also maintained deposits with the local societies (14%) which form the other savings options.

Association between income and savings

To determine the association between savings of the beneficiaries with respect to their income a test of correlation was performed. Therefore, the hypothesis is:

H_{0b}-*There is no linear relationship between savings of beneficiaries and their income.*

H_b- *There is a significant linear relationship between savings of beneficiaries and their income.*

Table 7: Correlation Matrix

	Particulars	**Income**	**Savings**
Income	Pearson Correlation	1	.965[**]
	Sig. (2-tailed)		.000
	N	100	100
Savings	Pearson Correlation	.965[**]	1
	Sig. (2-tailed)	.000	
	N	100	100
**. *Correlation is significant at the 0.01 level (2-tailed).*			

Table 7 presents the output of the correlation test. It can be observed from the table that savings and income are highly correlated (0.965) at significance level 0.01. To further test the dependency of savings on income, linear regression analysis was performed. To determine if the data are fit for linear regression, both the variables were put in a scatter plot. Figure 3 shows the scatter plot of income and savings and it can be observed that a straight line can be fitted through the points.
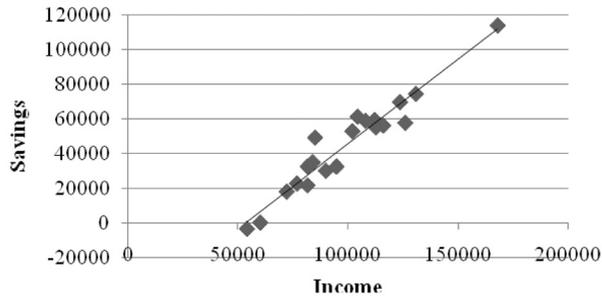
Figure 3: Scatter plot of income and savings

Linear regression analysis was performed by selecting income as the independent variable and savings as the dependent variable. Result of the test is displayed in tables 8, 9 and 10.

Table 8: Model summary of linear regression analysis

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.965[a]	.931	.930	7066.38059
a. Predictors: (Constant), income				

Table 9: Regression analysis (ANOVA)

Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	65880732131.72	1	65880732131.72	1319.3	.000[b]
	Residual	4893505992.27	98	49933734.6		
	Total	70774238124.0	99			
a. Dependent Variable: Savings						
b. Predictors: (Constant),Income						

Table 10: Regression analysis coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-52197.679	2762.559		-18.895	.000
	Income	.978	.027	.965	36.323	.000
a. Dependent Variable: Savings						

Table 8 shows that the value of R^2 is 0.931 (greater than 0.7) indicating fitness of the model. Table 9 shows that the significance against the F value (1319.363) is 0.000. It is also seen that the value of constant (a) is -52197.679, whereas (b) is 0.978 and both are returning a significance level, against t test, of 0.000.

This implies that variation in savings of the beneficiaries can be explained with the knowledge of their income. The R^2 value of 0.931 indicates that approximately 93% of variance in savings of the respondents can be accounted for by the knowledge of their income.

Conclusion

Microfinance is now considered to be a well-established poverty alleviation programme. The respondents in the study reported an increase in the income, savings, expenditure and the asset base of their households. It was further evident from the study that the microcredit received under the SLI programme was utilized for income generating activities. Majority of the respondents in the study were landless and as a result all the respondents were engaged in non-land based livelihood activities. The study revealed that the income of the respondents have significant variation with respect to their livelihood activities. It was also established through the study that an increase in the income of the beneficiaries results in a significant increase in their savings. From this observation it can be concluded that the respondents have developed the habit of savings. This is further evidenced from the fact that all the respondents have savings accounts and a significant number of respondents also preferred life insurance as a saving option.

Finally, it can be concluded that the microfinance programme has benefitted the clients immensely and has been successful in bringing positive changes in terms of their income, savings, and asset base.

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Communication

In Enhancing the Quality of Indian Education Revolutionary changes are called for - No Tinkering will help

J Philip*

There is no other topic on which so much has been written in India, as education, with so little result! Go back in history and look at the Commissions and Committees and the voluminous reports that came out from them during the last sixty-five years starting with the Kothari Commission. Some of these reports had excellent thoughts and recommendations. For example, the Pitroda Commission Report. But when it came to implementation nothing much had happened. Look at some of the observations / recommendations of the Pitroda Commission (2006-2009):

1. There should at least be 1500 Universities in the country by 2015. Now we know what actually happened!

2. Some of the existing Indian universities are too huge and hence unmanageable. Break them into manageable units.

3. Have one central regulatory authority called "IRAHE (Independent Regulatory Authority for Higher Education)", and not UGC, AICTE & MCI.

4. In higher education, private sector must play a decisive role.

5. Liberalise education as has been done with other sectors.

And what happened to Pitroda Commission recommendations? The Government appointed another Committee almost at the same time - the Yash Pal Committee (2008). That committee consisted mostly of traditional educationists and administrators who had mostly worked, lived and drawn salary from the governmental system. To them a dominant position for the private sector in higher education was anethema. So they really tied up the Pitroda Commission recommendations in knots. To get a feel of the angularity of that report, have a look at this statement from the Yash Pal Committee report:

*Founder President, Association of Indian Management Schools (AIMS) and Former Director, IIM, Bangalore.

> *The behavior of some private universities has become a matter of serious concern to a large body of students and parents. There have been several instances of campus violence and related litigations. A detailed probe into the basic reasons for the concerns revealed that many of them were professional colleges that got approval from the regulatory bodies for university status. Immediately thereafter, they started admitting five to six times their intake capacity, without a corresponding increase in faculty strength or academic infrastructure. The classes and laboratories were conducted at strange hours like a factory production operation. The students who paid huge capitation fees felt cheated. The students from the underprivileged sections could not get admission in many of them due to heavy capitation fees.*

See the way the private sector was berated! This Committee also maligned one of the recent innovations in Indian education, namely, the deemed university system, just because a few of them had violated some norms. In essence that Committee spoke against privatization. Dr Arvind Panagariya's argument in his book that UGC had outlived its usefulness and relevance or Pitroda's recommendation for more and more private universities did not cut ice with this group. In this context, a quote from Panagariya's Book, *India: The Emerging Giant* will be of interest:

> *"Following Independence, India opted for a highly centralized system of higher education.*
>
> *It is my view that the institutional structure of the higher education system built in the 1950s can no longer serve the modern-day educational needs of India. As incomes rise, the brightest Indians will choose to go abroad in search of better education, even if it means borrowing large sums of money. Only a wholesale restructuring of the system can stem this outflow".*

It will also be interesting to look at the comments of a keen Western observer of the Indian education system. He said:

> *Indian education system is a sea of mediocrity in which islands of excellence can be found.*

> *Philip Altbach of*
> *Boston College quoted in The Economist*
> *March 25, 2015*

If we need greater evidence of what is happening to Indian education system read the latest survey reports [2018] of THE (The Times Education) and QS. The following is the position of India, China and Brazil:

INDIA'S INTERNATIONAL POSITION IN HIGHER EDUCATION

	INDIA	CHINA	BRAZIL
Times Higher Education Survey Position in Top 250 Universities	None Appears In this 250	11 Appear	None Appears
Position in QS University Rankings Top 250	3 Appear Highest Indian position-172 (IIT-Delhi)	15 Appear Highest Chinese position-25 Tsinghua University	2 Appear
Position in QS BRICS countries Ranking in Top 100 (Brazil, Russia, India, China & South Africa)	13 Appear Top one IIT-B, 9th position	38 Appear Tsinghua University 1st Position	15 Appear

*Inclusive of Hong Kong University

We have seen such gloomy statistics over and over again, with not much of a cathartic result. The reason is simple. We were not willing to make the kind of structural changes needed to meet the crisis in education, while what was desperately needed was bold and imaginative steps. Something like what we did in 1991 in a paradigm shift in economic policies. Let us look at some of the possible steps:

1. Government is a poor agency to provide this all too essential service called 'education'. As most of the readers are painfully aware, government schools at primary or secondary levels as a rule are at best mediocre. Therefore, even the poor and the marginalized would prefer to avoid government run schools. Answer: government must vacate the space of primary and secondary education to the extent of 80% and leave private sector to run most such schools. The same applies to undergraduate and postgraduate education too!

2. Break the current UGC into 4: East, West, South and North. UGC simply cannot continue in the same old form. Remember what Panagariya has said above. And don't miss the point that until recently Dr Panagariya was the Vice Chairman of Niti Aayog.

3. Make a ten-year programme of encouraging and facilitating some 1000 Universities to come up in the private sector. There are a number of excellent colleges in the country as Altbach has said. Allow them to convert themselves into Universities.

4. While the institution of AICTE may continue to look after technical education in the country, it should not be burdened with management education or still less, something like hotel management education. These are different streams not a piece with technical education. Bring back into operation the 'All India Board of Management Studies' to look after management education. That field is now quite large with about 3800 Management Schools. Why should it be tagged on to technical education which is mostly of the undergraduate category – Engineering, Architecture, Polytechnic etc.? AICTE must also see its major role as facilitator in developing good technical institutions in India and not merely as regulators. Don't forget the painful conclusion of some recent studies of ASSOCHAM on employability of management and engineering students – a pitiable 7% according to them! See the screaming headlines on the same that appeared in a number of Newspapers:

    "7% of MBA graduates employable, rest earn 8-10K: According to a study, only 7 per cent of MBA graduates from Indian business schools, excluding those from the top 20 schools, get a job straight after completing their course".

    The Indian Express
    30th April 2016

    What a terrible situation, if it is really true?

5. Stop the yearly licensing system of educational institutions. Banished from the industry and business sector, license system is steadfastly hanging on to the education sector. This anachronism must go.

6. That takes us to another anachronism. Should the Government be concerned with accreditation of professional institutions? We don't see this in most advanced countries. It is always done by professional bodies, and not by a

government agency. Some of these practices remind us of Soviet era models. But no, we are now in the company of U.S.A, Israel and ASEAN countries. Liberalism and liberalization are the watch-words in these countries. And that shows in their economic performance too.

7. The rule of government paying salaries directly to teachers in aided colleges has played havoc with the system. Change it as early as possible. Why? Once the college teacher is appointed by the management of the college and the probationary period is over, there is nothing that the management could do to this teacher if he or she is a delinquent, inefficient or a moonlighting person. Any proposed action against him/her then has to move to the university or the governmental level. And at that level, nothing much can happen considering the power of the teachers' associations.

Result: The Manager or the owning Society who has the responsibility to deliver good education, has no real control over the key instrumentality in achieving this result. An unheard of system anywhere! And that militates against the basic principle of good management too! Can the government go back from this commitment or practice? No, not for the existing institutions. But don't allow any such grant-in-aid institution to come up in future – allow only private universities or top-notch government educational institutions wherever needed. The private universities should be allowed to charge reasonable fees for the students and pay reasonable salaries to the teachers. Government may fix a floor level for salaries in private institutions. But no "UGC scales" of the current type. That is all part of the Socialist era!

Would these changes help in improving our educational standards? There is reason to believe so. Why? Look at the results of Matriculation or Higher Secondary level examinations and see which schools are on top! Or, look at the ranking of Arts and Science Colleges in the country and check who are on the top! Mostly private sector schools and colleges! Similarly, we are going to see the same situation where private sector universities are bound to emerge on top of the mélange of Universities.

In support of Governmental ability to run good educational institutions, IIMs and IITs are often shown as examples. In fact, their superior performance only proves the argument presented earlier in the paper. As is widely known among the discerning public, IIMs and IITs are government founded and government funded institutions. That is it! The management of those institutions is carried

on by the Director and the Faculty who enjoy excellent autonomy under the supervision of a professional Board of Governors. The recent IIM Act has given these institutions further autonomy. We should complement the MHRD for this bold and imaginative action.

So, here is a situation where one has no scarcity of funds or shortage of freedom. And that is the basic reason for the excellence of these institutions. Allow the same thing to happen in the private sector education too. We would then see the emergence of a number of top-class universities which could keep their heads high in the global market. Don't expect this to happen with state universities. For they are 'wired' to be average. Exhortations are not going to give any meaningful results. We need to restructure the system boldly including allowing good foreign universities to come in. No amount of tinkering as we had done in the past is going to help. Peter Drucker; the Guru of Management Gurus has some advice in this context.

We now understand why there are some things government, by its very essence, cannot do. And even for the things government can do, conditions must be right. A government activity can work only if it is a monopoly. It cannot function if there are other ways to do the job, that is, if there is competition.

Whatever non-governmental organizations can do better, or can do just as well, should not be done by government at all.

From the Book *New Realities*

Case Study
Old Parrot New Tricks

Gurcharan was shocked and was in dilemma whether to accept the resignation of Dr Aditya Ghosh, or to favor his long time associate Abdul Rehman. At one point of time, the dream of opening a corporate university was looking impossible as the Detailed Project Report of the university prepared by Abdul Rehman with the help of a consultant was rejected by the Committee constituted by Government of Punjab. But chances of starting Emerald University again looked brighter when name of Dr Aditya Ghosh was referred by one of the senior executives. After two months of joining, Dr Aditya Ghosh had delivered what he had promised at the time of appointment. His performance met the expectations of Gurcharan in a short period of time and looked promising in the future. In spite of this, in a meeting with Gurcharan, Dr Aditya Ghosh proposed to resign from the post of Director - University Project and Vice Chancellor Designate.

Introduction

Emerald Group of Industries was a 130-year old business conglomerate in India. The Group had contributed significantly towards the country's economic development, and had a number of firsts to its credit. To name a few, it was the first to introduce synthetic cloth, dry cells and television in India. The Group had set up first cotton mill in North India in 1920s. The Group had also established a number of schools in remote areas for the benefit of poor children. The founders of the Group were also actively involved in the freedom movement of the country. It is from this rich legacy that the Group derived its mission to serve the society.

Looking at the contributions of the Group, the Chairman Ram Charan who was sharing dice with the then Chief Minister of Punjab in a function of the Federation of Indian Chambers of Commerce and Industry on 22nd April 2008 was invited by the Chief Minister of the state to set up a university and facilitate in upgrading the quality of higher education. Ram Charan readily accepted the invitation and requested his younger brother Gurcharan to initiate the university project. Gurcharan (70 years), who was Group Vice Chairman and Director Incharge - Education, deputed Abdul Rehman to take necessary steps for starting the university project.

Abdul Rehman (72 years), who was with the Group for last 50 years had no idea about higher education system in the country. He took it as a green project to set up another business enterprise. Being unaware about the ground realities of higher education system, he decided to get the Detailed Project Report prepared by a consultant. In the meantime, Surendra Kumar who had served the Group for 35 years before retirement as General Manager-Materials in 2006, was re-appointed to assist Abdul Rehman who was driving this project on behalf of the Group.

Abdul Rehman identified Dr Dinesh Kumar, an Associate Professor in a reputed Engineering College to work as a consultant. After receiving approval from Gurcharan, Dr Dinesh Kumar was appointed by the Education Foundation of the Group as a consultant for preparing the Detailed Project Report. The Detailed Project Report, prepared by Dr Dinesh Kumar in about 4 months, was submitted to the Government of Punjab in September 2008. On receiving the Detailed Project Report, the Government of Punjab constituted a Committee to examine the project report and submit its recommendations on whether to allow the Emerald Education Foundation to go ahead with its project or not.

The Education Foundation was thus asked by the Government to make presentation before the Committee on 5th November 2008. The Committee was chaired by Dr Roop Krishan, Vice Chancellor of a State University and had six members who were senior professors and deans from various disciplines of higher education. The consultant along with Abdul Rehman and Surendra Kumar appeared before the Committee. After brief interaction, the consultant was asked to make presentation of the proposal. Instead, Abdul Rehman got up and made the presentation to convince the Committee that university project is a good business model and needs to be allowed by the state at the earliest.

After presentation, the members of the Committee raised questions, which Abdul Rehman could not answer to the satisfaction of the Committee. Dr Dinesh Kumar sat through the presentation as a mere spectator, because Abdul Rehman did not allow him to speak at any stage. The Committee rejected the proposal and felt it is more a commercial venture, thus failing in its basic objective of a not-for-profit organization. The Committee also mentioned in the report that the proposal of Emerald Education Foundation lacks in clarity about the academic programs to be offered and how to ensure quality education.

Appointment of Dr Aditya Ghosh

Gurcharan was disappointed when he saw the letter of rejection. He called his long time associate Abdul Rehman to explore the reason for rejection and organize a meeting with Dr Roop Krishan. The Chairman of the Committee Dr Roop Krishan advised Gurcharan to appoint a senior academician to drive the project. Abdul Rehman was advised to look for recruitment firms with the help of President - Corporate HR Department of the Group, who could help him in hiring an academician from one of the leading national institutions. Abdul Rehman frantically embarked upon the task of searching an academician with relevant experience.

His efforts went futile as he was not able to identify an academician with relevant experience. When efforts of Abdul Rehman yielded no results, Gurcharan in a meeting of senior executives of the Group requested everyone to propose the name of some known academician who could be appointed to drive the university project. A few days later, name of Dr Aditya Ghosh was referred to Gurcharan by one of the senior executives who was present in the meeting. Dr Aditya Ghosh, Director of one of the leading business schools of the country, was contacted through one of the recruitment firms for knowing his interest in the project.

In view of good reputation of the Group, Dr Aditya Ghosh gave his consent for being considered for the challenging offer. A meeting of Dr Aditya Ghosh was organized with Gurcharan and his son Chandramohan on 6th December 2008. A detailed discussion was held between the three for about 60 minutes. Gurcharan and Chandramohan were convinced that Dr Aditya Ghosh was the right candidate for driving the project. The recruitment firm contacted Dr Aditya Ghosh the next morning and told him that Vice Chairman was happy with the meeting and before extending a formal offer to him a meeting with Chairman of the Group Ram Charan will be organized.

The meeting with the Chairman was fixed on 14th January 2009. On entering the office of Ram Charan, Dr Aditya Ghosh found that the meeting was actually with all the family members heading various businesses of the Group. The meeting went on for 45 minutes with main interaction with the Chairman. Next day, Dr Aditya Ghosh received a phone call from Corporate HR Head of the Group conveying that Ram Charan had approved his appointment as Director of the project and Vice Chancellor designate of the university. He informed him that as per practice of the Group, he is requested to visit the Corporate Office for psychometric profiling, as Group had the practice of having psychometric profile of the people joining at CEO level.

Dr Aditya Ghosh felt that it was not required in his case, because he was a psychologist himself by education and training. However, he accepted the request on the insistence of Corporate HR Head. Again after few days of psychometric profiling, the Corporate HR Head requested Dr Aditya Ghosh to visit the office of Vice Chairman for finalization of the terms of appointment. Dr Aditya Ghosh visited the office of the Vice Chairman on 11th February 2009, where he was handed over appointment advice after a brief discussion on terms and conditions with a request to join at the earliest.

After receiving the appointment advice, Dr Aditya Ghosh resigned from the position of Director in his present organization. He received a phone call from Abdul Rehman on 20th March 2009 to join immediately, because he had to proceed on leave for his personal work. On this, not taking it in a good taste, Dr Aditya Ghosh responded that I am occupying a responsible position and cannot leave my current organization without fulfilling the commitments, and as communicated to the Vice Chairman of the Group, he will be joining on 15th April 2009. After this Abdul Rehman conveyed to him that he will be away at the time of his joining, and his colleague Surendra Kumar shall receive him at the airport on 14th April 2009 evening. As per schedule, Dr Ghosh arrived Chandigarh airport on 14th April 2009 to join his new assignment the next day. He was received warmly by Surendra Kumar at the airport.

Project approval against all odds

Surendra Kumar took Dr Ghosh to the Guest House of one of the Group Companies at Chandigarh and told him that one room was booked for him for one month. Surendra Kumar briefed Dr Ghosh about the project. Dr Ghosh was surprised to know that both Gurcharan and Abdul Rehman had hidden the actual position from him. For instance, Abdul Rehman had told him that all the approvals of the Government were received and Dr Ghosh had only to make the university functional. He realized that the project had yet to take off and none of the approvals were in hand. The project had to be taken up practically from the scratch, because proposal of the Emerald Education Foundation was rejected by the Committee appointed for the purpose by the Government of Punjab.

On 15th April 2009, Dr Ghosh along with Surendra Kumar started hunting for a space for setting up university office and also an accommodation for his residence. Surendra Kumar also introduced Dr Ghosh to some bureaucrats who were dealing with the university project. The hunt for the office space and residential accommodation continued on 2nd and 3rd day also, and a space was finalized for university office by the end of 3rd day and by 4th day for the residential accommodation. Surendra Kumar

also accompanied Dr Ghosh to the showroom of Honda City to book official car for him, because his movement at that time was dependent on a local taxi.

On 20th April 2009, Dr Ghosh met Gurcharan. The meeting was held in a cordial environment and it was a pleasant experience for Dr Ghosh. After returning from the Head Office of the Group at New Delhi on 21st April 2009, since car was to be delivered by the company on 1st May 2009, Dr Ghosh appointed a driver for the same who was advised to join on 1st of May. He interviewed a number of candidates for the position of Personal Assistant and appointed Sudesh Das, who joined on 8th May, when possession of the office premises was taken. Dr Ghosh reviewed the Detailed Project Report which was prepared and later revised by Dr Dinesh Kumar. After assessing the status of the project, Dr Aditya Ghosh thoroughly revised the Detailed Project Report (DPR) and submitted it to the Department of Higher Education for evaluation by the newly constituted Committee.

In the meantime, Dr Aditya Ghosh developed rapport with Dr Sant Ram who was Vice Chancellor of Punjab University and Chairman of the newly constituted Committee. Abdul Rehman returned back from his foreign visit and started bossing around by questioning the setting of office, and location of office and residence at two different places. His interference was so irritating and childish that he wanted the position of desert cooler at a particular point in the office of Personal Assistant of Dr Aditya Ghosh. He wanted table of Dr Aditya Ghosh to face a particular direction in the office, and so on. Dr Aditya Ghosh firmly stood by his decision against the arrogance of Abdul Rehman.

The Committee accepted the Detailed Project Report and then communicated the date of meeting. On the designated day, Dr Aditya Ghosh appeared before the Committee along with Abdul Rehman and Surendra Kumar. During the presentation, Abdul Rehman continuously interrupted in between and disturbed the flow of the presentation. His unwanted, unnecessary and irrelevant comments also irritated the Committee members. Dr Aditya Ghosh, despite Abdul Rehman's immature behavior during the meeting, managed the show. After the meeting, he was personally advised by Chairman of the Committee to keep Abdul Rehman away from the appearance before the Committee in future. While apologizing for the irritating behavior of Abdul Rehman, Dr Aditya Ghosh got the project approved.

In a one-to-one briefing meeting with the Group Vice Chairman Gurcharan after two months of joining, Dr Aditya Ghosh informed him about the approval of the project. Gurcharan praised him for his achievement in such a short period of time. After giving

outstanding results in a short period of time, Dr Aditya Ghosh proposed to resign from the post of Director and Vice Chancellor Designate. Gurcharan was shocked by this and asked him that why he was proposing to resign after doing such a good job.

Dr Aditya Ghosh told him about the interference of Abdul Rehman in day to day work of the university project. The Vice Chairman convinced him that there was no hierarchy in between the Group Vice Chairman and Vice Chancellor. The role of Abdul Rehman was only to coordinate between his office and that of Vice Chancellor. Dr Aditya Ghosh also acquainted him about the bossy and irritating behavior of Abdul Rehman in front of the Committee, which could have put the project in jeopardy. Though Dr Ghosh agreed to continue, he could see dilemma on the face of Gurcharan who assured him that he would personally look into the matter.

Questions

1. Comment on the approach of Abdul Rehman.
2. If you were Gurcharan, what would have been your tradeoff? Long association or competence?
3. Comment on the decision of Dr Aditya Ghosh to continue on the assurance of Gurcharan.

Book Review

Steve Jobs: Life By Design

(*Author: George Beahm.* Mumbai: Jaico Publishing House, Year of Publication: 2016, First Edition, ISBN 978-81-8495-804-1). Pages: 226, Price: Rs. 250

Santosh Dhar*, Namrata Jain**

The Book **Steve Jobs: Life By Design** by George Beahm is an inspirational book. The book is divided into 3 sections- *connecting the dots*, *love and loss* and *death*. Author has cited different incidents of Steve Jobs life in these 3 sections in the form of 22 stories. Through these stories the author wants to convey to the readers that they should remain motivated regardless of the circumstances they are put in.

In the first story *Great Expectations,* the author highlights that the person should decide avenues for himself/herself and should have enough courage to design his own life. In the second story *Seize the Day* author underlines how to utilize each and every moment of day to make it effective. The story *Cultivate your Curiosity* talks about the inquisitiveness required to create an indelible mark in career. The story *Think like an Artist* illustrates that the work should never be influenced by monetary benefits rather it should be driven by passion for excellence with a sense of artistic pride. The story *Think Big but Start Small* emphasizes that it doesn't matter from where one starts, what matters is where one ends up. The section concludes with the story emphasizing that one should move ahead keeping and accepting the life events as they come to him/her.

The second section comprises 11 stories pertaining to Love and Loss. In the seventh story entitled *Find What You Love,* the author encourages readers to remain persistently engaged in the activities one loved as the Steve did even in the case of adversities. The next story *Work Hard* underscores the significance of hard work in bringing perfection in the work. The story *Seek Shared Visions* draws attention about how at personal and professional levels one should be in the company of people with similar values and vision, else differences could lead to disaster. In *Regain Focus,* the author indicates that one should never give up during difficult times rather he/she should be focused

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and try to come out from the unfavorable circumstances. The story *Start Over* pinpoints that one should make sincere efforts and devote time patiently to allow the things about which one is affectionate.

The story *Keep the Faith* suggests that dreams can be kept alive by keeping the faith high, learning from mistakes and moving ahead. Life demands to be brave enough in odd situations and disapprove critics is the message conveyed in the story *Save Face*. The story entitled *Make Time Enough for Love* brings to mind that family is equally important like work. Apart from professional obligations, one should enjoy with family. In the story *Create Great Products* the importance of ethics for doing quality work is emphasized. The next story *Don't settle* talks about quality and commitment being the two important ingredients for great results. *Invest time in your children* story suggests that spending time with children are the memories one would remember and cherish for whole life.

The third section talks about Death and includes five stories. *Memento Mori* stresses that one should give time to the things one wished for without regrets. Story *Live Life, Accept Death* advocates that life should be lived to its fullest as it is gifted only once and death is a part of life which everyone has to accept gracefully. The author asserts that Steve Jobs awareness towards scarcity of time was a key reason for focused approach and his productivity. Story *Deal with the Reality of the Situation* warns that one should not procrastinate health issues. Such situations must be dealt with timely after considering all facts. The story *Embrace Idealism* highlights that ideas and vision should be transformed into reality by taking actions no matter how small the beginnings would be. The last story *Stay Hungry, Stay Foolish* emphasizes that people should have thirst for knowledge and enlightenment.

Conclusion

The book can be termed as a handbook of lessons which inspires the readers. It has many takeaways as it highlights the reality of life like love, loss and death. All the anecdotes are real happenings from the life of Steve Jobs. This makes the stories quite interesting and attention retaining. The readers seek to draw the lessons from the life of great entrepreneur as he is seen as a role model by many. Some stories could have been clubbed as the underlined message has similar connotations. For example, different stories pertaining to fall of Apple as a company could have been clubbed. On the whole, the book is a welcome edition as it gives insight into the life of Steve Jobs which should be in the private collection of everybody.

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