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**“THE PAST, THE PRESENT AND FUTURE OF CRM”
(CUSTOMER RELATIONSHIP MANAGEMENT)**

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ABSTRACT

CRM (Customer Relationship Management) initially focusing on the sales force automation and information management for the customer later it become and important strategic tools for businesses process due to the transformation of the product centric marketing to customer centric marketing.

Today customer satisfaction and customer retention play vital role in business and CRM using technology able to make it successful. Those company who made it as pioneer able to get benefit and those who try to know the CRM as a important tool will planning to implement in coming future for getting success.

CRM is not an Magic which able to convert thing in profit, but it is new way of looking the business process enable with information technology system and entire orientation of business process and service depends upon the customer satisfaction and customer retention.

Keywords: Customer satisfaction, database, Business Strategy

THE PAST OF CRM

History of CRM (Customer Relationship Management)

The Term CRM (Customer Relationship Management) was first come in the existence in mid 1990. CRM (customer Relationship Management) those days referred to the software used for managing the sales force automation (SFA). They were focusing on the customer contact information. Last couples of years it has been seen that term used in major strategic approach in the business environment worldwide.

CRM (Customer Relationship Management) concept comes in existence in America in way back and it has come a long way. Today every Business Strategy aimed at to understand and anticipate current and potential customer. Giving it an Technological perspective, it involved the capturing customer data, consolidation of all customer data in central Database and Analyzing the consolidated data and distributing the data in various points for sales force, call centers, web sites, point of sale and direct marketing via mail or email and using this information while dealing with customer .in other view it is 360 view of customer information which leading to efficient customer management.

Looking back at history of marketing we can see the following clear development and progress over last four decades are.

1960-The era of Mass Marketing

1970-Beginning of Segmentation, Direct mail campaigns and Telemarketing

1980-Niche Marketing

1990-Relationship Marketing –The recognition of the true value of Retention

CRM Developed from

- 1 Satisfying Customer Needs
- 2 All Function of Business Process based on customer centric

THE PRESENT OF CRM

In the Present Marketing system Direct Marketing playing vital role, there is major difference between Marketing and Direct Marketing. Direct Marketing is the part if CRM (Customer Relationship Management)

Today organizations are moving through in several stages of CRM like.

Organization is meeting customer, needs responds form services looking for the satisfaction level is initial stages if CRM when it comes to performance then evaluation of customer perception and customer retention factors comes in CRM.

The Last stage of CRM is related to the evaluation of multiple customer need and satisfaction and factors of retention and their feedback.

Every organization has to go through above dfine stage for successful implementation of CRM it is only possible when it is properly enable with technology. When it will completely implemented then it will be give the each individual customer recognition to the customer as well organization able to analysis the individual customer help them to understand customer need and wants and their satisfaction level.

Recently Some Study Reveals that UK Top 100 Company looking for implementation of CRM and they were conducting research on that they find out that some important facts such as

- 1 Proactive Customer Management
- 2 Product Quality
- 3 Single Telephone number of Client as well Company
- 4 Web Based Inquires Handling

There is number of misconception about the CRM specially in Some Service Sectors they believed that

- 1 If CRM implemented properly then technology will provides all the services and less number of people required.
- 2 Less time for providing services to consumer
- 3 All services will be automated

Recently study was conducted in UK and America find that the Top 10 Company they implemented the CRM are

- 1 Direct Line
- 2 Amazon.com
- 3 Dell
- 4 HSBC
- 5 Hewlett Packard
- 6 BBC
- 7 Kwit fit Insurance
- 8 John Lewis
- 9 First Direct
- 10 British Airways

Amazon .com consider as best CRM Service provider in following reasons are

- 1 They were easy to access in websites and easy to navigate.

- 2 Their Database remembers customer previous sales choice and accordingly it move to customer choice on basis of earlier sale made
- 3 Customer credit card and its details maintain for further sale
- 4 Personal profile not allows to access to any one without permission
- 5 Sale data not publish to any third party for other sales.

THE FUTURE OF CRM

We are moving form seller driven market to customer driven market and CRM is Developing form generic market to specialized vertical market and try to cater the different sectors and different models of selling strategies of different industry.

Industry not able to customize the CRM tools as per their need but vender who provide tools have to design and develop tools for the existing verticals market there for it is equally important for the both the vender who design and develop tools and industry who will use this in vertical market will pay vital for the better understand the customer movement.

Analysts in software industry looking for new paradigm in different way and re innovating the existing tools in different way to cater the new requirement of vertical market. While business people thinking about their legacy system should acts as base for CRM and vertical market.

FUTURE HOLDS OF CRM

- 1 Customer will play important role in managing relationship
- 2 Service model will continues in change
- 3 Web will global base for CRM
- 4 Technology will be base of any organization successes
- 5 Service process and technology will go hand to hand

Today company never think about spending huge amount of money in traditional way of marketing but due to approach of customer centric marketing and customer satisfaction factors it make to thinks hundred times about the advertising and marketing spending .

Today spend more on few clients rather than to attract new clients it will cost less as respect to expanding on new client to attract and retain. More personalized methods of information and communication like cable TV, Broadband user can be targeted.

Today is seen that TV advertise is based on specific target then respect to mass audience based on the history of data available and their choice and availability .

Now as days B2C company looking for customer satisfaction, product quality, product delivery time and response time to customer enquiries in very specific ways, they were analyzing each factors to increase service quality and

service standard ,as well to understand the buying behavior of customer and forecasting of customer trends and behavior.

CRM is about the customer, selling to customer, analyzing the customer, communicating with the costumer .using customer details in new products development processes and product management.

Future CRM able to measure the attitude of customer, able to what customer are buying and able to send alerts about the products and alerts when loosing an customer.

RESULTS AND DISCUSSION

Getting started is easy in CRM due database provider and call centers. Many software vender SAP, Siebel and SAS, but is also true that most of company is not aware of technology and technology is bug bear of most of the agency.

CRM is tools which integrated with the people and process to get customer satisfaction and retain customer for longer period of time , there for tools can be purchase but better alignment with process and be purchase.

Technology is driver in CRM –it is not an engine. Many company CRM application implementation problem. Due to administration or IT department , because their role is entirely different in CRM.

360 view of customer help to understand the customer, which help to make decision in number of problem, which is major problem for administrative people.

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“A STUDY OF CONSUMER BEHAVIOUR AND PERCEPTION IN RELATION TO CONSUMER DURABLES – WITH REFERENCE TO CONSUMERS IN WARDHA DISTRICT”

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The thesis, “A study of consumer behaviour and perception in relation to consumer durables – with reference to consumers in Wardha district” has been prepared after careful analysis and interpretation of the facts. The summary of the Thesis is given below.

Chapter no. 01:- Introduction and Research Design:

The present research work was to study the consumer behaviour and perception in relation to consumer durables-with reference to consumers in Wardha district. In this research work is on Professionals of Wardha district have been selected for this study. The data has been collected with designed questionnaire and interviewing them. For understanding the specific meaning of consumer behavior let us see the definition of consumer behavior is, "The study of individuals, group or organizations and the processes the use to select, secure, use and dispose of .products, services,· experiences or ideas to satisfy· needs and the impact that these processes have on the consumer and society." And the specific meaning and definition of Perception is —Perception is the process of selecting, organizing and interpreting or attaching meaning to events happening in environment.¶Perception is basically a cognitive or thinking process and an individual’s activities, emotions, feelings etc. are based on his or her perceptions of their surroundings or environment.

On the basis of study conducted the following Summary are drawn:-

1.1 The present topic is selected for the research of study the problems with professionals as:

1. What is the customer? Is there a difference between the performance of the product in the past and today?
2. The problems of consumer culture, social class, consumer personal characteristics, cognitive thinking process?
3. The problems of nature and development of consumer personality?
4. The problems of consumer behaviour perceptions and product perception?
5. The strategies for changing consumer attitude?

6. What is the reaction of the target customers to the competitor's brands?
7. The problems of brand loyalty and brand equity?

Thus, there are number of such questions which required probe.

1.2 Objectives of the Study:

In the present study the following enquiries were aimed at:

- Understanding the various roles played the consumer decision making process.
- To know the consumer decision making process. i.e. How consumer buy.
- To understand the nature of choice criteria.
- Understanding the influences on consumer behaviour. i.e. The buying situation, personal and external influences and their marketing implications.

1.3 Sample Design:

The researcher has used Random simple sampling method for more enlighten this research work. Professionals of Wardha district have been selected for this study. The samples are gathered from Wardha district and taluka including Highanghat, Arvi, Deoli and Wardha. Following table shows the total number of professional respondents including male and female with their selected sample.

Professional"s	Total Respondents (Male & Female)	Sample Selected (Male & Female)
Doctors	216	62
Lecturers	2,321	550
Lawyers	351	80
Bank managers	81	27
Architectures	19	19
Chartered Accountants	12	12
Total	3,000	750

Thus, 25% sample was selected.

1.4 Hypotheses:

The assumptions of the study were as under:

H : 1. All the professionals are of heterogeneous group – some are institutional professionals, while some others are non-institutional professionals and chartered professionals.

H : 2. As regards the income of professional, some are paid as per statutory pay scale while others have fluctuating income.

H : 3. Perception of a desired product is a prerequisite of buying behaviour.

H : 4. Professionals maintain the quality of professional life; hence they always prefer to buy life-style products to show distinctiveness from non-professionals.

H : 5. Price of a consumer durable product is not the main consideration of the professionals. They value quality, brand and modernity of the desired product more than anything. All the products of convenience are the products of necessity for them.

H : 6. The habit, liking, buying process, attitude, nature, point of view, wants, opinion, thoughts, status, the response, expectation, imagination and comment of every consumer are different.

1.5 Methodology:

The researcher has used Survey approach and used descriptive and exploratory method in this Study for data collection. Primary data were collected through Questionnaires & Interviews from Professional respondents. Secondary data were collected by referring books in related subject, International & National Periodicals, Magazines, Newspapers, Govt. Publication, Internet resourceful website.

1.6 Limitation of the Study:

Only male and female professionals are covered in study professionals whose wives are simply home makers, such housewives are not covered in the study.

The primary condition for consumer satisfaction is freedom of choice. If consumer cannot choose because of limited market supply or because the nature and outcome of their purchases are predetermined, then consumers cannot discipline the market by changing suppliers.

Chapter no. 02:- Profile of Wardha District:

Second chapter explained the Profile of Wardha district relating to Information in Wardha district, Geographical location, Area and administrative divisions, Population and literacy, Health (No. of Hospitals), Co-operative sectors, Education, No. of Professional's and No. of Banks in Wardha District.

The district covers an area of 6309 sq. km, which is 2 % of the area of Maharashtra state. Wardha district, is located in the state of Maharashtra in western India. Until 1862, Wardha was part of the Nagpur district.

All the aspects of profile of 04 taluka in Wardha district were not indicated in the text book of his chapter. However, the essential aspects related to the study were covered. The list of the same is as under tables.

- **Wardha District at a Glance:**

TABLE: - 01**Geographical Area in Wardha district**

Geographical Area	Sq. km
Total area	6310 Sq. km
Area under forestry	1046 Sq. km

TABLE: - 02**No. of Population in Wardha district**

Population	Nos.
Total	1296157
Male	665925
Female	630232
Urban	327811
Rural	968346

TABLE: - 03**No. of Literacy in Wardha district**

Literacy	Nos.
Total	1021869 – 87.22 %
Male	554496 – 92.27 %
Female	467373 – 81.89 %

TABLE: - 04**No. of Administrative Divisions in Wardha district**

Administrative Divisions	Nos.
Revenue Subdivisions	Wardha, Arvi, Hinganghat
Tahsil Offices	Wardha, Deoli, Seloo, Arvi, Ashti, Karanja, Hinganghat, Samudrapur
Municipal Councils	Wardha, Deoli, Pulgaon, Sindhi(Rly), Hinganghat, Arvi
PanchayatSamities	Wardha, Deoli, Seloo, Arvi, Ashti, Karanja, Hinganghat, Samudrapur
Gram Panchayats	512 Nos.
Villages	521 Nos.
Police Stations	17 Nos.
Police out Posts	8 Nos.

TABLE: - 05 No. of Health (Hospitals) in Wardha district

Health (Hospitals)	Nos.
Major Private Hospitals	2
Medical Colleges	2
Civil Hospitals	1
Rural Hospitals	7
Primary Health Centers	27

TABLE: - 06**No. of Co-operative Sector in Wardha district**

Co-operative Sector	Nos.
Total co-operative Society	1,543 Nos.
Total members in Society	40,900 Nos.
Spinning Mills	2 Nos.
Sugar Factories	2 Nos.
Folklores and Folkdances	Khanjeri, Bhajan, Dandar, Gondhal, Powada
Freedom Fighters	471 Nos.

TABLE: - 07**No. of Educations in Wardha district**

Education	Nos.
University (Hindi)	1 No.
Primary School	1694 Nos.
Secondary Schools	159 Nos.
Jr/Sr. Colleges	82 Nos.
Adivasi Ashram Schools	13 Nos.
Engineering Colleges	5 Nos.
Medical Colleges	2 Nos.
Pharmacy Colleges	2 Nos.

TABLE: - 08 No. of Professionals

No.	Category	No. of Respondents				Total	%
		Male	%	Female	%		
1.	Doctors	40	7.36	22	10.58	62	8.27
2.	Lecturers	400	73.80	150	72.12	550	73.33
3.	Chartered Accountants	11	2.10	01	0.48	12	1.60
4.	Lawyers	55	10.13	25	12.02	80	10.67
5.	Bank Managers	22	4.05	05	2.40	27	3.60

6.	Architectures	14	2.57	05	2.40	19	2.53
TOTAL		542	100%	208	100%	750	100%

TABLE: - 09**No. of Wardha District Banks**

Name of banks	No. of branches
State bank of India	21
Bank of Maharashtra	03
Bank of India	23
Central bank of India	8
Union bank of India	01
ICICI bank LTD.	01
Bank of Baroda	04
IDBI bank LTD.	02
HDFC bank LTD.	01
Canara bank	01
Dena bank	01
Punjab national bank	06
Axis bank	01
Syndicate bank	01
UCO bank	02
Corporation bank	01
Vijaya bank	01
Allahabad bank	01
Andhra bank	01
The bank of Rajasthan LTD.	01

- ✓ Table no. 01 indicated the Geographical area in Wardha district.
- ✓ Table no. 02 indicated the Population in Wardha district.
- ✓ Table no. 03 indicated the Literacy in Wardha district.
- ✓ Table no. 04 indicated the Administrative divisions in Wardha district.
- ✓ Table no. 05 indicated the Health (No. of Hospitals) in Wardha district.

- ✓ Table no. 06 indicated the Co-operative Sector in Wardha district.
- ✓ Table no. 07 indicated the Education sector in Wardha district.
- ✓ Table no. 08 indicated the No. of Professionals in Wardha district.
- ✓ Table no. 09 indicated the Wardha District Banks in Wardha district.

Chapter no. 03:- Review of Literature:

This chapter has reviewed the literature on:

Marketing of consumer durable products with respect of the buying behaviour of consumers has undergone several changes over the years, especially considering the changes with the demands of the consumers.

A technological change has also widely contributed to the changes in the primary method of purchase.

The marketplace has also grown to become more competitive, all vying for the attention of the average consumer. Consumers purchase products for the benefits they reap out of it.

Consumer attitudes towards purchase behavior are believed to be shaped by many factors such as direct experience with the product, information acquired from others, price, nature of business, satisfaction, exposure to mass media and etc.

Brand loyalty is not only confined about the use products but also the services that these products offer.

There are four different views related to consumer decision making and behavior:

- I. Economic view,
- II. Passive view,
- III. Emotional view,
- IV. Cognitive view.

Chapter no. 04:- Concept of Buying Behavior and Implication:

In the fourth chapter explained the Concept of buying behaviour and implication relating to a consumer is a person who purchases goods and services for his own personal needs. Consumer behaviour can be defined as those acts of 'individuals' which are directly involved in making decisions to spend their available resources (time, money, energy) in obtaining and using goods and services.

Buyer behavior provides some valuable insights which can be applied usefully in many marketing situations. It also provides a framework, concepts and a vocabulary which can be used to analyse many marketing issues.

Consumer's buying behavior is influenced by cultural, social personal and psychological factors. The cultural factors exert the broadest and deepest influence. Consumer's behavior are determined to a great extend by social forces and groups such as reference groups, family, etc. consumer's family members are the most influencing reference groups, which shapes his buying behavior.

Competing for the consumer is a never-ending challenge. This is due principally to the uniqueness and competitiveness of each individual market, for they are all different and all require different approaches. Knowledge of the buying motives of consumers is essential for a marketer. The changes in the market are brought by the consumers.

We can see that understanding consumer behavior is a vital aspect of marketing. Marketers need to understand the role involvement and habit, information processing and the concept of life values in consumer behavior as well as cultural determinants.

Chapter no. 05:- Perception as a key factor of Buyer's Behaviour:

In the fifth chapter explained the Perception as a key factor of buyer's behaviour relating to Perception is the process by which individuals select, organize and interpret stimuli into a meaningful and coherent picture of the world. It has strategy implications for marketers because consumer make decisions based on what they perceive, rather than on the basis of objective reality.

To keep in pace with technology advancements, marketers are bombarding the market with hi-tech product and service offerings like consumer durables product to make life more smooth and so on. The product or service offerings provide a set of benefits which promise to elevate the consumer's life style, making it more convenient, smooth and enhancing their quality of life. That is, today firms are engaged in manufacturing products which offer customer benefits both functional as well as psychological.

Consumer's decision making process will be based on the way the individual perceives the product or service. An understanding of the perceptual process will enable the marketer to help the consumer in his purchase decision by making an integrated use of the augmented marketing mixes. They will have to go beyond the 4 Ps of marketing mix elements by adding value and change the perception of value –for –money proposition. Going for branding, by including service and corporate values marketers can help to reduce the consumer's concept of perceived risk associated with the product or brand.

Four main psychological processes affect consumer behavior:

1. Motivation,
2. Perception,
3. Learning,
4. Memory.

Chapter no. 06:- Consumer Decision-Making Process and Buying Process:

This chapter explained, we are well placed to understand as to how consumers make purchase – decisions because, the earlier chapters have provided unique framework comprising of psychological , social and cultural aspects or variables that have impact on consumer decisions and decision – making process. Mr. Napoleon I expressed very aptly when he said – Nothing is more difficult, and therefore, more precious than to be able to decide, || in the light of this, a consumer – decision should bring him real satisfaction a real value for money, hence, this chapter plans to discuss the vital aspects such as what is a consumer decision – making ? Views on consumer decision – making. A model of consumer decision – making dealt at length and touching some standard consumer decision – models and allied aspects

Consumer behavior is influenced by four factors:

- ✓ **Cultural:** - Culture, subculture and social class.
- ✓ **Social:** - Reference groups, family, social roles and statuses.
- ✓ **Personal:** - Age, stage in the life cycle, occupation, economic circumstances, lifestyle, personality and self-concept.
- ✓ **Psychological:** - Motivation, perception, learning, beliefs and attitudes.

Research into all these factors can provide clues to reach and serve consumers more effectively.

To understand how consumers actually make buying decisions, marketers must identify who makes and has input into the buying decision; people can be initiators, influencers, deciders, buyers, or users and different marketing campaigns might be targeted to each type of person. Marketers must also examine buyer's levels of involvement and the number of brands available to determine whether consumers are engaging in complex buying behaviour, dissonance-reducing buying behaviour, habitual buying behaviour or variety-seeking buying behaviour.

The typical buying process consists of the following sequence of events: problem recognition search, evaluation of alternatives, purchase decision and post-purchase behaviour. The marketer's job is to understand the buyer's behaviour at each stage. The attitudes of others, unanticipated situational factors and perceived risk may all affect the decision to buy, as will consumer's levels of post purchase satisfaction and post-purchase actions on the part of the company.

Other models of the buying decision process include the health model and the customer activity cycle model.

Buyer behaviour is the decisions and acts of people involved in buying and using products and services. When buyers make decisions, they engage in a problem-solving task. There are three degrees of problem solving:

- Reutilized response behaviour,
- Limited problem solving,
- Extensive problem solving. Extensive problem solving often requires a myriad of buying considerations.

To understand how consumers actually make buying decision, marketers must identify who makes and has input into the buying decision; people can be initiators, influencers, deciders, buyers or users. Different marketing campaigns might be targeted to each type of person.

Consumers are constructive decision makers and subject to many contextual influences. Consumers often exhibit low involvement in their decision, using many heuristics as a result.

Chapter no. 07:- Analysis and Interpretation of data:

A) Personal information of the respondents:

1. In the collected data it was found that, amongst the respondents covered (73.33%) were college lecturers including senior colleges and junior colleges (10.67%) Lawyers, (8.27%) were Doctors, (3.60%) were Bank managers, (2.53%) were Architectures and (1.60%) were Chartered accountants.
2. It is found that wives of all the male professionals' only (27.73%) wives of them are professionals. Also husband of all the female professionals may not be professionals but might have engaged in other gainful avocation.
3. It is found that average income of the senior college lecturers is Rs. 70,000 and junior college lecturers is Rs. 40,000 they are paid by the state government as per scheduled pay scale.
4. Other professional's income is fluctuating. However, their monthly income ranges minimum from Rs. 30,000 to maximum Rs. 1, 00,000 as in the cases of renounced Physicians, Lawyers or Chartered accountant and Architectures.
5. Income of Bank managers is also regulated as per banking companies act.
6. Women have equal opportunity in every field and area of life. (71.26%) female have the monthly income of more than Rs. 40,000 the same proportion is in their annual incomes.

B) Pre-Buying consideration of the respondents:

1. Maximum number of respondents {49.92% (male & female)} chooses to buy the products by their own impulse rather than the impulse of their friends or family members and (45.73%) of respondents(male & female) purchase the product on the impact of their family, friends and neighbours.
2. Mostly all the respondents {73.07% (male & female)} become the initiator of buying decision themselves rather than consulting their wives about it. Male professional's wives have a little say in the buying decision.
3. Nearly 450 numbers of respondents (56.07% {male & female}) buy the product due to the availability of finance. Respondents also buy the product due to the prompt sale service, goodwill of the dealer, etc.
4. Nearly all the respondents {93.87% (male & female)} have a concrete idea about the brand of the product and only (6.13%) of the respondents have foggy ideas about the product brand.
5. The male and female professionals opted either by cash or by installment (Cash – 67.95% and Instalment – 29.59%), although only a (2.46%) of the Respondents prefer to pay by credit.
6. Many Respondents (70.60%) get influenced by outer factors like advertisements etc. and a very few (9.67%) get influenced by inward factor.
7. A small amount of respondents (5.72%) buy the product for the social status but remaining either buy for the utility purpose (46.44%) or for others (3.05%).
8. The prospective buyers firstly their vision goes on the dealer and then on the product and thus the personality and the behaviour of the dealer is valued more rather than his products. Respondents have gone in the favour of the personality and the behaviour (65.77% for his respect and 29.72% for his eloquence) of the dealer rather than for the first attention given to them by the dealer.
9. The professional males and females (39.82 %) are motivated due to some special concessions given to them. Only a few respondents are motivated due to some special discount or other schemes of the dealer (60.18 %).
10. Nearly half of the respondents (45.59%) delay or postpone their buying decision due to the unavailability of favoured brand or colour. The respondents have no mind to postpone their for any other decision like to wait for some auspicious time or any other reason.
11. The respondents chose to buy the products on some festivals (41%) or on social occasions (30.54%) rather than buying the products on the marriages (0.56 %) and birth days (1.32 %).

12. The idea of purchasing the products comes into the minds of the respondents (27.95%), when they observe a TV advertisement or a print advertisement. Also some respondents are getting the idea of the product due to shopkeepers or sales men/women. (26.75%) of respondents have their own selections of purchasing the product.
13. The professional customers judge the quality of the product by the brand name and the latest technology used by the brand. Other variables like advertisement, brand price, brand image etc. have a little impact in judging the quality of the product.

C) Buying time consideration of the respondents:

1. Most of the times the respondents (59.84 %) choose to go with either the wife or the husband for shopping. The percentage of those who go by themselves or with their friends or neighbours.
2. Nearly 400 respondents (75.60 %) have no visit to more than one shop but only (24.40 %) of the respondents have faith in their dealers and they try to visit only one shop.
3. The respondents only try to give the influence of opinion to their wife/ husband (42.70%) rather than dealers (6.65%) or friends (13.58%). (37.06%) of the respondents also chose their own opinions for purchasing the product.
4. The respondents mainly think on the aspects like the brand price (30.26%) and the guarantee or warranty (43.08%). The respondent seems not to care about price or any other things to buy the product.
5. (71.94 %) of the respondents chose the mode of delivery as the home delivery given by the dealer but only a few respondents (28.06 %) carry the product themselves.
6. Nearly 500 of the respondents (66.76 %) like to install the products by the dealer and only the rest 33.24 % of the respondents install the product at their own cost or by the customers themselves.
7. (53.64 %) of the respondents preferred to go to another shop but only a few postponed the decision (19.69 %) or tried another brand (21.77 %).
8. Nearly all of the respondents (94 %) were offered cash discount by the dealer but when the dealer's profit margin became less no discount was granted to the customers.
9. Above (91.00%) of the respondents were satisfied with the behaviour of the dealer only some of the respondents called the dealer's behaviour poor (1.73%) and the remaining (7.33%) of the respondents called the dealer's behaviour an average behaviour. A dealer or the salesman has to possess some qualities and keen interest in male and female customers and has to bear a soft skill.

10. (83.07 %) of the respondents found that the product price was a reasonable one. Nearly (9.73 %) of the respondents found the price to be high and the remaining (7.20 %) found the price to be cheap.

D) Post-Buying consideration of the respondents:

1. It was found that (55.33 %) of the respondents did not find any dissonance, while (44.67 %) of the respondents found dissonance but still they had to be satisfied.
2. (51.73 %) of the respondents could not find any conformity with the products he/ she used or found in the ads on TV or newspaper, while other (48.27 %) of the respondents found the products as was shown in the ads.
3. Many respondents (65.47 %) thought of changing the brand for some or the other reasons. Respondents got dissonance (34.53 % of the respondents) in the product brand being used by him/her.
4. Nearly (89.20 %) of the respondents seemed to be satisfied with the product only a few respondents (10.80 %) of the respondents were left with some dissatisfaction of the product they were using. Human nature includes picking of holes in good things.
5. (91.20 %) of the respondents seemed to be satisfied with the behaviour and the qualities of the dealer and the rest (8.80 %) of the respondents found some negative attitude in the behaviour of the dealer.
6. Respondents chose to live a life style of advanced class and demanded all the amenities and conveniences that are available in the market according to the modern society. This class of products has been encouraged by the class of the professionals.
7. Excluding the prices of the cars it is found that the products have a price range in thousands.

Chapter no. 08:- Conclusions, Validation of Hypotheses and Suggestions:

These chapters the conclusion were drawn on the basis of the analysis of information. Conclusions on the hypothesis are drawn and presented with remedial measures based on it.

Conclusions:

- Marketing of consumer durable products with respect of the buying behaviour of consumers has undergone several changes over the years, especially considering the changes with the demands of the consumers.
- A technological change has also widely contributed to the changes in the primary method of purchase.

- The marketplace has also grown to become more competitive, all vying for the attention of the average consumer.
- Consumers purchase products for the benefits they reap out of it.
- Consumer attitudes towards purchase behaviour are believed to be shaped by many factors such as direct experience with the product, information acquired from others, price, nature of business, satisfaction, exposure to mass media and etc.
- Brand loyalty is not only confined about the use products but also the services that these products offer.
- A consumer is a person who purchases goods and services for his own personal needs. Consumer behaviour can be defined as those acts of 'individuals' which are directly involved in making decisions to spend their available resources (time, money, energy) in obtaining and using goods and services.
- Buyer behaviour provides some valuable insights which can be applied usefully in many marketing situations. It also provides a framework, concepts and a vocabulary which can be used to analyse many marketing issues.
- Consumer's buying behaviour is influenced by cultural, social personal and psychological factors. The cultural factors exert the broadest and deepest influence. Consumer's behaviour are determined to a great extent by social forces and groups such as reference groups, family, etc. consumer's family members are the most influencing reference groups, which shapes his buying behaviour.
- Perception is the process by which individuals select, organize and interpret stimuli into a meaningful and coherent picture of the world. It has strategy implications for marketers because consumer make decisions based on what they perceive, rather than on the basis of objective reality.
- To keep in pace with technology advancements, marketers are bombarding the market with hi-tech product and service offerings like consumer durables product to make life more smooth and so on. The product or service offerings provide a set of benefits which promise to elevate the consumer's life style, making it more convenient, smooth and enhancing their quality of life. That is, today firms are engaged in manufacturing products which offer customer benefits both functional as well as psychological.
- To understand how consumers actually make buying decisions, marketers must identify who makes and has input into the buying decision; people can be initiators, influencers, deciders, buyers, or users and different marketing campaigns might be targeted to each type of person. Marketers must also examine buyer's levels of involvement and the number of brands available to determine whether consumers are engaging in complex buying behaviour, dissonance-reducing buying behaviour, habitual buying behaviour or variety-seeking buying behaviour.

- The typical buying process consists of the following sequence of events: problem recognition search, evaluation of alternatives, purchase decision and post-purchase behaviour. The marketer's job is to understand the buyer's behaviour at each stage. The attitudes of others, unanticipated situational factors and perceived risk may all affect the decision to buy, as will consumer's levels of post purchase satisfaction and post-purchase actions on the part of the company.
- Other models of the buying decision process include the health model and the customer activity cycle model.
- In the collected data it was found that, amongst the respondents covered (73.33%) were college lecturers including senior colleges and junior colleges (10.67%) Lawyers, (8.27%) were Doctors, (3.60%) were Bank managers, (2.53%) were Architectures and (1.60%) were Chartered accountants.
- It is found that wives of all the male professionals' only (27.73%) wives of them are professionals. Also husband of all the female professionals may not be professionals but might have engaged in other gainful avocation.
- It is found that average income of the senior college lecturers is Rs. 70,000 and junior college lecturers is Rs. 40,000 they are paid by the state government as per scheduled pay scale.
- Other professional's income is fluctuating. However, their monthly income ranges minimum from Rs. 30,000 to maximum Rs. 1, 00,000 as in the cases of renounced Physicians, Lawyers or Chartered accountant and Architectures.
- Income of Bank managers is also regulated as per banking companies act.
- Women have equal opportunity in every field and area of life. (71.26%) female have the monthly income of more than Rs. 40,000 the same proportion is in their annual incomes.
- Maximum number of respondents {49.92% (male & female)} choose to buy the products by their own impulse rather than the impulse of their friends or family members and (45.73 %) of respondents (male & female) purchase the product on the impact of their family, friends and neighbours.
- Mostly all the respondents {73.07% (male & female)} become the initiator of buying decision themselves rather than consulting their wives about it. Male professional's wives have a little say in the buying decision.
- Nearly 450 numbers of respondents (56.07% {male & female}) buy the product due to the availability of finance. Respondents also buy the product due to the prompt sale service, goodwill of the dealer, etc.
- Nearly all the respondents {93.87% (male & female)} have a concrete idea about the brand of the product and only (6.13 %) of the respondents have foggy ideas about the product brand.

- The male and female professionals opted either by cash or by installment (Cash – 67.95 % and Instalment – 29.59 %), although only a (2.46 %) of the Respondents prefer to pay by credit.
- Most of the times the respondents (59.84 %) choose to go with either the wife or the husband for shopping. The percentage of those who go by themselves or with their friends or neighbours.
- Nearly 400 respondents (75.60 %) have no visit to more than one shop but only (24.40 %) of the respondents have faith in their dealers and they try to visit only one shop.
- The respondents only try to give the influence of opinion to their wife/ husband (42.70 %) rather than dealers (6.65 %) or friends (13.58 %). (37.06%) of the respondents also chose their own opinions for purchasing the product.
- The respondents mainly think on the aspects like the brand price (30.26 %) and the guarantee or warranty (43.08 %). The respondent seems not to care about price or any other things to buy the product.
- (71.94 %) of the respondents chose the mode of delivery as the home delivery given by the dealer but only a few respondents (28.06 %) carry the product themselves.
- It was found that (55.33 %) of the respondents did not find any dissonance, while (44.67 %) of the respondents found dissonance but still they had to be satisfied.
- (51.73 %) of the respondents could not find any conformity with the products he/ she used or found in the ads on TV or newspaper, while other (48.27 %) of the respondents found the products as was shown in the ads.
- Many respondents (65.47 %) thought of changing the brand for some or the other reasons. Respondents got dissonance (34.53 % of the respondents) in the product brand being used by him/her.
- Nearly (89.20 %) of the respondents seemed to be satisfied with the product only a few respondents (10.80 %) of the respondents were left with some dissatisfaction of the product they were using. Human nature includes picking of holes in good things.

Validation of Hypotheses:

The hypotheses constructed in the first chapter were validated as under:

H – 01 : All the professionals are of heterogeneous group – some are institutional professionals, while some others are non-institutional professionals and chartered professionals.

Above hypothesis was proved vide table no. – 7.01.

H – 02 : As regards the income of professional, some are paid as per statutory pay scale while others have fluctuating income.

This hypothesis was also proved vide table nos.-

Table no. – 7.02, Table no. -7.03, Table no. – 7.04, Table no. – 7.05.

H – 03 : Perception of a desired product is a prerequisite of buying behaviour.

This hypothesis was also proved vide table nos.-

Table no. – 7.06, Table no. – 7.07, Table no. – 7.08, Table no. – 7.09, Table no. – 7.10, Table no. – 7.11.

H – 04 : Professionals maintain the quality of professional life; hence they always prefer to buy life-style products to show distinctiveness from non-professionals.

This hypothesis was also proved vide table nos.-

Table no. – 7.12, Table no. – 7.13, Table no. – 7.14, Table no. – 7.16, Table no. – 7.17, Table no. – 7.18.

H – 05 : Price of a consumer durable product is not the main consideration of the professionals. They value quality, brand and modernity of the desired product more than anything. All the products of convenience are the products of necessity for them.

This hypothesis was also proved vide table nos.-

Table no. – 7.18, Table no. – 7.22, Table no. – 7.23, Table no. – 7.25, Table no. – 7.26.

H – 06 : The habit, liking, buying process, attitude, nature, point of view, wants, opinion, thoughts, status, the response, expectation, imagination and comment of every consumer are different.

This hypothesis was also proved vide table nos.-

Table no. – 7.11, Table no. – 7.14, Table no. – 7.15, Table no. – 7.17, Table no. – 7.19, Table no. – 7.20, Table no. – 7.21, Table no. – 7.23, Table no. – 7.24, Table no. – 7.27, Table no. – 7.28, Table no. – 7.30, Table no. – 7.31, Table no. – 7.32, Table no. – 7.33.

Hence, all the hypotheses were proved.

Suggestions:

On the basis of the conclusion, a few practical suggestions are offered as under:

1. Consumer like best quality product at any price, so company/dealer/distributor should add latest technology to their products.
2. Customer's behaviour always looks for some extra benefit with purchasing. They demand for affordable price for product and gifts with purchasing.

3. The dealer/distributor should do more publicity through road shows, newspaper and advertisement. As this will create awareness about the fund and schemes that are at present managed by the dealer/distributor.
4. The buyers of consumer durable product should first of all study the characteristic features of each brand on product and by comparing the same with each, try to make decisions.
5. The buyers should thoroughly enquire about the dealers dealing, from the friends, relatives and neighbours.
6. The company should give awareness to customers about the advance technology in product and also consumers should buy more futuristic latest technology product and also branded product should be standardizes in the products.
7. Before purchasing any product, the consumers should search the information about the product of different companies.
8. Consumers that firstly they should get information and compare about every consumer durable product companies, after that they should decide to buy any product in the market. Also, he should be aware about quality, standard, advance technology, features and brand about any products at the time of purchase.
9. Today's consumer is demanding more value for the price that he/she pays. So according to the competitor in the market, company should provide latest features, technology, and quality and standardize in the product at cheapest price.
10. Trade promotion schemes should be pursued more aggressively.
11. Giving response to consumers and understanding buyer's mind and aspect.
12. The credibility of the product or brand and the dealer should be ascertained.
13. The company's main focus should be on the exact solution to customer requirement and quality, brand design, brand image and advance technology comparison to its competitors.
14. Distributor/Dealer needs to extend their credit policies to attract sensitive professional consumers.
15. Then Distributors/Dealer provides the continuous and adequate service to the professional consumers.
16. The Distributor/Dealer should improve the after sales service up to the satisfaction of the professional consumers.
17. Advertising should be done at key places where consumers can see it. Dealer should be properly instructed to brand particular products.

18. The dealer should also see to it that advertising tools like posters, banners are also available in the regional and local language along with Hindi, Marathi and English. This will help the dealer to reach a larger number of professional's consumer.
19. Dealer and distributor should do to study on group behaviour of the consumers while making decision of price rate.
20. Device the individualised marketing strategy of the cultural beliefs and customs of specific people are different.
21. Dealer/distributor is to identify the forget buyer of the particular new product of consumption.
22. The company should search more information related to the demand and exact need of the reliable goods in Wardha District.
23. Consumer will be able to increase their awareness of available brands and future while making the decision of buying.
24. Allows use of a strong overall brand name.
25. Simply understand the making of company; a new product can be a good services or idea that is perceived by the potential consumer as new.
26. Dealer distributor should take propose modification to the trial adoption process and getting regular feedback of company products.
27. The company should manage the brand loyalty, brand equity, brand positions and brand images through product and services for dealer and consumer.
28. Dealer and distributor maybe adopted to new promotional strategy for implication of consumer perception and attitude related product or brand.
29. A company uses the promotional tools depending on the product life cycle with consumer behavioural approach.
30. Dealer and distributor should develop to meet consumer requirements with reference to products or brands.
31. Dealer and distributor should be motivated to consumer while purchasing the branded and superior quality product.
32. For proposed more for buying distributors has a preference of consumer references group.
33. Consumer response related branded product should analysis by the distributor and dealer.
34. A consumer choice will depend upon his/ her attention of attitude towards occasion for buying the product in different seasons.
35. Distributor or dealer should solve the problem selected pricing before buying.
36. Company should either adopt the same promotion strategy they use in the same market or change in the local market.

37. Company and distributor should understand consumer need and the purchase process adopted by them provides the base of successful marketing in Wardha district.
38. Deliveries to rain force the promptness in making available to the consumer ‘a value added product’ so distributor provided them.
39. For distributors and dealers point of view relationship are built to offer lifetime customer value to unable consumer experience value satisfaction.
40. The Indian company/dealer/distributor should give more emphasis on advertising to create market awareness and to make a brand image in the minds of investors.

EXTENDED P^{CS} OF MARKETING AND CUSTOMER SATISFACTION FOR SUSTAINABLE DEVELOPMENT OF HOTEL INDUSTRY IN POST CRISIS ERA.

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Introduction:

Indian Hotel industry is facing a post-crisis era of steady growth. Hotel industry is going through a period of dynamic development process. It is believed that revenue growth, market share growth, cost reduction rate and scale of the expansion rate is greater impact on development of Hotel Industry in post crisis Era. Services play a central role in the economies of both developed and developing countries. They account for over half of the gross domestic product of all developed economies and constitute the single largest sector in most developing economies. Main reasons behind the growth of services include rapid urbanization, the expansion of the public sector and increased demand for intermediate and final consumer services. It has emerged as the largest and fastest-growing sectors in the world economy, making higher contributions to the global output and employment.

Services Sector in India:

Following the trade Liberalization in 1991, the Indian economy embarked on a Path of rapid growth of aggregate output. In particular, it witnessed a high growth Rate of service sector output while that of industry was relatively moderate. As a result, The share of services in GDP has come to resemble that of a high income country While its per capita income still remains that of a low income country. Further, we Also observe a sharp increase in the rate of growth of Services sector trade after liberalization Services Sector Growth Rate in Indian GDP has been very rapid in the last few years. The Services Sector contributes the most to the Indian GDP. The Growth Rate of the Services Sector in Indian GDP has risen due to several reasons and it has also given a major boost to the Indian economy. India ranks fifteenth in the services output and it provides employment to around 23% of the total workforce in the country. The various sectors under the Services Sector in India are construction, trade, hotels, transport, restaurant, communication and storage, social and personal services, community, insurance, financing, business services, and real estate.

Services Sector Contribution to the Indian Economy:

The Services Sector contributes the most to the Indian GDP. The Sector of Services in India has the biggest share in the country's GDP as can be seen from the following table. The contribution of the Services Sector in India, GDP has increased a lot in the last few years. The Services Sector contributed only 15% to the Indian GDP in 1950. Further, the Indian Services Sector's share in the country's GDP has increased from 43.695 in 1990- 1991 to around 51.16% in 1998- 1999. This shows that the Services Sector in India accounts for over half of the country's GDP.

The Reasons for the growth of the Services Sector contribution to the Indian Economy:

- Increased Affluence
- Increased leisure Time,
- Changing Work Force Demographics
- Greater Life Expectancy
- Increased Complexity of life
- Increased Environmental Awareness
- Increased number of Available Products

The contribution of the Services Sector has increased very rapidly in the Indian GDP as many foreign consumers have shown interest in the country's services exports. This is due to the fact that India has a large pool of highly skilled, low cost, and educated workers in the country. This has made sure that the services that are available in the country are of the best quality. The foreign companies seeing this have started outsourcing their work to India especially in the area of business services which includes Business Process Outsourcing (BPO) and Information Technology (IT) services. This has given a major boost to the Services Sector in India, which in its turn has made the sector contribute more to the India in GDP. travel and tourism sector has to be developed in a sustainable manner. Being one of the largest industries in terms of gross revenue and foreign exchange earnings, it stimulates growth and expansion in other economic sectors

In India service sector, as a whole, contributed as much as 68.6 percent of the overall average growth in gross domestic product (GDP) between the years 2002-03 and 2006-07. In advanced economies the growth in the primary and secondary sectors are directly dependent on the growth of services like banking, insurance, trade, commerce, entertainment etc

During the last decade, the Indian service sector grew at an average annual Rate of nine percent, contributing to nearly sixty percent of the overall growth rate of the economy(World Bank, 2004). Most of the growth in services has been in information technology (IT), business process outsourcing (BPO) services and knowledge based activities; other sectors like telecommunications, financial services, community services and hotels and restaurants, have also grown considerably.

All this shows that services hold immense potential to accelerate the growth of an economy and promote general well-being of the people. They offer innumerable business opportunities to the investors. They' have the capacity to generate substantial employment opportunities in the economy as well as increase its per capita income.

HOTEL INDUSTRY IN INDIA:

The recent trends in the hotel industry owing to the technological developments and the changing demographics have had a major impact on the way hoteliers conduct their business. The Indian hotel industry has also come of age and is ready to set new standards in customer service. The exposure of the Indian customer to international service standards has made him more discerning and demanding. Today's customers expect more value added services from the service provider.

Revenues of Hotel and Restaurant (H&R) industry in India during the financial year 2006-07 was INR604.32 billion , a growth of 21.27% over the previous year, primarily driven by foreign tourist arrivals ,which increased by 14.17%. Currently there are some 1,980 hotels approved and classified by the Ministry of Tourism, Government of India , with a total capacity of about 110,000 hotel rooms. With tourism industry showing excellent performance, in terms of foreign tourists arrival and demand outpacing supply, the hospitality industry, is poised to grow at a faster rate and reach INR826.76 billion by2010. It is estimated that over the next two years 70,000-80,000 rooms will be added across different categories throughout the country.

Study conducted at Deccan Gymkhana

The Study was conducted in the four Most famous and crowded hotel in Pune at Deccan Gymkhana to Verify the importance of extended 3 P's of the Services marketing in compare to the traditional 4 P's of Marketing to sustain in the new competitive global environment.

Objective of the study:

1. To study the importance of Extended 3 P's of Service Marketing in against to traditional 4 P's of Marketing.

Hypothesis:

Traditional 4 P's of Marketing are more important for survival of Hotel Industry than Extended 3 P's of Marketing.

Research Methodology:

The Research Methodology adopted was a descriptive research.

Sampling Method: Convenient sampling technique was used.

Sample size: 50 Non- star rated hotel customers from four different hotels in Deccan Gymkhana were selected.

Data collection:

Secondary data was collected from Marketing books, Journals and Internet. Primary data was collected by interviewing the customers personally using a simple structured questionnaire.

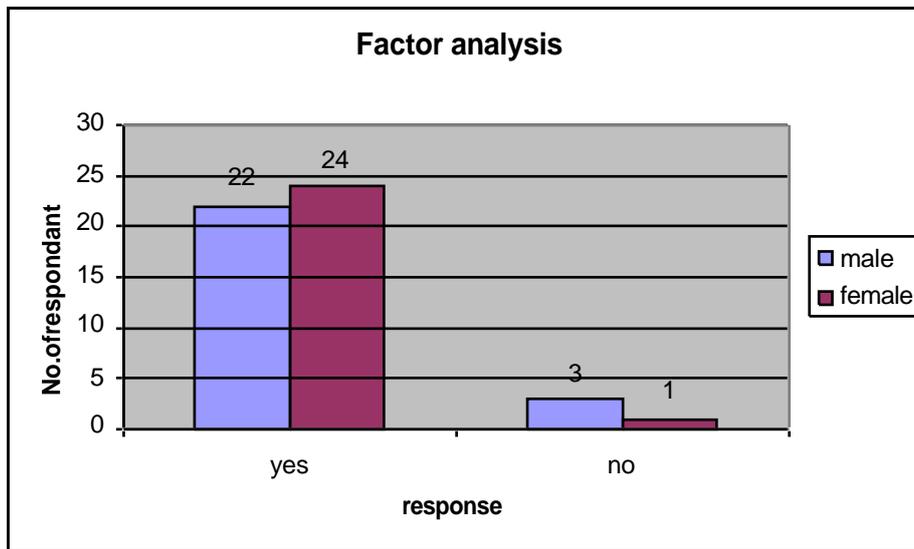
Scope of the Research: the research was limited to the 50 customers of Non-star rated hotels in Deccan Gymkhana.

Data Analysis:

50 people constituting 25 male and 25 female Non star rated hotel customers were asked a question based on Product and Service related aspect to answer.

Q. Do you think Product related factors (e.g. Variety, Quality, Price, etc.) are more important than Service related factors (i.e. Promptness, Ambience, employee behaviour etc.) for customer satisfaction.

	YES	NO	Total
Male	22	3	25
Female	24	1	25
Total	46	4	50



Conclusion:

The result was amazing and showed that 46 (92%) respondent said that Product Related Factors are more important than the Service related factors for customer satisfaction in Hotel industry.

Thus based on the data analysis hypothesis formulated was Accepted.

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GUERRILLA MARKETING – AN UNTRADITIONAL METHODS TO PLACE A BRAND IN YOUNG CONSUMER“S PERCEPTION

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Abstract:

In the hectic business world of today, marketing has a tendency towards continuous formation and development. The number of companies and the level of production grow and costs of promotion in sales are on the rise Attracting the right clients precisely when they need your help requires a well-planned marketing strategy. Guerilla Marketing is differentiated among other generally accepted promotional tools by its unexpected effect and therefore can be titled ‘_outbox’ marketing. The key to success marketing especially advertising is important for sales, though a company is paying for media space and wants to reach as many potential buyers as possible. Guerilla Marketing is a means to gain maximum exposure through minimal cost to the company. Hence by using mass marketing the waste is often big, organizations send countless of messages out to the erroneous group, therefore, the need for more of an efficient method is current, to reach the right customer through the marketing campaign without getting lost in the clutter There are similar stories in business when some starry-eyed start-up shocks the world with an highly creative, surprise-style marketing campaign that runs on a very low costs. While this paper would try and understand the terminology, its literature, application and seeks to find the significant effect of the Guerilla marketing on the consumer perception.

Keywords Guerrilla Marketing, Consumer Behavior, Brand Attitude, Brand Image, Purchase Intention, Word-of-Mouth

1.1 Introduction about Guerrilla marketing:

It is an advertising strategy in which low-cost unconventional means (graffiti, sticker bombing, flash mobs) are utilized, often in a localized fashion or large network of individual cells, to convey or promote a product or an idea. The term guerrilla marketing is easily traced to guerrilla warfare which utilizes atypical tactics to achieve a goal in a competitive and unforgiving environment. The concept of guerrilla marketing was invented as an unconventional system of promotions that relies on time, energy and imagination rather than a big marketing budget. Typically, guerrilla marketing campaigns are unexpected and unconventional, potentially interactive, and consumers are targeted in unexpected places.

Guerrilla Marketing is an advertising strategy that focuses on low-cost unconventional marketing tactics that yield maximum results. The term was inspired by guerrilla warfare which is a form of irregular warfare and relates to the small tactic strategies like ambushes, sabotage, raids and elements of surprise used by armed civilians. Much like guerrilla warfare, guerrilla marketing uses the same sort of tactics in the marketing industry. This alternative advertising style relies heavily on unconventional marketing strategy, high energy and imagination. It generally makes relatively higher amount of impression than traditional methods of marketing. Guerrilla marketing is any promotion that employs unconventional, unexpected and innovative means and tactics to promote and market products and services for minimal cost and maximum return. Guerrilla marketing focuses on low cost creative strategies of marketing. Basic requirements are time, energy, and imagination and not money. Profits, not sales, are the primary measure of success. Emphasis is

on retaining existing new ones. Guerrilla cash-strapped start-see how as a young can employ benefit from them.



customers rather than acquiring marketing was conceived with ups/small businesses mind. Let's entrepreneur you and your venture guerrilla marketing techniques and

1.2 Theoretical social websites:

This is a more traditional form of web advertising that is minimally effective. Just like you see banner ads on many other sites, this is a similar concept, except on a social networking site. You can see these - for example - as a brick in the top right of MySpace pages, or as a banner on the right of Facebook profiles and so on. There are two differences however - One is that

these social networks can take advantage of demographic data on your profile and hence target the ad directly to you. Secondly, these types of ads can also be placed by individual developers on their application pages through ad networks. They have access to the same data and can generate income for application developers giving them further motivation to create apps and giving advertisers a more engaging way to reach out to these social networking users. Community-based websites, more commonly known as social networking websites, have come to the forefront of the online world in recent times. Even though there have been many platforms, both online and offline, that have attempted to connect people, none have succeeded as much as these websites, who each boast over 60+ million unique users per month. The use of social networking websites like Twitter, Myspace, Facebook, LinkedIn, Google+ plus and Youtube receives millions of daily hits and you are free to join, register and post your business profile, exciting pictures and videos. And, also include a link back to your main website so the viewers can find out more about your product / services.

1.3 Literature Review

Rather than shouting vague messages to vague audiences, marketers are whispering just the right word in just the right ears, evoking the exact response they desire (Levinson, 1999, p. 10). Levinson (1999) points out that the more generosity the company shows to public, the better likelihood they'll see it reflected in its growing profitability. Thirdly, guerrilla marketers import their attitude in their every marketing act. Consumer perceptions of guerrilla marketing suggest that it is an effective tool for advertising. In previous research, it has been proved that guerrilla marketing campaigns (also known as non-traditional advertising) were rated by consumers as having a higher perceived value than traditional advertising campaigns (Dahlen, Granlund, Grenros, 2009). Direct marketing and personal relations (Miller, 1993). Combined these promotion tools are used to sent a strangler message to improve the result for the company employing advertising agencies. Companies have to rethink new and special measures to get welcome for commercial messages with open arms by the Gen Y (Paul, 2002). In resulting the companies have to reshape their techniques and the increase he quality of their offerings in order to avoid negative word of mouth (Livenson, 1998).

1.4 Research Methodology:

After reviewing the literature of Guerrilla marketing and consumer perception, we develop a questionnaire for graduate and post graduates' students of colleges in Nagpur and nalyzed their attitude and behavior regarding guerrilla marketing. We take the consumer perception as a dependent variable and Guerrilla marketing. It is a qualitative study. And secondary data collected from websites and journal.

1.5 Objective of Study:

- 1) To know about the prevalent types of Guerrilla Marketing use.
- 2) To study the need and impact of guerilla marketing on youngsters.

1.6 The prevalent types of Guerrilla marketing are;

a) Viral marketing:

It is a highly visible form of guerrilla marketing these days. A successful viral campaign uses existing communication networks (you tell two friends, they each tell two friends, and so on), doesn't require much in terms of resources, and has the potential to be unstoppable.

b) Ambient marketing

It allows a business to create brand recognition without necessarily pushing their products. It's about placing ads on unusual items or in unusual places you wouldn't normally see an ad. The key to a successful ambient media campaign is to choose the best media format available and combined with effective message. These kinds of ads often make someone think about a certain place or thing differently.

c) Presence marketing

It is along the same lines as ambient marketing. It's about making the business name recognizable and familiar and always there. You know that saying, —out of sight, out of mind?||

d) Wild postings

It may seem old-fashioned, but they are still wildly popular with indie bands and products that want to portray that indie image. Have you ever walked down a city street and seen a wall plastered with multiple copies of a poster for a movie, concert, or alcoholic beverage? Those would be wild postings, and part of their effectiveness lies in the way that they can make us believe we're witnessing something momentous.

e) Tissue-pack advertising

It was made popular in Japan, but today it's spreading to infiltrate the rest of the world. Knowing that advertising fliers were almost never accepted, much less read, Japanese businesses began to hand out pocket packs of tissues with ads on them. This simple but ingenious marketing method works because, well, who



would turn down free stuff? Because the giveaway is a useful item, it stays close to the target consumer until it's been used up.

f) Astroturfing:

is widely considered to be the slimiest of all guerrilla marketing practices. It involves creating an artificial buzz about a product or company, and it's mighty risky in the information age. Postings are created in online forums, singing the praises of a certain product or service – but they aren't made by the public. They're made by shells, or people associated with the company who are paid to express a positive opinion.

g) Alternative marketing

It is low cost ways to target specific neighborhoods, age groups, ethnic communities, and/or low literacy families with special cancer messages. Such strategies include the use of low cost flyers, posters, payroll stuffers, and program announcements scattered throughout a community to deliver a message. Ideally, these alternative strategies can also be used to complement traditional media efforts.

h) Experiential marketing

It is increasingly embraced by all types of companies and brands today. It aims to give you an experience rather than send you a one-way message. Experiential marketing lets you interact with the product and associate your immediate emotional responses with that brand.

i) Live-in Marketing

It is a term used to describe a variant of marketing and advertising in which the target consumer is allowed to sample or use a brand's product in a relaxed atmosphere over a longer period of time. Much like product placement in film and television LIM was developed as a means to reach select target demographics in a non-invasive and much less garish manner than traditional advertising.

1.7 Need and impact of guerilla marketing on social websites on youngsters-

Values and memories from that age last

1. Young people is a group with influence
2. They are early adapters in consumption
3. They create trends
4. It's the new working force

Every Marketing campaign is designed to increase brand awareness, build excitement, drive attendance, instigate trial or purchase and strengthen brand loyalty. Marketing utilizes both under-the-radar and high-visibility tactics including street & mobile marketing, promotional tours, buzz building campaigns, experiential marketing, brand ambassadors and other non-traditional marketing approaches to connect directly with target market. Marketing develops campaign strategies and promotions based on our in-depth understanding of your target audience.



FIGURE: GUERRILLA EFFECT IN AIDA MODEL

Companies can share our thoughts and views with people on media, television, social networking. It is the best way to broadcast our knowledge and views. It can get the whereabouts of our old friends and colleagues with whom we have not been in touch for long. And also it is the cheapest method to communicate with anyone. One does not have to recharge every time his/her cell phone to talk to his/her friend. So from economic point of view it is best suited. Social networking provides exposure to people by allowing them to share their thoughts, emotions and knowledge.

S.N.	Instruments	Effects	Description
1	1) Ambient Marketing 2) Sensation marketing	Surprise effect	Consumers pay increased attention to the message due to surprise of unconventional guerilla action
2	1) Viral marketing 2) Buzz marketing 3) Guerilla PR	Diffusion effect	Consumers tend to diffuse the advertising message through various media channels voluntarily because they are thrilled by guerilla action
3	1) Ambush marketing	Low-cost effect	Guerilla marketing is inexpensive, does not involve traditional advertising costs and diffuses flexibly

1) Help a small brand is big:

Guerrilla activity is perfect for minor brands trying to make an impact at events they cannot afford to be an official part of. Creativity is vital: how can make maximum impact, and can you do it in a new way that will capture Youngsters imaginations? "Guerrilla marketing is edgy, so it is well-suited to the more risk -taking nature of start -ups and small businesses, especially with its associated lower costs "Big brands and blue chips.

2) Amplification

Any guerrilla marketing plan lives and dies on its amplification. A successful campaign will have woven into it numerous ways of letting the wider world know what the brand has been up to, and if it's genuinely inventive it will gain decent media coverage. "Viral amplification by consumers, or those who saw or engaged with the experience, is usually a very good indication of success, and more often than not there will be a PR team on hand to capture the effects of the activity," says Irving. "It is imperative that you are there to capture the activity in action, and the effect. 'A creative element, coupled with a well planned execution and backed by social media and an inexpensive stunt, can quickly go viral, rivaling any well-planned but costly advertising campaign in terms of opportunities to see."

1.8 Findings:

- By being as specific as possible, Guerrilla Marketing advertisements are persuasive and directly contribute to the company's profits
- Emotions are an important benefit derived from a product or brand
- Potential costumers did not expect to see huge jeeps with dummies dressed up in Sport Master's brand outerwear. Surprise effect is reached. it can directly affect attitudes
- The guerrilla campaign did not bring any tangible benefits however it entertained people and brought some fun

1.9 Suggestion:

- 1) Spend a little time in research to make sure the idea you have thought of is novel and will be well taken
- 2) Secondly, as it is a non-traditional form of marketing, there are chances of it being too bold. Remember, the goal behind your idea is to pleasantly surprise people and not upset them.

2.0 Conclusion:

This research found that executives in advertising agencies find guerrilla marketing to be an exciting campaigning tool for their clients. The goal of guerilla ad is to increase customer awareness and interest through the product and its associated brand. Acceptability of a guerilla ad is related to its ends rather than its means. Although there are successful examples of guerilla marketing strategies, some of guerilla advertising implementations that are prepared and executed without certain boundaries may lead to ethical problems. Executives see guerrilla marketing as an effective way to induce brand awareness and positive impressions of the brand. The differentiation created by the positioning of the ad's message in the prospect's mind not only communicates its message but also ensures that the message is imprinted for a longer period. This plays an important role in the effectiveness of the ad. The certain benefits and effects of Guerilla marketing were researched but it is notable to mention that too often in real-life business world even the finest theory does not work as smoothly and perfectly as it was thought to be. However, according to the theoretical findings and research study, it has been proven that the case of guerilla marketing can be implemented profitably and effectively and its significance has to be estimated and taken into consideration in a business environment.

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PROFITING FROM DEAD – OVERVIEW OF THE GLOBAL FUNERAL INDUSTRY AND EXPLORING THE BUSINESS AVENUES IN INDIA.

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ABSTRACT:

The Funeral Industry though nonexistent in India, is a roaring business in countries like Australia, South Africa, USA, UK, and some in Asia, with 8-10% lavish funerals. The clients are offered various packages and payment options with wide range of services, such as- # Coffins and Caskets, # Floral Tributes # Urn # Fleet of Vehicles-Hearse # Funeral Music # Catering #Clergy # Celebrant, Death & Funeral notices, # Washing, dressing / embalming # Repatriation, and other Legal formalities. There is a vast potential for funeral industry in India, but there are many formidable challenges and problems which an entrepreneur will have to encounter, e.g. i] Mind Set is the biggest challenge as the Indians are superstitious, and funeral business a social taboo, so the people & media need to be educated. ii] Wherewithal and Peripherals-Funding will be a major obstacle though funds required will not be huge and Angel Investors, Venture Capital firms can be roped in. iii] Non availability of trained staff it can be overcome by hiring people from abroad and training organized in collaboration with western firms, by designing India centric training program. iv] Longevity will be a problem when the market grows and competition hots up. v] Licence:The corruption in bureaucracy, outlandish system of red tape may prove nightmarish for obtaining licence. Death is a reality and like birth and marriage an important milestone in human life. Many Rich Indians are spending crores on marriages and other celebrations. Going by the same analogy we can arrange –*Funeral with Dignity*” for our departed beloved. The funeral industry can help us to achieve this and save our time and other hassles.

Key Words: Caskets, Cemetery, Coffins, Cremation, Funeral Directors, Funeral Industry, Last Rites and Taboo.

1. Prologue

At the outset the topic may sound weird in Indian context but no one can deny that death is a reality and certainty for every living human being. We are living in fast track world, where almost everyone has become materialistic in some manner or other. The old values, emotions, sentiments, care and regard for family and fellow human beings are waning rapidly. This life style has put tremendous pressure on the availability of time; so outsourcings got evolved and is making inroads in every sphere. In the journey of human life, birth,

marriage, anniversaries and death are the most important milestones. There are celebrations with splendor on the occasion of birth, marriages etc, where hoards of money is blown away. In fact presently some of these events particularly marriages are being outsourced where Super Rich and Neo-rich are spending exorbitant amount up to Rs600crore. With the same analogy event of death also calls for giving a decent farewell to the departed, sans celebration as it is not permitted by most of the religions. The Funeral business though new to India is already a thriving Industry in Australia, South Africa, USA, UK, Euro Zone and some Asian countries. In fact in Australia, UK and US the Industry is organised on corporate lines with huge investments, and managed very professionally using high technology for offering online services to the clients. The Funeral Directors and other staff are qualified and trained professionals drawing high salary. Many colleges are imparting training for the funeral staff and financial companies are funding the businesses. In countries like Japan, US, UK & Australia 8-10 percent funerals are organised *lavishly* with no limit on spending. Associations of the Members and Funeral Directors are common. Annual Conferences and Seminars on variety of subjects like coping with Grief and loss, aging and dying with dignity etc, are held regularly. Plentiful books and publications are available to educate the clients and media. In India funeral industry is nonexistent, but funeral related services and material for last rites are sparsely provided in organised manner in some metro cities, catering to only five percent clients at the best, thus leaving a large chunk of market untapped. The article ponders over the existing scenario of the global Funeral Industry and trends in the western countries vis-à-vis India. The study scrupulously deals with the potential for funeral business in India and the formidable challenges.

2. Global Scenario:

➤ **Australia:** It is already a \$1bn industry likely to grow exponentially by 2015-16. There is an association of Australian Funeral Directors, (**AFDA**). Tobin Brothers, Melbourne, founded in 1934 a highly respected firm, managed professionally on corporate lines is the market leaders conducting about 5500 funeral each year i.e. 25 percent. The firm has 180 highly trained staff, 22 locations, made massive investment in Crematorium, well decorated Chapels, Funeral Halls and expensive fleet of vehicles for catering to Italian, Greek, Vietnamese, Asian, Spanish, and Indian, Sri Lankan, Polish, and Eastern Orthodox clients. In 1984 they set up a foundation for community benefit, giving grants and awards and in 2002, the Funeral Industry Development-Australia (**FIDA**), to provide Training and Consultancy.

❖ **Services** offered by Tobin Brothers-(**list is indicative for appreciating the scope**):

#Coffins and Caskets \$600 - 40000, #Floral Tributes-\$200 - 600 # Cremation Urn-\$260 -550# Luxury Coach for family # Fleet of Vehicles - Ford, Dodge, Mercedes, Chrysler, Limousine, hearse and ambulances, # Funeral Music- Library of 2000 titles from Beethoven to Beatles & Metallica to Mozart # Catering, # Clergy, Monk, Priest # Celebrant, Funeral notices in newspapers, condolence cards, obituary & eulogy, # Washing, dressing and embalming, # Repatriation, Registration, other Legal formalities. # Pet –Loss, # Child& Infant Funerals.

❖ *Packages and payment options* i] Standard and Customized Package, ii] Single Service, iii] Memorial Service, iv] Private Burial v] Prepaid, Prearranged & Preplanned Funerals vi] Clients loyalty schemes and vii] Memory maker apps for online estimates.

➤ **England:** There are more than 300 Funeral Directors in London alone and about 250 crematoriums in UK. Chandu Tailor & Son established in 1993, of Indian origin is catering exclusively to Asians specialised in Hindu and Sikh funerals, providing services similar to Tobin Brothers Australia. The firm has invested £1.5mn in Chapels (Ashram), Fleet of Vehicles, other assets and handles about 500 deaths of Hindus and Sikhs annually. Its present turnover is £1mn with more than 45 percent margin. Their experienced team has knowledge of UK legislation, Hindu & Sikh religion; speak in English, Hindi, Gujarati, Punjabi and Swahili. It is a member of —The Society of Allied and Independent Funeral Directors (SAIF) and has links in Mumbai and Nairobi. Many colleges in UK offer training programs in Funeral services like Australia.

➤ **South Africa:** Though the funeral industry is well organised there is lot of corruption due to the presence of fly by night operators. The National Funeral Directors Association (NFDA) has more than 550 members. Burial is the common practice and the Industry operates in 2 channels-Independent and Franchises. The country also provides education and training in funeral services. South Africa promotes green burial. The funeral services are similar to that offered in Australia and United Kingdom.

➤ **Japan:** As per Buddhist religion Monks perform the funerals and mostly the bodies are cremated, unlike China where burial is common. The ¥2 Trillion market is likely to grow fast in next few years due to the aging population. There are about 6500 local Companies and Franchise, and some foreign firms. Agricultural Co-operatives get major chunk due to their presence in rural areas. The average cost of funeral is ¥2mn, with about 8 percent lavish funerals with unlimited spending. The firms are providing the services similar to that offered in Australia, UK and South Africa with variations as per the religious tenets. The marketing is done through the Hospitals and Doctors and the firms offer various packages like Low cost funeral, Pre-book funeral etc., Japan provides training in Funeral services, Organises Seminars/Events, like Australia and UK. The funeral directors have to possess qualification prescribed by Ministry of Health.

➤ **USA:** The funeral industry in US is perhaps the largest in the world with present market size of \$21bn. There are 22,000 funeral homes, 115,000 cemeteries, 1,155 crematories, 300 gasket sellers and the average funeral cost is \$9000 to \$12000. The National Funeral Directors Association (NFDA) has 23,000 funeral members, and the business has really gone high-tech. The International Cemetery, Cremation & Funeral Association (ICCF), set up in 1887, in Florida; Tampa Bay with a tag line “*Glass Half Full*” has more than 7500 members and holds Annual Conventions and Conferences, publishes journals and magazines. ICCFA has established ICCFA College of Cremation Services with expert faculties/Professors (*Jeffery Gitomer is*

considered management guru in this field) to impart training. Cremation coaching centers are spread throughout USA.

➤ **Muslim Countries/Islamic Funerals:** Islamic funerals are simple, less time consuming and less expensive; the exceptions Oil Rich Arab countries where many lavish funerals take place. Though there are separate Muslim firms exclusively catering to Muslims, the funerals are also handled by non- Muslim companies. Funeral includes bathing, washing and shrouding body in white cloth, (colour may differ country-wise), transport in casket, burial in grave; last rites are performed by Imam. Only few Muslim owned firms operate in UK, USA and Australia, but there are many firms in Dubai, Iran, Iraq, Syria Pakistan, Singapore and Malaysia etc.,

✚ **The organization Structure:** Basically profit oriented with not much room for emotions, the business is conducted with full empathy and dignity. The firms are set up on the corporate lines with departments like-***Marketing & Sales *HR & PR* Finance & Accounts* Transport, Shipping & Repatriation.** The post of Funeral Directors is highly coveted drawing salaries ranging from \$70,000 to \$90,000 followed by Funeral Home Managers, Embalmers and Dressers. The other operational staff includes Washers, Fleet operators, Chauffeurs and Celebrants. The firms generally have their own infrastructure like Funeral halls, Crematories, Cemeteries, Chapels and Fleet of vehicles. Catering, Music band, Floweriest, Coffins, Celebrant, are outsourced as per requirement. Many operators have funeral policy & manuals, funeral etiquettes and code of conduct and offer online assistance. In the nut shell the business is well organised, provides direct and indirect employment and pay taxes to the government.

3. Some related business activities and customs:

- ❖ **Designer death wear:** Death wear for dead by renowned and new breed of fashion designers is the latest rage in the West. Pia Interlandi a fashion designer and funeral celebrant of Sydney has promoted the “*Shroud Clothing*” a whole range of expensive suits, shoes, ties, cuff links, belts for men and hemp and silk garments for women. The designer clothing is tailored, custom made as per the choice/last wishes of the dead. Some clients order for gold suits or diamond studded garments but the trend is towards beautiful Eco-friendly clothing which suits the body.
- ❖ **Green Funerals:** The concept “*Ashes to Ashes*” and “*Dust to Dust*” is becoming very popular in many countries. Eco-friendly funerals promote the use of biodegradable material like coffin made from plywood, and embalming of the body is avoided.
- ❖ **Cremation v/s Burial:** Many people in WEST prefer cremation over burials, irrespective of religious beliefs, being more economical and also saves the land which is becoming expensive and also scarce.

❖ **Profit from Terror:** Though it appears horrid but the funeral business is booming due to the upsurge in terrorist attacks. Particularly the coffin makers in Muslim countries are having a gala time. Pakistan for instance is facing the attacks regularly from 2009 and Pakistani coffin makers are working overtime, they even exported huge quantity to Afghanistan during war. The bomb blasts leave bodies mutilated which have to be boxed before burials even for poor who can't afford coffins.

❖ **Wake:** Irish wake- Mourning, rollicking, song, dance with food, tobacco, liquor in plenty, # Modern wake- moderate version of Irish wake, # Astru -ancestral polytheistic "*belief in God*"# Atheist- without religious affiliation, # Humanist- Exclusive private ceremony sans pomp and show, # Adaptive-Interfaith, cross religions, performed by priests, imams, rabbi- common in African-American. # Wiccan- As per the last wishes made before death by the deceased. # Latest fad, Funeral Homes is being used for wedding, as they are chic and cheaper.

4. Indian Scenario:

India is a multi culture, multi religion country with people having obliquely opposite views, beliefs, customs and usages. Nearly seventy percent population is poor, superstitious and hails from rural areas. People have stubborn mindset, blind faith in their religion and their gurus, and believe in age old practices. The funeral is still a private affair and the arrangements are made by the family members, relatives and close friends. All the material and items required are sold through small shops.

❖ **The Funeral Industry Concept** does not virtually exist in India like WEST. An internet search showed that there are few firms/shops in Mumbai, Bangalore, Delhi, Hyderabad, Kolkata, Goa and Chennai offering items and services like i] Deep freezers, ii] Ambulances/other vehicles, iii] Selling coffins, casters and religious articles like Rosaries, Urn, Crucifix and iv] Chapel furniture. The same is the case with all other cities and big towns. In fact in some of the villages in rural areas items required for funeral are not available and people have to travel to big towns to buy the same. Lavish funerals like west are unheard of, and running a funeral business to earn profit is a taboo.

❖ **Funeral and Last rites-Practices:** The population of India as per 2011 census is more than 121crore- Hindu in majority 80 percent, followed by Muslims 13 percent, Christians >2 percent, Sikhs <2 percent, Buddhist <1 percent and others about 2 percent. The different religions have mandated different types of funeral and last rites. Muslims and Christians go for burial while all others generally cremate the dead. The mourning period may vary but most of the religions keep it up to 13 days and food/feast is offered to the relatives and friends on the last day. During

mourning the family members do not hold celebrations or purchase new goods, articles, or property. The last rites are performed by the Priests, Imams, Monks and Clergy according to the religion. While in rural areas the cremation is arranged near the river/rivulet/water body, in cities the local authorities have built crematoriums known as *SmashanGhat* where dead bodies are laid on pyre and cremated, ashes collected and generally immersed in rivers, holy places. Though Government has provided the facility of LPG/CNG cremation, people still prefer wood. For Muslims and Christians the open spaces are made available by local authorities, for burial. Indians are sentimental and emotional about the departed and therefore lot of taboos and superstitions are attached with the death, departed and last rites.

5. Potential for Funeral Industry in India:

➤ Considering the composition of population religion wise, India offers a vast market for the funeral Industry. The Hindu who alone constitute 80 percent of the population is a big market for the funeral business as all the Hindus (irrespective of sects/sub-sects) go for cremation and follow almost the same rites which are simple, like washing, embalming (optional) and dressing the body, funeral procession with music band playing sad songs and Bhajans, laying the dead body on the pyre made of wooden logs, cremation, immersion of the ashes/ bones in the river/rivulet, food/feast on the 3rd day/13th day. With little variations the similar process is followed by other religions with some exceptions in case of Muslims, Zoroastrians and Christians. So there is a huge potential for Funeral Industry and an entrepreneur can target the Hindu population to start with.

➤ **Business Model:** It can be Proprietorship a Partnership, LLP, a closely held Private Ltd company; adopting the model of event management firms. New firms can form **Joint Ventures** with reputed Indian Funeral Directors like Chandu Tailor, London who have adequate resources, superb network and expertise in handling Hindu funerals or be their **Franchise**. Well established event management companies handling marriages and other functions/celebrations can diversify into this sphere. The business model can follow 2 channels like own investment and outsourcing. In fact in India a start up firm need not invest in own assets and almost all the services can be outsourced. Ideally the firm should have a good office, experienced staff, own web site, IT system and excellent network.

➤ **Scope:** The scope is limited as the crematoriums are provided by the Government; the following services can be offered: -# Coroner, Postmortem assistance, # Collecting the body from hospital or venue of death to the residence. # Providing all the material/ items required for funeral and last rites # Flowers and wreaths, # Washing, dressing and embalming the body # Arranging hearse/other vehicles for the procession, # Music band, # Priest for performing last

rites, # Arranging special items like sandalwood, Ghee etc, as per the requirements of the clients # Collecting bones and ashes and immersion in the river/holy places, # Catering arrangements for food/feast # Miscellaneous; newspaper notices, acknowledgement of condolence messages, registration, repatriation and other legal formalities. # Coffins and caskets, for Muslims & Christians, # Counseling family members to cope up with the grief /loss. # Pet loss, child and infant funerals. # Green and Eco-friendly funerals.

❖ **Variants:** Different packages and payment options can be devised and offered to the clients. In fact there is a large scope for LAVISH funerals if the clients are tapped and properly convinced. Facilities for pre arranged/ post arranged funerals and Clients loyalty schemes can be designed.

❖ **Prospective Clients:** The target clients are particularly those hard-pressed for time, Middle class, Elites and Rich. For Lavish Funerals Super Rich, Rich /Neo Rich, Industrialists, Celebrities can be the ideal clients. Initially the business can be started in Metro cities and gradually spread to two tier cities.

❖ **Budget:** Though it is difficult to give any standard budget, depending on the type and scale of the funeral the estimated expenses can be somewhere between Rs Fifty thousand at the least to Rs Five lakh and no limit for the high-end funerals.

6. Challenges and Problems:

* **Mind Set:** This perhaps is the biggest challenge as the Indian are superstitious, believe in rebirth and have high reverence for their departed near and dear ones. Running funeral business may be seen as unthinkable and the stubborn mindset of the people is the biggest roadblock. The starting point is educating the people and the media and selling the concept of “*Funeral with Dignity*”. It is a herculean task and to overcome this obstacle the Elites, Rich and Neo-Rich should be carefully selected as the prospective clients. Once the idea takes the roots, it will be easier to capture Middle class and other clients.

* **Wherewithal and Peripherals:** Infrastructure needed is funeral parlours, prayer halls, embalming facilities, washing and dressing rooms, offices and showrooms. This can be easily taken on rent/hire as and when required. Other assets like Ambulances, Limousines, Luxury vans, Hearses can also be rented. Thus the funding requirements will not be huge and Angel Investors, Venture Capital firms can be roped in. Initially the experienced and trained staff can be hired from entrepreneurs like Chandu Tailor & Son; training facilities can also be established in collaboration with western firms who can design India-centric training/coaching program.

* **Longevity:** Decline in death rate will be a setback when the idea catches up, the market grows sizably and competitors vie for their share. The aging population is a problem in every

country and India is no exception. But as the business is still in infancy (or virtually nonexistent) this issue can be sidelined for now.

★ **Social Taboo:** There is a strong possibility that the business may be considered a taboo initially, so not many entrepreneurs are likely to venture in to this industry. Therefore educating the people and the media is crucial.

★ **Licences:** The business will obviously require licence from the Government Authorities. The Indian bureaucracy has the notorious distinction of being corrupt; and working with an outlandish system of red tape. Even after the economic reforms, the Licence Raj/ multiple licencing and lethargic approach of babus has already driven away many enthusiastic Indians/NRIs and foreign investors, so getting the licences may prove nightmarish.

7. Limitations of the Study:

Constraints and limitations are an integral part of any study and investigations. The major limitations encountered in this

study are- i] It was not feasible to collect primary data due to paucity of time. The researcher has vast industrial experience which helped him in knowing the intricacies of the market pulse. Further as a faculty in law and management he got a good insight into the scholastic aspects of the subject. This served the purpose of primary data to some extent. ii] Though funeral industry is doing roaring business in Western countries; being a new concept for India

market enough literature of Indian context is not available. iii] *This being conceptual /exploratory study* secondary data is the main source, which proved very useful, meaningful and broadly represents the current scenario. These limitations however did not have any significant effect on the study and conclusion.

8. Conclusions:

Honestly you can't face life if you can't face death. The funerals are an indivisible and indispensable part and parcel of human life and will continue so till the existence of human life on the earth planet. Dramatic changes in social

fabric and values, yearning for materialistic pleasures, adaptability to international cultures and technological invasion eventually leads to changing mindsets, advent of new businesses and new markets. Funeral industry in India has very huge scope and Lavish Funerals will be niche market with all the pomp and show, Mercedes & BMW hears Limousines, Exclusive/diamond studded coffins and caskets, Sandalwood Pyres, Exotic flowers and incense sticks Extravagant feast, Designer clothing for the dead, Expensive condolence and acknowledgement cards; only the sky the limit for those who can afford and willing. There is also potential for green and eco-friendly funerals. The funeral industry can help us to manage *-Funeral with Dignity*" to our departed beloved and save our time and other hassle. As the field is virgin and unexplored, further research is necessary which will certainly add value and volumes to the existing literature and also help the entrepreneurs to venture and charter future course of action for the launching an efficient management of this business.

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A STUDY OF STUDENT'S BUYING BEHAVIOUR ON LAPTOP PURCHASE, WITH REFERANCE TO „NAGPUR“ CITY.

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ABSTRACT

In India the Laptop market has become increasingly competitive in recent year. Morden Laptops now rival desktop machine in terms of speed and performance. The need for anytime-anywhere access to information is pushing Laptop demand in the market due to their convenience in terms of portability, flexibility, and adaptability. As we are living in a world of information technology and now a day's Laptop/computer with Internet play major role in everyone life. This study shows various factor that influence students to purchase a Laptop, also helps vendors to understand consumer needs. It helps in finding out the Brand preference. India with growing youth developed a potential market .The student market is potential market. To identify and evaluate the criterion of purchase, and which is the famous Brand in Nagpur this paper is published.

INTRODUCTION:

A laptop is a personal computer for mobile use. Laptop is current day demand that simplify work and life as well. It contributes towards the upliftment of performance, work easiness by introducing the home office concept and provide a creative insight for the work. A laptop integrates most of the typical components of a desktop computer including display, keyboard, pointing device touch pad and speakers as a single unit. A laptop is powered by electricity mains through an AC adapter and can be used using rechargeable battery. Laptop become smaller, lighter, cheaper and more powerful than Desktop.

Whether it is a growing craze or the emergence of a new breed of technology-conscious laptop market is going to flourish in India. India's developing economy notifies positive impact of this technology and continuously moving towards growth. According to 15 censuses of 2011, the population of India is 1,21,01,93,422 corers it is almost 1.21 billion. India is second largest populated country in the world. Around 40% of the people are of the age between 18 to 30, and because of this a big potential market is developing here for laptop Industry.

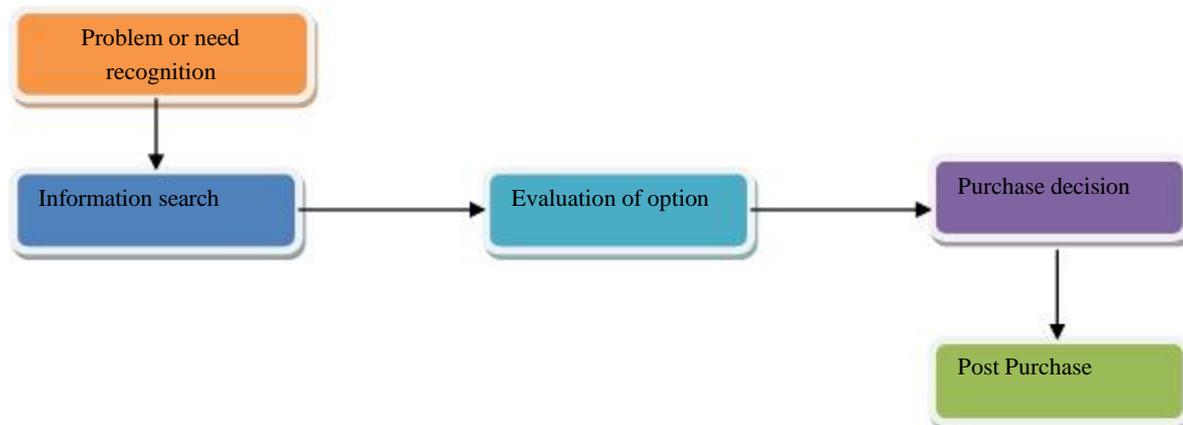
From this research paper we are concentrating on the buying behaviour of students therefore it is very necessary to us to understand the students behaviour process and make on attempt to identify and evaluate various factor which influence purchase indent of college going students, Nagpur. Finally present paper includes the study of what they buy, when they buy, how often they buy it and how often they use it.

OBJECTIVE OF THE STUDY:

- To study the student decision making with respect to laptop.
- To determine various factors that influence in selecting Laptop.
- To identify the popular laptop brands among the students.

BUYING BEHAVIOUR PROCESS:

Consumer Buying Behaviour Process has Five Stages-



- **Problem Recognition:** Need or want must be recognition in every purchase. Perceiving a difference between a people's idle and actual situations big enough to trigger a decision.
- **Information Search:** Consumer obtains information about product or service that might satisfy identified need from various resources like Internet, Family, Friends and Other.
- **Evaluation of Alternative:** The evaluation stage is the stage of mental trail of product or service In evaluating the alternatives, many values are taken into consideration such as product and facilities.
- **Purchase Decision:** It is the positive intention of the consumer that leads to a purchase decision. This stage answers questions like from whom to buy and when to buy.
- **Post Purchase Behaviour:** This stage may be a set of positive of negative feelings. Positive feeling or satisfaction result in repeat sales or at least recommending products or services to others. Negative feelings create dissatisfaction, anxiety and doubts.

RESEARCH METHODOLOGY:

A survey consisting of convenience sample of 200 was taken, the survey was completed 2 ½ months and respondents include both male and female aged between 18 to 30.

DATA COLLECTION:

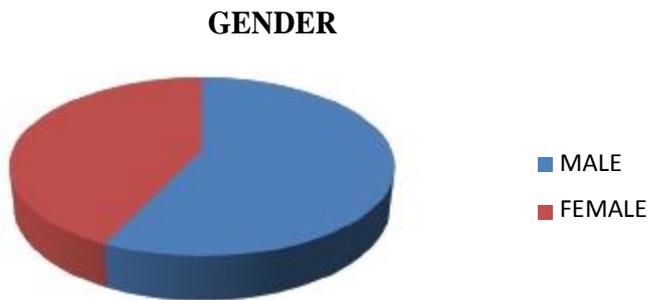
The study made use of primary and secondary data. Primary data was collected by means of a structured questionnaire to conduct the study. All questions consist of two parts: The first part consists of the characteristics of the students and the second part consists of the factor rating scale is used. The techniques used for the analysis are Descriptive statistics, Factor analysis, and Chi-square test and cross tabulation.

LIMITATION OF THE STUDY:

- The survey was limited to Nagpur city only.
- Finding of the study are on the basis of the information provided by the respondents.
- The study is restricted to the students.

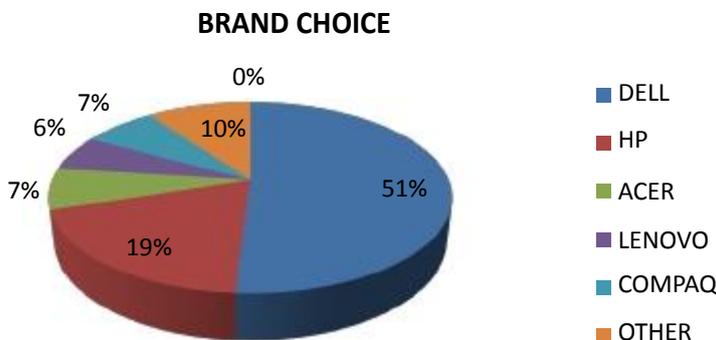
ANALYSIS OF DATA:

Figure 1: Showing Percentage of Male and Female Respondents



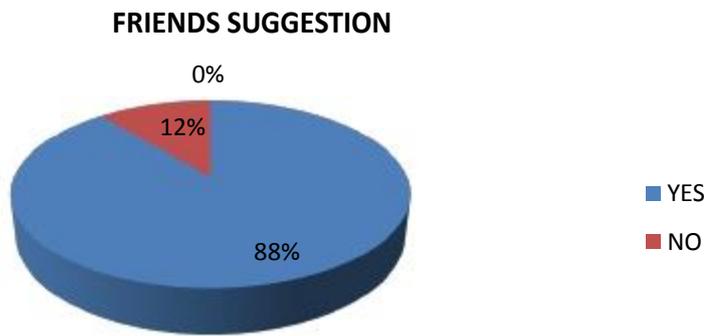
From the above figure it is clear that Male- 57 % (114) and Female- 43 % (86) have been taken for the study.

Figure 2: Showing Brand Choice for prospects



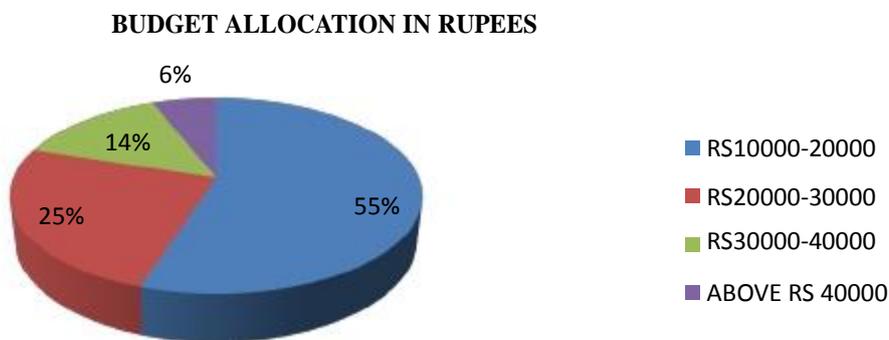
From the above figure, Dell is the popular brand among students with 51% in first position. HP is having a share of 19%, ACER and COMPAQ is having a share of 7% and LENOVO is having share of 6%. Others include brands like HCL, LG, SAMSUNG, SONY etc with 10%

Figure 3: Showing impact of Friend Suggestion on purchase of Laptop



Friends play a major in making purchasing decision of laptop as 88% (176) of respondents say that friend's suggestions are helpful in deciding in brand and configuration.

Figure 4: Showing Budget Allocated by Students for purchase of Laptop



From the above figure, around 110 students prefer to buy the laptop with a budget of Rs. 10,000 to 20,000, 50 students budget ranges from Rs. 20000 to 30000, 28 student budget is Rs. 30,000 to 400,000. 12 students are ready to purchase with more Rs. 40,000.

FACTOR 1.

QUALITY, BATTERY LIFE, BRAND are having values 0.749, 0.671, 0.626 respectively. This suggests that factor 4 is a combination of three variables. Therefore this factor can be interpreted as —BRAND

FACTOR 2.

OFFER, PRISE, INSURANCE ARE HAVING VALUES 0.506, 0.792, 0.640 RESPECTIVELY. This suggests that factor 3 is a

combination of three variables. Therefore this factor can be interpreted as —OFFER

FACTOR 3.

WEIGHT, SIZE, COLOUR, DISIGN are having values 0.692, 0.816, 0.767, 0.510 respectively. This suggests that factor 2 is a combination of fore variables. Therefore this factor can be interpreted as —DESIGNI

FACTOR 4.

RAM, HARD DISK, READER, CD/DVD is having values 0.655, 0.733, 0.756 respectively. This suggests that factor 1 is a combination of three variables; therefore this factor can be interpreted as —HARDWAREI

FACTOR 5.

OPERATING SYSTEM, MS OFFICE is having values 0.755, 0.702 respectively. This suggests that factor 5 is a combination of two variables. Therefore this factor can be interpreted as —ORIGINAL SOFTWAREI

FACTOR 6.

PROCESSOR, BIOMETRIC READER is having values 0.689, 0.637 respectively. This suggests that factor 6 is a combination of two variables. Therefore this factor can be interpreted as -COMPONENTSI

FACTOR 7.

ADVERTISEMENT, BRAND AMBASSADOR, is having values 0.806, 0.719 respectively. This suggests that factor 7 is a combination of two variables. Therefore this factor can be interpreted as —ADVERTISEMENTI

FACTOR 8.

INNOVATION, SERVICE is having values 0.654, 0.646 respectively. This suggests that factor 8 is a combination of two variables. Therefore this factor can be interpreted as —INNOVATIONI

RELATIONSHIP BETWEEN LAPTOP AND DESKTOP

Table 1: LAPTOP-DESKTOP CROSS TABULATION

LAPTOP			DESKTOP		TOTAL
			YES	NO	
LAPTOP	YES	COUNT	50	49	99
		COUNT EXPECTED	64.4	34.7	99.0
	NO	COUNT	80	21	101
		EXPECTED COUNT	65.7	35.4	101.0
TOTAL		COUNT	130	70	200
		EXPECTED COUNT	130	70	200

FACTOR ANALYSIS**Table 2: ROTATED COMPONENT MATRIX**

	COMPONENTS							
	1	2	3	4	5	6	7	8
Brand	-0.001	0.015	0.024	0.749	0.019	0.240	0.252	0.025
Brand Ambassador	0.064	0.031	0.017	-0.039	0.216	-0.038	0.806	0.049
Innovation	0.032	0.195	0.037	0.011	0.030	0.158	0.250	0.654
Service	0.246	0.027	0.219	0.385	0.107	0.117	-0.099	0.646
Price	-0.185	0.261	0.506	0.113	0.455	-0.002	-0.050	0.208
Offer	0.157	0.022	0.792	-0.003	-0.056	0.079	0.159	0.161
Quality	0.255	0.099	0.086	0.671	0.197	-0.057	-0.209	0.327
Advertisement	-0.094	0.172	0.248	0.070	-0.082	0.019	0.719	0.089
Processor	0.094	0.031	0.020	0.164	-0.031	0.689	-0.067	0.432
Colour	0.135	0.692	0.125	0.018	0.027	0.325	0.112	-0.125
Size	0.199	0.816	-0.003	0.100	0.040	0.048	0.044	0.170
Weight	0.177	0.767	0.038	0.035	0.062	-0.046	0.129	0.232
Battery Life	0.377	0.314	0.183	0.626	0.163	-0.082	-0.130	0.010
Back pack	0.064	0.171	0.420	0.275	-0.015	0.402	0.218	0.001
Design	0.229	0.510	0.314	0.154	-0.039	0.137	0.010	-0.106
Customization	-0.104	0.426	0.366	0.096	0.218	0.210	-0.038	0.234
Biometric Reader	-0.015	0.282	0.140	-0.093	0.354	0.637	-0.058	0.013
Operating System	0.202	0.023	-0.042	0.089	0.755	0.149	0.052	0.233
MS Office	0.343	0.012	-0.027	0.152	0.702	-0.033	0.169	-0.193
DVD/CD Reader	0.655	0.032	0.079	-0.130	0.133	0.090	0.086	0.298
Warranty	0.641	0.164	0.301	0.060	0.128	-0.149	-0.065	0.134
Insurance	0.357	0.126	0.640	0.089	-0.029	0.064	0.104	-0.073
RAM	0.733	0.248	0.037	0.216	0.169	0.060	-0.029	0.003
Hard Disk	0.756	0.149	0.038	0.262	0.087	0.122	-0.051	-0.063
Anti Virus	0.445	0.329	0.169	0.098	-0.105	0.409	0.143	-0.004

Table 3: CHI-SQUARE TESTS

	VALUE	DEGREE OF FREEDOM	SIGNIFICATION
PEARSON CHI-SQUARE	18.109	1	0.000

As the Pearson chi-square is 18.109 and level of significance is 0.000. the Desktop and Laptop are not related. It means student having Desktop may or may not purchase Laptop.

FINDINGS:

- From the research we found that Dell is a Market Leader in Nagpur City.
- Educational background of a respondent will influence the result of any investigation to maximum extent like technical and non technical.
- Maximum students want to purchase a Laptop with windows as Original Operating System.
- Students having Desktop may or may not purchase laptop.

- Above eight factor helps students to make decision regarding purchase like Hardware, Design, Offer, Brand, Original Software, Components, Advertisement and Innovation.
- Most of the students are not purchasing Original Operating system and Microsoft office tools.
- Friends play major role in purchase decision.

SUGGESTION:

- Students should get education about the use of original software.
- Information about warranty and Insurance should be given to the student.
- Easy to get update of software like Operating system, Antivirus and other.
- Components should give separate student offers with inbuilt operating system and office tools.
- The factor like Hardware, Design, offer, Brand, Original software, components, Advertisement and Innovation are given importance.

CONCLUSION:

From the above study we found that Dell is the very popular Brand among students. Given eight important factors that helps student to make purchase decision like Hardware, Design, Offer, Brand, Original Software, Components, Advertisement and Innovation. The Desktop and Laptop purchase are not related. Students having Desktop may or may not purchase laptop. Friends play a major role in making purchase decision.

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GREEN MARKETING PRACTICES IN INDIA – A CONCEPTUAL ANALYSIS

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Abstract

Recently environmental issues are playing important role in marketing scenerio of India. Various studies by environmentalists indicate that Indian people are more concerned about the environment and are changing their behavior pattern so as to be less hostile towards it. Now Indian customers are becoming more concerned about environment-friendly products which are useful for reducing the degradation of environment. Most of them believe that environment-friendly products are safe to use. Now is the era of recyclable, non-toxic and environment-friendly goods. As a result, green marketing has emerged, which aims at marketing sustainable and socially-responsible products and services in the society. This has become the new mantra for marketers to satisfy the needs of consumers and earn better profits. This article introduces the terms and concepts of green marketing, briefly discuss why going green is important and also examine some of the reason that organizations are adopting a green marketing philosophy. It also focuses some of the problems with green marketing in Indian perspective.

Key words: Green Marketing, concept, practices, environment, India

1. Introduction

It is often believed that green marketing refers to the promotion or advertising of products with environmental characteristics only. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are often associate with green marketing. In general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. For example, in India there are resorts that are beginning to promote themselves as "ecotourism" facilities, i.e., facilities that specialize in experiencing nature or operating in a fashion that minimizes their environmental impact .Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. But to define green marketing is not a simple task. The terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing. While green marketing came into prominence in the late 1980s and early 1990s, it was first discussed much earlier. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing". (Association, 1975)

Many companies have started realizing that they must behave in an environment friendly fashion. They believe both in achieving social & environmental objectives as well as financial objectives. India is growing at 7% annually and expected to double its energy consumption between 2012 and 2030, is under pressure to take action for providing clean environment for all future generations to come.(Sarunya, 2011) Many Indian

companies have come forward for the cause of environmental concerns and issues requiring immediate attention like: global warming, Water and Air pollution, E-waste.

2. Definitions:

Pride and Ferrell (1993) (pride, 1993) Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment

Polonsky (1994) (Polonsky, 1994) defines green marketing as .all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.

Elkington, J. and Hailes, J. (1988) (Elkington, 1988) defined green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

The definition given by Polonsky incorporates much of the traditional components of the marketing definition, that is "All activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants" Therefore it ensures that the interests of the organization and all its consumers are protected, as voluntary exchange will not take place unless both the buyer and seller mutually benefit. The above definition also includes the protection of the natural environment, by attempting to minimize the detrimental impact this exchange has on the environment. This second point is important, for human consumption by its very nature is destructive to the natural environment. So green marketing should look at minimizing environmental harm, not necessarily eliminating it. Remaining two definitions also focuses on functional areas of green marketing.

3. Objectives:

The objective of this paper is to examine the concept of Green Marketing and also to evaluate the reasons behind, initiatives taken, problems faced by the Indian companies for green marketing.

4. MARKETING MIX OF GREEN MARKETING

When companies come up with new innovations like eco friendly products, they can access new markets, enhance their market shares, and increase profits. Just as we have 4Ps product prices, place and promotion in marketing, we have 4ps in green marketing too, but they are a bit different. They are buttressed by three additional Ps, namely people, planet and profits.(Chopra, April-2007)

4.1 Products

The products have to be developed depending on the needs of the customers who prefer environment friendly products. Products can be made from recycled materials or from used goods. Efficient products not only save water, energy and money, but also reduce harmful effects on the environment. Green chemistry forms the growing focus of product development. The marketer's role in product management includes providing product designers with market-driven trends and customer requests for green product attributes such as energy saving, organic, green chemicals, local sourcing, etc., For example, Nike is the first among

the shoe companies to market itself as green. It is marketing its Air Jordan shoes as environment-friendly, as it has significantly reduced the usage of harmful glue adhesives. It has designed this variety of shoes to emphasize that it has reduced wastage and used environment-friendly materials.

4.2 Price

Green pricing takes into consideration the people, planet and profit in a way that takes care of the health of employees and communities and ensures efficient productivity. Value can be added to it by changing its appearance, functionality and through customization, etc. Wal Mart unveiled its first recyclable cloth shopping bag. IKEA started charging consumers when they opted for plastic bags and encouraged people to shop using its "Big Blue Bag".

4.3 Place

Green place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint. For example, instead of marketing an imported mango juice in India it can be licensed for local production. This avoids shipping of the product from far away, thus reducing shipping cost and more importantly, the consequent carbon emission by the ships and other modes of transport.

4.4 Promotion

Green promotion involves configuring the tools of promotion, such as advertising, marketing materials, signage, white papers, web sites, videos and presentations by keeping people, planet and profits in mind. British petroleum (BP) displays gas station which its sunflower motif and boasts of putting money into solar power. Indian Tobacco Company has introduced environmental-friendly papers and boards, which are free of elemental chlorine. Toyota is trying to push gas/electric hybrid technology into much of its product line. It is also making the single largest R&D investment in the every-elusive hydrogen car and promoting itself as the first eco-friendly car company. International business machines Corporation (IBM) has revealed a portfolio of green retail store technologies and services to help retailers improve energy efficiency in their IT operations. The center piece of this portfolio is the IBM SurePOS 700, a point-of-sale system that, according to IBM, reduces power consumption by 36% or more. We even see the names of retail outlets like "Reliance Fresh", Fresh@Namdhari Fresh and Desi, which while selling fresh vegetables and fruits, transmit an innate communication of green marketing.

Green marketer can attract customers on the basis of performance, money savings, health and convenience, or just plain environmental friendliness, so as to target a wide range of green consumers.

Consumer awareness can be created by spreading the message among consumers about the benefits of environmental-friendly products. Positing of profiles related to green marketing on social networks creates awareness within and across online peer groups. Marketing can also directly target the consumers through advertisements for product such as energy saving compact fluorescent lamps, the battery –powered Reva car, etc.

5. Reasons behind accepting green marketing by Indian Corporate

Indian companies that develop new and improved products and services with environment inputs in mind give themselves access to new markets, increase their profit sustainability, and enjoy a competitive advantage over the companies which are not concerned for the environment. There are basically five reasons

for which Indian marketer have gone for the adoption of green marketing. Most of the companies are venturing into green marketing due to these reasons:

- Opportunities or competitive advantage
- Corporate social responsibilities (CSR)
- Government pressure
- Competitive pressure
- Cost or profit issues

5.1 Opportunity or Competitive Advantage

In India, around 25% of the consumers prefer environmental-friendly products, and around 28% may be considered healthy conscious.(Consumer Research Forum, 2010) Therefore, green marketers have diverse and fairly sizeable segments to cater to. The Surf Excel detergent which saves water (advertised with the message—"do bucket paanirzbachana") and the energy-saving LG consumers durables are examples of green marketing. We also have green buildings which are efficient in their use of energy, water and construction materials, and which reduce the impact on human health and the environment through better design, construction, operation, maintenance and waste disposal. In India, the green building movement, spearheaded by the Confederation of Indian industry (CII) - Godrej Green business Center, has gained tremendous impetus over the last few years. From 20,000 sq ft in 2003, India's green building footprint is now over 25 million sq ft.

5.2 Corporate Social Responsibilities (CSR)

Many companies have started realizing that they must behave in an environment-friendly fashion. They believe both in achieving environmental objectives as well as profit related objectives. The HSBC became the world's first bank to go carbon-neutral last year. Other examples include Coca-Cola, which has invested in various recycling activities. Walt Disney World in Florida, US, has an extensive waste management program and infrastructure in place.

5.3 Governmental Pressure

Various regulations are framed by the government to protect consumers and the society at large. The Indian government too has developed a framework of legislations to reduce the production of harmful goods and by products. These reduce the industry's production and consumers' consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags in Mumbai, prohibition of smoking in public areas, etc.

5.4 Competitive Pressure

Many companies take up green marketing to maintain their competitive edge. The green marketing initiatives by niche companies such as Body Shop and Green & Black have prompted many mainline competitors to follow suit.

5.5 Cost Reduction/ Cost of Profit Issues

Reduction of harmful waste may lead to substantial cost savings. Sometimes, many firms develop symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material. For example, the fly ash generated by thermal power plants, which would otherwise contributed to a gigantic quantum of solid waste, is used to manufacture fly ash bricks for construction purposes.

5. Corporate Initiatives for Green Marketing in India:

6.1 Philips Light's CFL

Philips Lighting's first shot at marketing a standalone compact fluorescent light (CFL) bulb was Earth Light, at \$15 each versus 75 cents for incandescent bulbs. The product had difficulty climbing out of its deep green niche. The company re-launched the product as "Marathon," underscoring its new "super long life" positioning and promise of saving \$26 in energy costs over its five-year lifetime. Finally, with the U.S. EPA's Energy Star label to add credibility as well as new sensitivity to rising utility costs and electricity shortages, sales climbed 12 percent in an otherwise flat market.[18]

6.2 Electronics sector

The consumer electronics sector provides room for using green marketing to attract new customers. One example of this is HP's promise to cut its global energy use 20 percent by the year 2010.[21] To accomplish this reduction below 2005 levels, The Hewlett-Packard Company announced plans to deliver energy-efficient products and services and institute energy-efficient operating practices in its facilities worldwide.

6.3 Introduction of CNG in Delhi

New Delhi, capital of India, was being polluted at a very fast pace until Supreme Court of India forced a change to alternative fuels. In 2002, a directive was issued to completely adopt CNG in all public transport systems to curb pollution

6.4 ITC

- ITC has been 'Carbon Positive' three years in a row (sequestering/storing twice the amount of CO₂ than the Company emits).
- 'Water Positive' six years in a row (creating three times more Rainwater Harvesting potential than ITC's net consumption).
- Close to 100% solid waste recycling.
- All Environment, Health and Safety Management Systems in ITC conform to the best international standards.
- ITC's businesses generate livelihoods for over 5 million people.
- ITC's globally recognized e-Choupal initiative is the world's largest rural digital infrastructure benefiting over 4 million farming families.
- ITC's Social and Farm Forestry initiative has greened over 80,000 hectares creating an estimated 35 million person days of employment among the disadvantaged.
- ITC's Watershed Development Initiative brings precious water to nearly 35,000 hectares of drylands and moisture-stressed areas.

- ITC's Sustainable Community Development initiatives include women empowerment, supplementary education, integrated animal husbandry programmes.

6.5 Maruti: Greening of Supply Chain

The company has remained ahead of regulatory requirements in pursuit of environment protection and energy conservation at its manufacturing facilities, and in development of products that use fewer natural resources and are environment friendly.

The company credited the 'Just-in-Time' philosophy adopted and internalized by the employees as the prime reason that helped to excel in this direction.

The company has been promoting 3R since its inception. As a result the company has not only been able to recycle 100% of treated waste water but also reduced fresh water consumption. The company has implemented rain water harvesting to recharge the aquifers. Also, recyclable packing for bought out components is being actively promoted.

The company has been facilitating implementation of Environment Management System (EMS) at its suppliers' end. Regular training programs are conducted for all the suppliers on EMS. Surveys are conducted to assess the vendors who need more guidance. The systems and the environmental performance of suppliers are audited.

The green co-efficient of this system is much better than the conventional system

7. SOME PROBLEMS WITH GOING GREEN

No matter why a firm uses green marketing there are a number of potential problems that they must overcome. One of the main problems is that firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing. For example marketers in the US must ensure their green marketing claims can meet the following set of criteria, in order to comply with the FTC's guidelines. Green marketing claims must;

- Clearly state environmental benefits;
- Explain environmental characteristics;
- Explain how benefits are achieved;
- Ensure comparative differences are justified;
- Ensure negative factors are taken into consideration; and
- Only use meaningful terms and pictures.

8. Conclusion

Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential. A clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vitality, as it has an environmental and social dimension to it. With the threat of global warming alarming large, it is extremely important that green marketing becomes the

norm rather than an exception or just a fad. Indian Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. After overcoming the problems with green marketing, Indian consumers, industrial buyers and suppliers need to minimize the negative effects on the environment-friendly marketing. Finally, Green marketing methods produce highly effective results. They apply all of the steps you need to cut costs, raise response rates and increase growth in the most important marketing metric we are all held accountable for—the bottom line.

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A CASE STUDY ON PERFORMANCE IMPROVEMENT BY USING BALANCED SCORE CARD AT IDBI BANK LTD.

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Abstract:-

This case study is related to IDBI Bank's performance. The authors have used balance score card tool to solve the case. The Balance Score Card may be a useful tool to improve performance of bank. In entire study of IDBI Bank, authors observed entire facts about bank and according to that they suggested solution to the bank with the help of Balanced Score Card. Balanced score means a system of combining financial and non-financial measures of performance in one single scorecard. It includes performance measures for four perspectives: financial, customer, internal business processes, and learning and growth (innovation). However more perspective may be added. The social responsibility and environmental concerns are two possible perspective. The balanced scorecard focuses on the link between business processes, decisions and results. It is considered as a device to guide strategy formulation, implementation, and communication. It also helps in tracking the performance and providing quick feedback for control and evaluation. A few companies in India have implemented the balanced scorecard.

Brief Information about the IDBI Bank:-

IDBI Bank Ltd. is today one of India's largest commercial Banks. For over 40 years, IDBI Bank has essayed a key nation-building role, first as the apex Development Financial Institution (DFI) (July 1, 1964 to September 30, 2004) in the realm of industry and thereafter as a full-service commercial Bank (October 1, 2004 onwards). As a DFI, the erstwhile IDBI stretched its canvas beyond mere project financing to cover an array of services that contributed towards balanced geographical spread of industries, development of identified backward areas, emergence of a new spirit of enterprise and evolution of a deep and vibrant capital market. On October 1, 2004, the erstwhile IDBI converted into a Banking company (as Industrial Development Bank of India Limited) to undertake the entire gamut of Banking activities while continuing to play its secular DFI role. Post the mergers of the erstwhile IDBI Bank with its parent company (IDBI Ltd.) on April 2, 2005 (appointed date: October 1, 2004) and the subsequent merger of the erstwhile United Western Bank Ltd. with IDBI Bank on October 3, 2006, the tech-savvy, new generation Bank with majority Government shareholding today touches the lives of millions of Indians through an array of corporate, retail, SME and Agri products and services. Headquartered in Mumbai, IDBI Bank today rides on the back of a robust business strategy, a highly competent and dedicated workforce and a state-of-the-art information technology platform, to structure and deliver personalised and innovative Banking services and customised financial solutions to its clients across various delivery channels. As on March 31, 2012, IDBI Bank has a balance sheet of Rs.2.91 lakh crore and business size (deposits plus advances) of Rs.3.92 lakh crore. As an Universal Bank, IDBI Bank, besides its core banking and project finance domain, has an established presence in associated financial sector businesses like Capital

Market, Investment Banking and Mutual Fund Business. Going forward, IDBI Bank is strongly committed to work towards emerging as the 'Bank of choice' and 'the most valued financial conglomerate', besides generating wealth and value to all its stakeholders.

Vision and Mission Statement

Over the years, Bank has undergone a number of structural and organizational changes while transforming itself into a universal commercial bank. The journey of Bank has always encompassed enhancing value for all its stakeholders. In order to reflect of the current ethos of Bank, new Vision and Mission Statement have been crafted. The new vision statement of Bank is —To be the most preferred and trusted bank enhancing value for all stakeholders|. With the new vision statement, Bank has formalized a goal to share a common dream with all the stakeholders of the Bank. Previously, there was no separate Mission statement as the Vision statement itself incorporated the mission of the Bank. Also, in consonance with the change in the Vision Statement, a new Mission statement was crafted, in line with the organization's long-term and short-term goals. Accordingly, the mission statement of Bank is:

- **Delighting customers with our excellent service and comprehensive suite of best-in-class financial solutions;**
- **Touching more people's lives with our expanding retail footprint while maintaining our excellence in corporate and infrastructure financing;**
- **Continuing to act in an ethical, transparent and responsible manner, becoming the role model for corporate governance;**
- **Deploying world class technology, systems and processes to improve business efficiency and exceed customers' expectations;**
- **Encouraging a positive, dynamic and performance driven work culture to nurture employees, grow the and build a passionate and committed work force;**
- **Expanding our global presence;**
- **Relentlessly striving to become a greener bank.**

Business Strategy of IDBI Bank:-

- Bank's strategy during the year under review focused on aggressive growth in Retail lending and repositioning of delivery channels to realize higher CASA deposits.
- Bank sought to maintain its leadership position in the corporate banking and investment banking space, so as to meet the requirements of the corporate sector.
- Specific focus was laid on cross selling of Bank's entire product and service offerings across the entire range of customers, so as to build sustainable and stable relationships.
- Bank's strategy during the year resulted in improvement in various profitability parameters and consolidated its business position across various benchmarks, so as to bring them more in line with the prevailing industry standards.

Key Business Initiatives

Bank continued to target a progressively larger retail business portfolio to facilitate a more balanced business mix, in keeping with its intended positioning as a full-service new generation commercial bank. Further, in order to build a strong foundation for sustainable growth on long term basis, as also ensure compliance with regulatory norms, Bank took initiatives to build up its priority sector lending portfolio. Bank has been a pioneer in the field of Corporate Finance for the last nearly five decades. Bank has maintained its focus on corporate banking and laid specific emphasis on cross-selling of Bank's diverse range of products and services. Bank increased substantially its presence in government business and enabled higher direct and indirect tax collections.

- Bank offers a bouquet of Liability, Asset, Capital Market and Third Party products aimed at meeting the customized needs of customers in the Retail Banking segment.
- Bank has initiated a project on facilitating usage of ATM network to Co-operative Banks and RRBs on National Financial Switch (NFS) network in association with National Payments Corporation of India (NPCI). This would enable Co-operative Banks and RRBs to issue ATM cards to their account holders and get connected to the NFS network to have access to more than 84,000 ATMs across India.
- Bank entered into MOUs with several reputed educational institutions across India for granting educational loans to eligible students during the year.
- Financial Inclusion project in four Talukas of Gujarat, Bank has, inter alia, launched a specially designed Co-branded Photo ATM Card on „Rupay“ Platform. The Card can be used for ATM transactions at your own as well as other Bank ATMs that are members of National Payment Corporation of India (NPCI).
- Bank has constantly endeavored to cater to the diverse needs of its MSE clients and has continuously been developing customized MSE products. During FY 2011-12, Bank introduced a new product, viz., “Line of Credit to Vendors of Corporates” that augments the liquidity position of MSE vendors.
- Bank had gone live in January 2012 in providing online duty payment services in respect of Customs Duty for all the 103 Electronic Data Interchange (EDI) locations across the country.
- Bank became the first entity from India as also other emerging markets to access foreign currency funds in the Dim Sum Market.

Organizational Structure of IDBI Bank:-

Bank is currently organized on the lines of “customer focused vertical” model, capable of delivering improved services. The model has achieved significant success in enhancing customer relationship management, improving credit delivery and bringing sharper focus to business lines which are sustainable and remunerative.

With the addition of 157 branches during FY 2011-12, including Specialized Corporate Branches, the total number of domestic branches went up to 972 as on March 31, 2012 in addition to one overseas branch at DIFC, Dubai. Of the domestic branch network, 264 are located in metropolitan centres, 377 in urban centres, 236 in semi-urban centres and 95 in rural centres.

Business Review of IDBI Bank:-

Retail Finance:-

Bank continues to target a progressively larger retail business portfolio to facilitate a more balanced business mix, in keeping with its intended positioning as a full service new generation commercial bank. Pursuant to the same, Bank currently offers a bouquet of Liability, Asset, Capital Market and Third Party products primarily aimed at meeting the customized needs of customers in the Retail Banking segment. Liability products include Savings Accounts, Current Accounts, Retail Term Deposit, Recurring Deposits, etc. Asset products on offer include Housing Loans, Mortgage Loans, Personal Loans, Education Loans, Vehicle Loans, among others. Bank also offers many card products such as International Debit Card, Gift Card, Cash Card and World Currency Card. Capital Market and Third Party products/services such as DematAccount, Mutual Funds, Insurance Products (both Life and General), Government/RBI Bonds, IPO through Application Supported by Blocked Account (ASBA) process, Investment Advisory, Merchant Acquisition business, New Pension Scheme, Public Provident Fund (PPF) and Government of India Senior Citizen Saving Scheme 2004 (SCSS) are also rolled out through Bank’s retail banking channel.

Bank also offers exclusive products for NRIs like NRE/ NRO/FCNR Bank Accounts, Remittance Services, Portfolio Investment Scheme (PIS) and Investment Related Products. The products are periodically reviewed and modifications/innovations/customization of existing products, as well as introduction of new products are carried out on a regular basis.

Financial Inclusion:-

In meeting the objective of Financial Inclusion as articulated by the Government of India, Bank has initiated Financial Inclusion Plan (FIP) for the first three years ending March 31, 2013. Bank has, as per the requirement, covered all the allotted 119 villages with population more than 2000 by the end of FY 2012. These villages are located in the States of Maharashtra, Chhattisgarh, Madhya Pradesh, West Bengal, Himachal Pradesh and U.T. of Dadra and Nagar Haveli. In addition to these villages, Bank also aims to cover some more villages with population between 1000 and 2000 during FY 2013, as and when allotted by SLBCs.

MSE Initiatives:-

Bank continued its thrust and due importance to the role of Micro, Small and Medium Enterprises (MSMEs) towards building a strong foundation for sustainable growth on long term basis. Duly recognising the importance of MSEs in the socio economical growth of the nation, Bank has continued its focus on Micro and Small segments of MSMEs, which are considered as growth engine of the Bank. With an effort to reach out to MSE clients to serve them better and take the MSE Banking facilities to their easy reach, Bank has set up dedicated MSE Care Centres in 30 major cities/clusters, besides its regular branch network.

Agriculture and Rural Development:-

Bank has established a network of officers under a dedicated ‘_Agri Business Group’ across the country to provide knowledge-based credit to our farming community to improve farm productivity and quality of life of our rural population. Agri business, in bank, is presently handled at 334 branches, which are attached to 21 Agri Processing Centers, reporting to seven dedicated regional offices for speedy disposal and quick decisions. Agriculture business of bank comprises direct lending to the farmers or group of farmers, assistance to corporate or co-operatives engaged in processing of agriculture produce and entities involved in supporting agriculture sectors.

During FY 2011-12, bank introduced simplified documentation process; stream lined sanction and delivery systems with desired flexibility and control in retail agriculture lending. This has helped bank to broaden its retail agriculture base. Bank has tied up with select corporates and co-operatives engaged in agro and food processing activities to reach out to a large number of farmers and deepen its retail base across the country. To reach large number of farmers, particularly those in remote part of the country, bank has appointed Business Facilitators at such locations.

Corporate Finance:-

Bank has been a pioneer in the field of Corporate Finance for the last nearly five decades and has been supporting the diversified needs of Corporate sector in its growth process. During the FY 2011-12, bank opened one more dedicated specialized Corporate Branch at BandraKurla Complex in Mumbai. With this the total number of Specialised Corporate Branches across the country stands at 33. Bank’s Corporate Business has grown by about 20% during the last year. Bank also meets the foreign exchange needs of Corporate Clients through its Dubai Branch which went operational in the year 2010.

Trade Finance:-

Bank continued to post high growth rates in Trade Finance (TF) Business. During the FY 2011-12, the nonfund based business of bank, comprising of Letter of Credit (LCs) and Bank Guarantees (BGs) segment grew by 17% crossing Rs.70,000 crore. Trade Finance related fee income also recorded robust growth of 37% during the year. Bank has earned Trade Finance related fee income of ` 640 crore out of total fee income of Rs. 1,715 crore earned during the year. Bank has entered into Whole Turnover Packing Credit ECIB (WT-PC) and Whole Turnover Post Shipment ECIB (WT-PS) with effect from

April 1, 2012 with ECGC for Export Credit Insurance Cover for Bank. During the year, bank opened two new TF Centres at Faridabad and Ghaziabad, thereby increasing the total number of TF locations from 37 at the beginning of the year to 39. During the year, the Bank has put in place specialized Sales Teams exclusively for TF products at the metros with a special focus on Retail Trade Business which will enhance the Bank's TF Business, inter alia, in the Retail Segment.

Government Business:-

Bank has placed strong focus on Government Business and collects direct and indirect taxes of Central Government and various State Governments. During the FY 2011-12, bank had crossed a major milestone in collection of tax of `Rs.1 lakh crore to achieve total tax collection of ` 1.24 lakh crore. Further, bank added another feather in its cap by collecting more than ` 1.12 lakh crore in respect of Central Taxes during FY 2011-12. The tax collection is facilitated mostly through e-payment besides physical mode. During the year, bank operationalized collection of commercial taxes in the states of Assam, Bihar and Puducherry. With this bank is now authorized to collect Commercial Tax in the states of Assam, Andhra Pradesh, Bihar, Gujarat, Maharashtra, Punjab (Phagwara), Rajasthan, Uttarakhand and in the Union Territory of Delhi and Puducherry.

Cash Management Services:-

Cash Management Services, which are one of the major avenues for Current account mobilisation, continued to be one of the thrust areas of bank during the year. Bank has a marked presence in this business segment and has bagged some of the prestigious mandates for dividend servicing. Also, bank has earned market recognition as Bankers to Issue for IPO /FPO /Bond Collection assignments. Bank is focussing on providing customized e-solutions including technological integrations with client systems in tune with the evolving market requirements. The Bank is constantly upgrading its systems towards this end.

Infrastructure Finance:-

Bank continues to remain a prominent player in infrastructure financing, which typically involve long gestation period and have a distinct risk and return profile requiring innovative structuring. Bank has been in the forefront in structuring and financing of infrastructure projects in the areas of power, telecom, roads, airports, seaports, railways and logistics, as well as Special Economic Zones (SEZs), ever since the infrastructure sector was opened to private investment, and a significant share of its aggregate assistance goes to infrastructure sector.

Syndication, Structuring and Advisory Services:-

Bank has been active in providing debt syndication, structuring and advisory services to corporates in infrastructure as well as manufacturing sectors. During the past few years, bank has assisted several large projects including Ultra Mega Power Projects, Metro Rail Projects, Airports, Ports, Roads, Oil Refineries, Renewable Energy Projects, Steel Plants, etc. in achieving financial closure through debt syndication. Bank has been consistently ranked as one of the leading debt syndicators in India, as well as entire Asia Pacific region.

Environment Protection Schemes

Bank has undertaken a pioneering role in Indian banking sector in the area of environmental banking. Besides offering various banking services, bank has been providing services in the area of Clean Development Mechanism (CDM)/Carbon Credits under Kyoto Protocol and Voluntary Emission Reductions (VERs). Bank has also been acting as financial intermediary for World Bank funding under Ozone Depleting Substance (ODS) phase out schemes since

1991 and India Chiller Energy Efficiency Project (ICEEP), a unique project aimed at mitigating global warming and phasing out of ODS in the chiller sector since 2009.

Carbon Credit Services

Bank has set up a team for providing specialized carbon credits/emission trading advisory on Clean Development Mechanism (CDM). Bank is facilitating all the services related to CDM projects and carbon credit market, viz., funding of the CDM projects; providing technical advisory services for registration of CDM project, providing advisory services for Trading of Certified Emission Reductions (CERs) and Verified Emission Reductions (VERs), upfront financing against the carbon credits/carbon credits receivables, advisory services for Programmatic CDM.

Treasury Operations

Bank has an integrated Treasury at its Head Office covering various operations including Money Market, Fixed Income, Foreign Exchange, Derivatives and Equities trading operations for optimum management of funds and returns, while providing a wide range of products viz. G-Secs, forex, derivatives, CDS and exchange traded currency futures and options to customers.

Cross Border Branches:-

Bank's first overseas branch at the Dubai International Financial Center (DIFC), Dubai has completed over two years of operations. From DIFC Branch, bank provides a range of corporate banking services, including extending of ECBs, foreign currency loan syndication and trade finance products for its Indian clients' fund requirements for their Indian operations as well as overseas ventures. The DIFC Branch also serves as the nodal point for bank for raising foreign currency resources. Bank's DIFC Branch has earned a Net Profit of USD 14.16 million for the current year ended March 31, 2012.

Foreign Currency Resources:-

During the year under review, bank raised a sum of USD 2,474.02 million equivalent, of which (i) USD 230 million was raised from overseas banks/overseas branches of Indian Banks/Institutions under the Inter-bank Dealings scheme of RBI, (ii) USD 465 million by way of club/syndicated loans, (iii) Renminbi (RMB) 650 million (equivalent to USD 102.31 million) by way of a Dim Sum Bond issuance under the USD 1.5 billion Medium Term Note (MTN) programme, (iv) USD 147.60 million by way of short term bond issuances (private placement) under the USD 1.5 billion Medium Term Note (MTN) programme, and (v) USD 1,529.11 million by way of short term borrowings from banks.

Credit Rating of IDBI Bank:-

Ratings for Rupee Borrowings (As on March 31, 2012) (Table 3)			
	CRISIL	ICRA	Fitch
Fixed Deposit	FAAA / Stable	MAA+	Fitch AAA(Ind)
Short Term Borrowings (Certificate of Deposits)	CRISIL A1+	[ICRA] A1+	Fitch A1+ (Ind)
Long Term Rupee Bonds (Senior & Lower Tier II bonds)	CRISLAA+ / Stable	[ICRA] AA+ / Stable	Fitch AA+(Ind)
Hybrid - Upper Tier II Bonds	CRISIL AA / Stable	[ICRA] AA / Stable	Fitch AA- (Ind)
Hybrid – IPDI	CRISIL AA / Stable	[ICRA] AA / Stable	---

Long Term Rupee Borrowings:-

During the year, the Bank raised an aggregate amount of Rs. 3,134.40 crore through bond issuance comprising Lower Tier II bonds (Rs.2,834.40crore) to shore up its CRAR and Senior Bonds (₹ 300 crore).

Management, Controls and Systems of IDBI Bank:-

HR Management:-

During 2011-12, Bank recruited 2670 employees (Officers 1782, Executives 888) of whom, 529 belong to Scheduled Castes (SCs), 228 belong to Scheduled Tribes (STs), 893 belong to Other Backward Classes (OBCs) and 90 are Persons With Disabilities (PWDs). As on March 31, 2012, bank had 15,435 employees on its rolls, comprising 11,383 Officers, 1608 Executives (On Contract), 1333 Clerical (Class-III) and 1111 Sub-staff (Class-IV) employees. Bank has, as a step towards integrating synergistic business interests, completed mergers with two of its subsidiaries viz., IDBI Home Finance Ltd. and IDBI Gilts Ltd. and also successfully integrated the valuable human capital with the mainstream HR.

Human Resources – Training & Development

In the past year, bank has taken various training initiatives towards the professional and personal Development of the employees of bank, to enable them to meet organizational goals. Employees equipped with the right competencies have led to bank's growth. During the year, bank trained 11,252 employees, through 460 in-house training programmes. In addition, 483 officers were nominated for external training programmes conducted by other institutes/ training organizations of repute in India and 62 officers were nominated for programmes/ conferences/ seminars abroad.

Internal Audit:-

Bank has a well-equipped Internal Audit Department carrying out regular independent appraisal of all activities undertaken by different business verticals / support verticals and branches. The function is headed by Senior Management Personnel with reporting lines to Chairman and Managing Director (CMD) and Audit Committee of the Board. The audit function maintains its independence and objectivity while carrying out the assignments. Bank has adopted risk-based internal audit as its strategy, while carrying out the activities. Further effectiveness of the Internal

Audit functions have been enhanced by way of implementing the web based Audit Management System, off site monitoring, opening of Audit Hubs at important centres, systematic selection of audit samples to ensure wider & meaningful coverage of the audit through, well defined audit formats.

Fraud Management System

Bank has put in place fraud monitoring mechanism through a dedicated group i.e. Fraud Monitoring Group (FMG) under Internal Audit Department. The Fraud Review Councils (FRC) have been constituted to monitor and review all frauds so as to identify systemic lacunae, if any, initiate corrective measures, monitor progress of investigation and recovery position. The FMG also reviews efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls and putting in place need based remedial measures. A detailed Fraud Risk Management Policy has been put in place for effective fraud control.

Customer Service and Complaint Management of IDBI Bank:-

Bank has a Customer Service Committee of the Board and a Standing Committee on Customer Service (chaired by the DMD and comprising of senior officials as its members) to look into various aspects of Customer Service and Complaints Management. The involvement of Independent Directors and Top Management in matters of Customer Service and Complaints Management ensures that these important areas get the attention they deserve. Bank has set up a Centralized and dedicated Customer Care Centre (CCC) to take care of the activities which would bring about an improvement in Customer Service. It includes receiving and redressing customer complaints escalated upwards from the branches and inbound Call Center and those that are received through the centralized E-Mail unit, Website, letters at Corporate Office and through Social Media. CCC also handles the complaints received through RBI, Banking Ombudsman, Government of India and other regulatory authorities. The objective of CCC is to ensure that all customer complaints are resolved quickly and are recorded and tracked centrally till resolution. CCC also analyses the nature of complaints received and gives feedback to the concerned department/ branch for their necessary action. Bank has in place a Board-approved Grievance Redressal Policy, which sets the timeframes for resolution of complaints at the branch level and on escalation at the CCC level. CCC takes utmost care to ensure that customer complaints are attended to and resolved in a time bound manner, as per the timeframes set in the Grievance Redressal Policy. As a result of bank's commitment to quality and turn-around-times, in the course of the current financial year, bank was awarded the coveted international certification ISO 9001:2008 for its Customer Care Centre.

Awards and Accolades during FY 2011-12

- ❖ Bank was awarded the ISO 9001: 2008 Certification for its Customer Care Centre and for its In-House Journal, September 20, 2011.
- ❖ Bank received —CNBC TV18 Special Jury Award and was also winner of the Dun & Bradstreet Banking Awards 2011 for Best Bank & Best Public Sector Bank, September 2011.
- ❖ Bank was adjudged Best Bank of the Year in the 3rd Dalal Street Investment Journal (DSIJ) PSU Awards, May 2011.
- ❖ Bank won Asian Banker Technology Implementation Award 2011 for Best Data and Analytics Project, April 2011.
- ❖ All Centralized Clearing Units [CCU] of bank got ISO 9001: 2008 Certification, April 2012.
- ❖ Bank bagged IBA's prestigious Banking Technology Awards, March 2011.

Corporate Social Responsibility Initiatives:-

Bank has been conducting programs on Financial Inclusion, Agri awareness camps in rural areas to benefit farming communities, providing financial support to Charitable Organisations, NGOs, Hospitals, organizing blood donation camps at Corporate Centre as also branches across India, on important occasions such as Foundation Day. To provide focused attention, bank is putting in place a Board approved comprehensive policy on CSR initiatives in key focus areas such as Education, Health, Community Welfare, Environment, Rural Infrastructure, Social Empowerment, etc

Shareholder of IDBI Bank:-

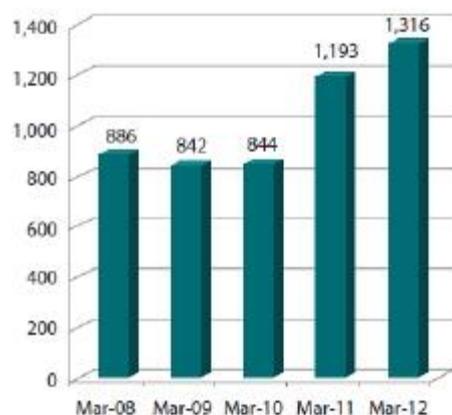
Table 11 : Shareholding Pattern as at March 31, 2012		
Category of Shareholders	No. of Shares Held	% to Total
Government of India	901531379	70.52
Employees	1284319	0.10
Public	117980803	9.23
Hindu Undivided Family	3107612	0.24
Bodies corporate	21836697	1.71
<u>Institutions</u>		
A) Banks	2702519	0.21
B) Foreign Institutional Investors	34759704	2.72
C) State Finance Corporations	35680	Negligible
D) Financial Institution	13664475	1.07
E) Mutual Funds	3098506	0.24
Societies	28960	Negligible
Trusts	669838	0.05
Insurance Companies	169208567	13.24
NRI's	5570909	0.44
<u>Directors & Relatives</u>		
i) Shri R.M Malla, CMD	320	Negligible
ii) Shri B.K Batra, DMD	1001	Negligible
NSDL (transit)	2900373	0.23
GRAND TOTAL	1278381662	100.00

Last five Year Financial Performance of IDBI:-

Lean Organisation with Modern Technology Platform
Resulting in Low Cost-to-Income Ratio

कर्मचारी उत्पादकता (प्रति कर्मचारी लाभ)
Employee productivity (Profit Per Employee)

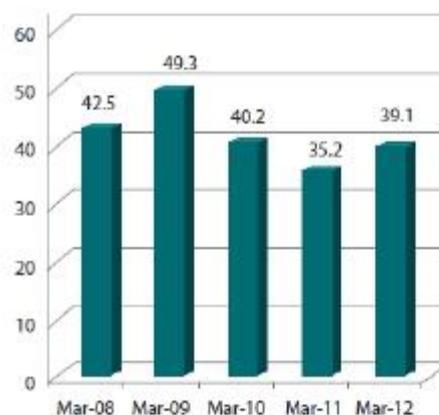
('000 रुपये)
(INR'000)



31 मार्च को समाप्त वित्तीय वर्ष
Financial Year end: 31 Mar

आय की तुलना में लागत अनुपात में कमी
Low Cost-to-Income Ratio

(%)

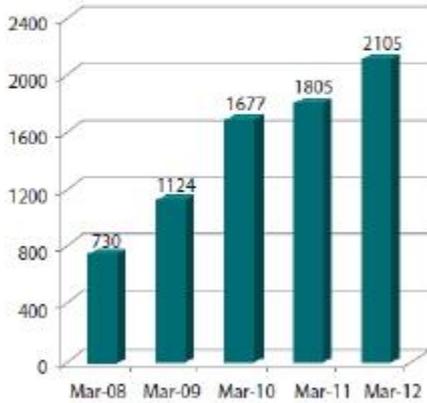


31 मार्च को समाप्त वित्तीय वर्ष
Financial Year end: 31 Mar

Robust Growth in Business...

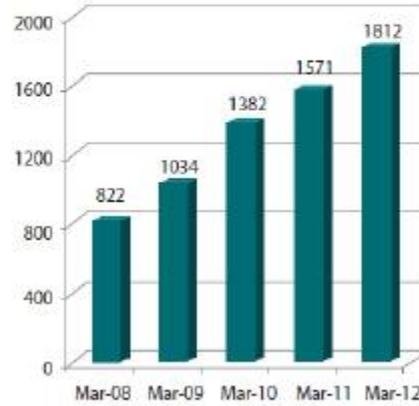
जमा राशियाँ और अग्रिम राशियाँ
Deposits and Advances

(बिलियन रुपये)
(INR Bn)



■ जमा राशियाँ
■ Deposits

(बिलियन रुपये)
(INR Bn)

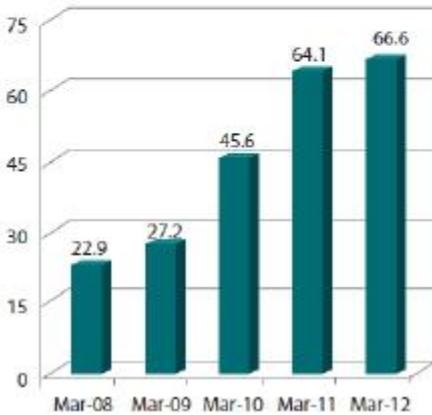


■ अग्रिम राशियाँ
■ Advances

...Growing Income and Profitability...

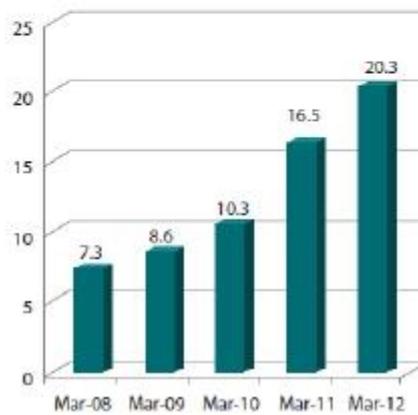
कुल आय
Total Income

(बिलियन रुपये)
(INR Bn)



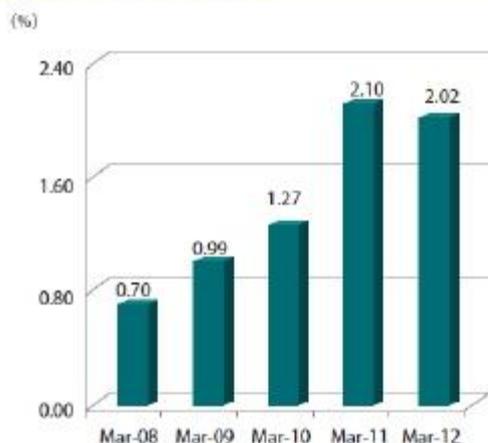
कर पश्चात लाभ
Profit After Tax

(बिलियन रुपये)
(INR Bn)

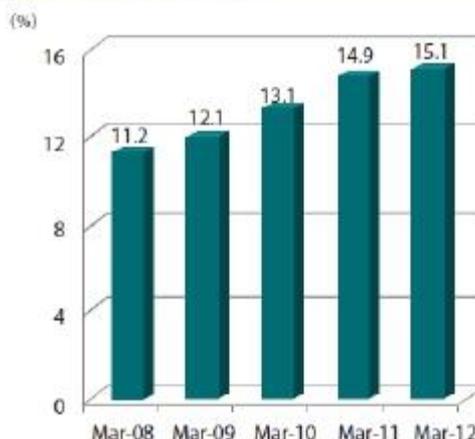


...and Improving Performance Indicators

निवल ब्याज मार्जिन Net Interest Margin



इक्विटी पर प्रतिलाभ Return on Equity



SWOT ANALYSIS of IDBI Bank:-

Strengths of IDBI Bank

- The bank's major strength is latest cutting edge technologies to support its core banking operations.
- The bank has domestic footprint encompassed 972 branches, comprising 264 at metropolitan centers, 377 at urban centers, 236 at semi-urban centers, 95 at rural centers and 1542 ATMs.
- Business size (deposits plus advances) of Rs.3.92 lakh crore in the last FY 2012-13, and earned a net profit of Rs.2013cr. As at end-March 2012, 98.4% of Bank's loan assets were standard assets.
- The bank has grown at a rate of 60% compared to previous year.
- IDBI has the first mover advantage in opening 'G-sec portal'. This is a platform for the retail investors to invest in government securities
- IDBI is one of the biggest commercial banks in India which focuses on industrial infrastructure and development it also support Special Economic Zone etc.
- IDBI's product portfolio includes 14 broad classifications, and there are some sub categories in each. The bank has customized solution faculties for its industrial clients
- IDBI's subsidiaries are into capital market services, IT services, asset management and life insurance.

Weaknesses of IDBI bank

- IDBI has less penetration into the rural market
- IDBI has less number of branches and ATM network compared to other major banks.
- It concentrates mainly on commercial banking services whereas the individual banking services is where the main revenue lies.
- The bank lacks in promotional activities as compare with other major banks.

Opportunities for IDBI bank

- Scope for bagging government schemes are high as IDBI belongs to public sector
- Global opportunities for IDBI are the rise as the management is keenly focusing on global expansion in next few years

- They have a good number of financial expertise to face the emerging industrial and economic growth in India
- It is the only bank in public sector which has enabled social media plug-in in its website. This has increased the brand awareness and better reach to its customers
- The bank has good opportunities in semi-urban and Tire II cities areas as the industrial growth is taking very rapidly

Threats for IDBI Bank

- IDBI faces tough competition in terms of new market development due to competition from both government and private banks
- FDI in Indian banking has been opened up to 74% by the RBI
- The bank has to focus on improving the customer satisfaction in order to sustain the loyal customers

This is the current situation of IDBI bank of India. According to current situation we are using Balanced Score card performance improvement tool in IDBI bank for overcoming the weaknesses & threats. As per analysis, we will suggest some solution for IDBI Bank:-

MEANING OF BALANCED SCORE CARD

Balanced Score Card is a performance appraisal and reporting system that strikes a balance between financial and non-financial measures, links performance to rewards, and gives explicit recognition to the diversity of organisational goals. The Balanced Score Card gets its name from the attempt to balance financial and nonfinancial performance measures to evaluate both short run and long run performance in a single report.

Paul Arveson describes Balanced Score Card as "an approach which provides information to the management and assists them in formulation of organisation's mission and strategy".

OBJECTIVE OF BALANCED SCORE CARD

The prime objective of Balanced Score Card is to provide a platform for translating a firm's strategic objectives into a coherent set of performance measures. Kaplan and Norton recommended that "an organization should articulate the major goals for each of the four perspectives and then translate these goals into specific performance measures". Basically three to five performance measures are set for each goal.

MAJOR CONTENTS OF A BALANCED SCORE CARD:-

The contents of Balanced score card vary from business to business. However, a well-designed balanced score card combines financial measures of past performance with measures of firm's drivers of future performance. The vision and strategy of the firm is the pivot around which the contents of a balanced score card revolve. Generally, a balanced score card has the following four perspectives from which a company's activity can be evaluated.

- 1. Customer Perspective:-**Each organization must know: How do our customers see us? How should we appear to them? A large, satisfied customer base means more revenues, which, other things remaining the same, should lead to improved financial outcome. The customer perspective requires an organization to know how it should create value for its customers if it is to succeed. Organizations have learnt the importance of customer focus and customer satisfaction in a sustained financial performance.

- 2. Internal Process Perspective**

This is the most critical perspective for the success of an organization. It includes internal business processes which ensure highest quality of products and services. Are our businesses processes excellent? What are the areas that need improvement? The managers should ensure that their businesses, based on internal processes, are running well and that the firm's products and services are meeting the customers' requirements and creating value for them. This

perspective helps the firm to determine its competencies and the processes where it must excel to create customer delight.

3. Financial Perspective

The balanced scorecard gives equal importance to the financial perspective which helps to answer the question: How should we appear to shareholders? The financial measures provide a common language for analysing and comparing companies. Note that the financial measures alone are not sufficient to guide performance in creating value; they depend on non-financial measures for providing the bottom-line score. The key financial performance indicators include: growth, profit margin, return on investment, economic value added, and shareholder market value. As we have observed earlier, financial measures are backward-looking, ‘lagging’ indicators; yet they are needed to determine whether process improvements ultimately translate into financial success.

4. Learning and Growth Perspective

This perspective focuses on innovation, creativity, competence, and capability. Are we innovative and creative enough to continuously create value for our customers? It also focuses on people—their attitude, culture, knowledge, development, etc., and their ability to learn and grow for managing and sustaining change and improvement. Are our employees capable of sustaining continuous change and improvement? In any organization, and particularly, a knowledge-based organization, human resource is the most critical resource.

Scorecard for Strategic Theme: Retaining and Attracting High-Value Delighted Customers

Perspective	Objective	Measure	Target	Initiatives
Financial	Growth in revenue for coming financial year	<ul style="list-style-type: none"> Revenue by product/service – existing and new Number and percentage of active, value customers 	<ol style="list-style-type: none"> Turnover should be Rs. 5Lakh for 2013-14 Investment in various sector 	<ol style="list-style-type: none"> Branch Expansion Product Diversification Overseas Expansion
Customer	<ul style="list-style-type: none"> Attract and retain customers, especially high value customers (customer value and delight) Manage erosion of customer base Maximize service quality and reliability 	<ul style="list-style-type: none"> Number of incremental customers categorized by age, income, balance, etc. Profit per customer Customer satisfaction ratio (Research required) Controlling “Erosion Rate” among young customers 	<ol style="list-style-type: none"> Provide Timely Services. More Emphasis on Quality Service Developing Customer Friendly Services & Products. Providing proper ambience at branches to attract young customers 	<ol style="list-style-type: none"> Training to the Staff in the areas of customer care Use of Time saving Technology i.e. ICT3. Continuous Research & Development
Internal Processes	<ul style="list-style-type: none"> Develop cost effective marketing and create brands Continue leadership in existing products/services and build leadership in other products/services by improving features in the products/services Develop IT-driven foolproof service 	<ul style="list-style-type: none"> Service time (survey) Customer complaints Response time Cost of acquiring customer Product-wise new and total customers Benchmark with the best competitor Number of new products/services Number of products with new features Market share in each product 	<ol style="list-style-type: none"> Bank should go for Six Sigma Certification for accuracy in service. 	<ol style="list-style-type: none"> Train the Staff Use of Time saving Technology Best Service Provider Employees should be rewarded (Motivation)
Learning & Growth	<ul style="list-style-type: none"> Train people at all levels to build special skills and general competencies Educate and encourage staff for the use of IT Empower people 	<ul style="list-style-type: none"> IT usage ratio Number and percentage of internet products Number of internet customers—new and migrated Cost per internet customer Internet customer satisfaction (survey) Training programmes/per employee Usage of IT by each employee Number of managerial decisions made by a manager 	<ol style="list-style-type: none"> Use of Modern Technology in Workplace. Study Market Behaviour Education for All Middle & Lower Level Employees. 	<ol style="list-style-type: none"> Provide required IT infrastructure

Conclusion:

Conclusion of this case is for sustainable growth IDBI Bank should implement Balanced score card. In this case we have suggested some solution on the basis of four perspectives financial, customer, internal process and learning & growth on this four perspectives we suggested some solution to IDBI Bank like for revenue growth bank need to

expand his business through branch expansion, for better services bank must train his employees, for internal process bank can change his working style through use of ICT in work place can create difference customer will get timely and quality services with low cost and last perspective is learning and growth through experience this most important perspective among all because every organization should learn from past mistake draw improve strategy for growth.

- 1. Financial Perspective:** -bank need to increase their revenue for coming financial year with help of new products & existing products or services , bank also need to increase their market share through acquiring new customer through Branch Expansion in rural and urban areas.
- 2. Customer Perspective:-** in this field bank need to satisfied his customer through proper right services for right customer and bank also need to improve his performance through quality and time factor in services , bank also need to attract new customer special in young generation. Bank need to conduct time to time research on customer regarding his needs and wants.
- 3. Internal Process Perspective:-** in this segment bank need to change his working style , organization structure, using of new technology which save time and cost for bank so that bank can improve his performance, service time, services delivery, products improvement, research and development on product etc. this all factor come under internal process . For improvement in internal process bank need to go six sigma certification for quality improvement.
- 4. Learning & Growth Perspective:-** Train people at all levels to build special skills and general competencies which help the bank to expand his market share. Bank also need to Educate and encourage staff for the use of IT so that they can provide timely services to customer.

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MEDIA CAMPAIGNING AND MANAGEMENT OF THE SERVICE QUALITY AS A KEY FOR RETAIL BUSINESS.

Prof. Radhakrishnan Batule

One of the major ways to differentiate a service firm is to deliver consistently higher quality services than the competitors. The key is to meet or exceed the target customer's service quality expectations. Their expectations are formed by their past experiences, word of mouth, and service firm advertising. The customers choose providers on this basis and after receiving the service; they compare the perceived service with the expected service. If the perceived service falls below the expected service, customers lose interest in the service provider. If the perceived service meets or exceeds the expected service, they are apt to use the provider again. (AT Kearney, 2005)

Therefore the service provider needs to identify target customers wants in the way of service quality. Unfortunately, service quality is harder to define and judge than product quality. It is harder to get agreement on the quality of a haircut than on the quality of a hairdryer. Yet customers will make judgment about service quality, and service provider need to know customers expectations in order to design effective services.

Clearly, customers will be satisfied if they get what they want, when they want it, where they want it, and how they want it. Still it is necessary to research the specific customer criteria for any specific service. Thus bank customers may expect on a trip to a bank that they will not wait in line more than five minutes; the teller will be courteous, knowledgeable and accurate; and that the computer will not break down. Service provider must do their best to identify the expectations of their target customers with respect to each specific service.

This does not mean that the service provider will be able to meet the customers' wishes. The service provider faces tradeoffs between customer satisfaction and company profitability. What is important is that the service provider clearly defines and communicates the service level that will be provided, so that the employees know what they must deliver and the attracted customers know what they will get.

Parasuraman, Zeithamal, and Berry (BT, 2005) formulated a service quality model that highlights the main requirements for delivering the expected service quality. The model identifies five gaps that cause unsuccessful service delivery. They are described below.

1. Gap between consumer expectations and management perception: Management does not always perceive correctly what customers want or how customers judge the service component.
2. Gap between management perception and service quality specifications: Management might not set quality standards or very clear ones; or they might be clear but unrealistic; or they might be clear and realistic, but management might not be fully committed to enforcing this quality level.
3. Gap between service quality specification and service delivery: Many factors affect service delivery. The personnel might be poorly trained or overworked. Their morale might be low. There might be equipment breakdown. Those handling operations typically drive for efficiency, and sometimes this runs counter to a drive for customer satisfaction.

4. Gap between service delivery and External communications: Consumer expectations are affected by promises made by service providers' communications. Then the fault lies in the expectations created by external communications.
5. Gap between perceived services and Expected services: This gap results when the one or more of the previous gaps occur. It becomes clear why service providers have a hard time delivering the expected service quality.

The same researcher has developed a list of major determinants of service quality. They found that consumers use basically similar criteria regardless of the type of service. The Criteria follow.

1. Access: The service is easy to obtain in convenient locations at convenient times with little waiting.
2. Communication: The service is described accurately in the consumer's language.
3. Competence: The employees possess the required skills and knowledge.
4. Courtesy: The employees are friendly, respectful and considerate.
5. Credibility: The company and employees are trustworthy and have consumers best interests at heart.
6. Reliability: The service is performed with consistency and accuracy.
7. Responsiveness: The employees respond quickly and creatively to consumer's requests and problems.
8. Security: The service is free from danger, risk or doubt.
9. Tangibles: The service tangibles correctly project the service quality.
10. Understanding / Knowing the customers: The employees make an effort to understand the customer's needs and provide individual attention.

Source: Putting the four to work, Sales management, October 28, 1974, pp. 13ff.

The print media has started campaigning for the organized retailing since long the following are the previous encounters collected by us since 2005.

1. NEWS ON RETAILING TRENDS IN INDIA (Times News Network, 2006)

Source: Times of India,

Title: Metro plans to invest 300 million Euros.

News in Brief:

German trading major Metro AG is planning to invest Euro 300 Million in India. The company, which is present in India through Metro Cash and Carry with its two stores in Bangalore, is set to open three more outlets over next few months in Kolkata, Hyderabad and possibly Chennai, the company's chief executive Hans Joachim Korber told TOI.

Source: Times of India,

Title: Pantaloon locks horns with FMCG Majors.

News in Brief:

Pantaloon is looking to do a Wal-Mart on FMCG majors. The country's largest retailer has shot off letters to 20 odd FMCG companies including heavyweights HLL, P & G, Marico, Colgate Palmolive and Cevin Care.

Source: Times of India,

Title: How Pune Malls Tricks Work.

News in Brief:

When college lecturer Sunita Rao decided to go mall shopping last week, she did something unusual. She gathered 15 Kg of old clothes, a broken mixer and some other worthless things, boarded a rickshaw and brought her junk to Pune's Big Bazaar.

At this very happening 40000 Sq Feet hypermarket, Rao exchanged her junk for Rs 3155 worth of coupons, which she could redeem against purchases, four times their value.

The previous Sunday Big Bazaar managers were ecstatic when hundreds of shoppers like Rao descended with tones of junk and picked coupons worth over Rs. 7 lakh - the highest in a single day among all the 24 other big bazaars in the country.

If it is immensely innovative junk-for –coupons exchange mela that is generating footfalls at big bazaar, freebie diamonds at shoppers stop, ipods, motorcycles, holiday packages and other gifts at central were among the offers that proved immensely popular with mall shoppers in Pune.

With nearly two dozen super stores, malls, and hypermarkets in Pune, international property consultant Knight Frank say that Pune's retail sector is witnessing tremendous growth with 20 major projects in pipeline.

Total retail area is expected to touch nearly four million square feet by end 2007. Major projects include Kakade Mall (2 lakh Sq feet) in Warje, Konkord Towers (4 lakh Sq feet) on Bund Garden road and west end mall (2.45 lakh sq feet) in Aundh.

We accept anything and everything under our exchange mela schemes Big Bazaar's (Pune) assistant store manager Samrat Paul said. Not surprisingly people have been seen coming from 15 Km away bringing worn out tyres and even discarded furniture in a tempo to exchange them for coupons.

In Mid April Big Bazaar plans to further hammer retail prices by going into Wal-Mart mode by making a price challenge offer to customers.

At the 1.35 lakh sq feet Pune Central, the KishorBiyani retail enterprise the most memorable day for assistant manager Roch D'Souza was Jan 26 when 50000 people came for our end of season discount sale.

Source: Times of India,

Title: 'Malled' Pune retailers focus on niche products.

News in Brief:

India's unfolding retail revolution has started having an impact on small retailers who are now redefining their business strategies for survival and growth.

About three years after malls, specialty stores and grocery chains started springing up in hot-n happening Pune prominent traditional retailers have started seeing the footfalls shift from their stores to the newest attraction in the neighborhood.

—Our business have dropped by 40-50% because of malls because they get goods directly from manufacturers and keep prices low whereas we get them from distributors and hence have charge markup price a small retailer in Pune said.

In a comprehensive study on retail scenario in India (The rising elephant: benefits of modern trade), Market analyst Pricewaterhousecoopers has noted that while there are 12 million retailers in the country, mostly in the unorganized sector, the retail sector will see a huge investment in next four five years. Newer chains will come in, and the present players will increase their penetration.

Source: Times of India, February 15, 2006.

Title: Mall Fantasia.

News in Brief:

All the malls sprouting around like some frantic fast multiplying pandemic has led to deep thinking in parliament on amazing mall explosion. There is a good reason to now believe that a mall will be built besides all new flyovers and next to schools. Parties have already told MLA's that preferably there should be a mall in every constituency.

Source: Times of India,

Title: FDI in retail to create jobs.

News in Brief:

The commerce minister Kamal Nath have strongly argued in support of allowing 51% FDI in single brand retailing that this decision will not result in loss of jobs. The minister is at Davos with a focus to increase FDI inflow to India from \$7.5 billion this fiscal to \$ 10 billion next year said allowing FDI in retail would help accomplishing this task.

He also said that it is the domestic giants who are eying the lucrative retail market that posed greater threat to small stores.

Source: Times of India, 11 Feb 2006.

Title: FDI in retail: New company for each brand.

Multinationals will be able to bring in all their brands set up as many stores in the country.

News in Brief:

Government is likely to allow multi brand international players to set up separate companies with up to 51% stake to enter the single- brand retailing business in India.

In effect this means multinationals will be able to bring all their brands in India and set up as many stores provided each brand is launched under a separate company.

Source: Times of India, 30 Jan 2006.

Title: 'Largest open air mall' a big draw.

News in Brief:

The first ever-pedestrian zone or walking plaza trial in city of Pune is set off with the help of army, police and local shopkeepers. A fraction of shopkeepers fearing loss of business, staged feeble protests but as the day progressed they all opened up as they saw that citizens were enjoying what has been billed as the biggest open-air mall in the city. The spot poll was conducted to gauge the citizen's mood and 85% of people voted in favor of the plaza.

Source: Times of India, 26 Jan 2006.

Title: 'Retail FDI: brands eye expansion.

News in Brief:

The consumers can now have more brands and lifestyle branded stores in the country as the government is allowing the international brands to set up their retail chains in India.

Foreign players like Benetton, Adidas, Christian Dior will set up more stores however some players are not excited. There are some brands such as Samsung, LG and Reebok that prefer to operate through the franchisee route for selling their products in the country. Allowing 51% FDI makes no difference to us. We have 208 odd stores all over the country and are happy with our franchisee partners who are doing brisk business Reebok India MD said.

Source: Times of India,

Title: Small town India is booming.

News in Brief:

Be it Nashik, Amritsar, Vadodara, Bhubneshwar, Srinagar, Trichy, Indore or Mysore, small town India is booming. It rivals any bustling Metropolis in terms of what's on offer. From airports to glistening malls, supermarkets, Multiplexes, hospitals, modern schools and institutions everything is available. In Fact many of the thriving and prosperous communities are going to step up and transform themselves into centers of serious consumption, flaunting the latest marquees. Small towns are lapping everything from color TV to Washing machine up. With majority of Indians residing in non-metros marketers are pulling out all stops to ensure that they do not miss out on this opportunity. In fact many are amazed with the kind of money flowing in small towns. So what does the coming year hold? Well for start those towns will have to grapple with the same infrastructure.

Source: Franchise, Jan Feb, 2005, Vol 1, issue 6.

Title: Godrej goes in for retail Perestroika.

Article in Brief:

The Rs 1900 Crore Godrej and Boyce company has appointed a consultancy to streamline the work processes of its retail division for bringing the company run showrooms under one umbrella. The company is also considering the possibility of retailing non-Godrej goods. The retail division runs 33 showrooms in the country occupying 85000 Sq feet area. The thrust this year will be on Mumbai, Delhi, Banglore, Chennai, Hyderabad and Pune.

Source: Franchise, Jan Feb, 2005, Vol 1, issue 6.

Title: Gen X Malls.

Article in Brief:

The malls, an invention of the west have reached maturity there. There are priceless lessons to be learned from international developments. There is fear of having largest structure of empty retail store. Well planned and auto oriented development is required to scale new heights in retail sector of today

The Proposed malls are:

Name of Mall	Location of Mall	Sqft Area (in Million)	Name of Developer	Key Anchors	Proposed Year of Completion.

Great India Place	Noida NCR	1.6	Unitech	Shoppers Stop, Pantaloon, Life style, Globus	2005
DLF Promenade and Emporio	Vasantkunj	85	DLF group	NA	2006 end
Mantri mall	KoramangalaBanglore	1.5	Mantri	Shoppers Stop, Life style, Prozone	2006
Nirmal Lifestyle	Mulund Mumbai	1	Nirmal Lifestyle	Shoppers Stop, Shoprite, Pantaloon, Multiplex (PVR)	2006
R Mall	Ghatkopar Mumbai	0.8	Runwal	NA	2007
High Street Pheonix	Parel Mumbai	1	Ruia's	Pantaloon, Big Bazaar, Lifestyle, Multiplex	Operational
Growel Plaza	Kandivali Mumbai	0.6	The Growel Group	Big Bazaar, Multiplex	2005
Inorbit Mall	Malad Mumbai	0.6	CL Raheja Group	Giant (Hyper mart) Shoppers stop, Lifestyle	Operational.
Oberoi Mall	Goregaon Mumbai	0.6	Oberoi Group	Life style, Pantaloon, Big bazaar.	2005
Mantri	MalleshwaramBanglore	0.6	The mantri	Shoppers Stop	2006.

Source: Business Today,8 May, 2005,

Title: Coming Soon The Foreign Retailer.

Article in Brief:

With foreign investment in retail looking imminent global giants are drawing up their India plans and the homegrown majors their defense. The players looking forward are Wal mart: \$ 288 billion, Carrefour: Euro 90 billion, Tesco: £ 33 billion, Metro Cash & Carry: Euro 26 billion, and ShopRite.

The Indian organized retail pie is Clothing, Textiles and accessories: 39%, Food and Grocery: 11%, Consumer Durables: 9%, Footwear: 8%, Furniture and Furnishings: 8%, Catering services: 7%, Watches: 4%, Jewelry: 3%, Mobile Handsets: 3%, Books, Music and Gifts: 3%, Entertainment: 2%, Health & Beauty Products: 2%, Health & Beauty care services: 1%.

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MEASURING CUSTOMER SATISFACTION IN TWO WHEELER SERVICE INDUSTRY THROUGH SERVQUAL MODEL

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Abstract :

The intensity of competition allows customer to switch from one service provider to another in search of better value and higher service quality. These creates serious challenges for organizations in managing their existing customers, while striving for growth. The common answer to such challenges is satisfying the customers. This research aims at finding the factors which contribute of customer satisfaction in Indian two wheeler service Industries. And also we proposed a mathematical model to evaluate the influence of various factor affecting the customer satisfaction in two wheeler service industries in India. Data will also be analyzed by using SPSS software for different parameters. Regression equation predicts the customer satisfaction in two wheeler service industries.

1. Introduction

In the past few years, the Indian automotive industry has been going through a period of transition that has affected all its constituent segments. The transition has been brought upon by increased competition from foreign players and growing pressure on profit margins. Rising income levels and greater penetration of personal credit schemes has resulted in higher demand for two-wheelers, especially motorcycles. However, with so many models to choose from, competition has become intense. The two-wheeler segment, especially motorcycles, will witness the fastest rate of growth in the future. Growing income levels in urban and rural areas, higher penetration of finance schemes accompanied by lower interest rates and new model introductions will be the major growth drivers for this segment. To outdo in this competition companies are trying everything by making their dealership, service centers more efficient giving out various scheme and services to attract the customer toward their company. The major players in this industry are Hero Honda, Bajaj, TVS, Yamaha, Kinetic, Honda with Hero Honda leading the industry followed by Bajaj and TVS.

Service quality is a relative concept and its measurement involves the discovery of effective ways to survey customers and determine their expectations and perceptions of the quality of individual dimensions and the overall service. This study commenced a search for the important quality dimensions in the two wheeler service industries using qualitative techniques. At the next stage quantitative techniques

were used to measure customer expectation prior to consumption of the service, and their perception after the consumption of individual dimensions and overall satisfaction.

2. Literature Review

The subject of quality, as perceived by customers, has been researched extensively. (Gronroos 1978, 1982) was one of the first researchers to recognize the need to develop valid and distinct measures of service quality.

(Parasuraman et al., 1985) have suggested that it may be the perception of service quality that leads to customer satisfaction. This means that if the customer perceives the service to be high quality, then the customer will be satisfied with it. Conversely, some others believe that if the customer is satisfied with the service, they perceive it to be of high quality. (Bitner 1990) and (Bolten and Drew 1990) agreed with this view and said satisfaction is an antecedent of service quality.

(Parasuraman et al., 1985) suggested that service quality can be measured using the expectation-perception gap and this view has been widely accepted. (Brown and Swart 1989) who examined customer expectation-perception gap as an efficient way of measuring service quality. The SERVQUAL model proposed by (Parasuraman, et al., 1988) define service quality using the five dimensions i.e. Tangibles, Reliability, Responsiveness, Assurance and Empathy. The model has undergone numerous improvements and revisions since published. The scale currently contains 22 pairs of items considering consumer perception and expectation factors that are distributed throughout the five service quality dimension (Zeithaml and Bitner, 2000).

3. Service Quality :

It is difficult to define service quality as opposed to quality of goods. Quality has been termed as —an elusive and indistinct construct (Parasuraman et al., 1985) However, the numerous works we have today regarding this issue have provide us a better insight into the definition of service quality. Service quality has been variously defined as focusing on meeting needs and requirements, and how well the service delivered matches customers expectation. Perceived service quality a global judgment or attitude relating to service and results from comparison by consumers of their expectation of service with their perception of actual service provided. If there is a shortfall, then quality gap exists which providers would to close. (Lewis et al., 1994). Customers' assessment of overall service quality depends on the gap between expectations and perceptions of actual performance levels. Thus, service quality is a measure of how well the service level delivered matches customers expectations.

3.1 Service Quality Dimension :

Service quality is a complex and multidimensional concept. Nevertheless, through the focus group interviews and later empirical investigation done by (Parasuraman et al., 1985, 1988), the researchers found that consumers used five determinates in their evaluation of the service quality process. The five service quality dimensions are listed below:

- **Tangible** : Appearance of physical facilities, equipment, personnel communications and use of appropriate materials.
- **Reliability** : Ability to perform the promised service dependably and accurately.
- **Responsiveness** : Willingness to help customers and provide prompt service.
- **Assurance** : Knowledge and courtesy of employees and their ability to inspire trust and confidence.
- **Empathy** : caring individualized attention the service provider gives its customer.

4. Research Methodology

This study has adopted both quantitative as well as qualitative approach. The quantitative research approach was to evaluate the service quality of banking services by contacting big customers. Relationship survey and within that the SERVQUAL survey was found suitable for the study.

Relationship surveys help in tracking and monitoring the service performance and to assess gaps between customer expectations and perception. Relationship surveys are also effective in comparing a bank's performance with that of competitors. A sound measure of service quality is necessary for identifying the aspects of service needing performance improvement assessing how much improvement is needed on each aspect and the base for building relationship with customers.

One of the first measures to be developed specifically to measure service quality was the SERVQUAL survey.

4.1 Hypotheses of the study :

The following hypotheses have been developed and tested to achieve the objectives.

H1 : There is a significant difference between customer expectations and their perceptions of tangibles.

H2 : There is a significant difference between customer expectations and their perceptions of reliability.

H3 : There is a significant difference between customer expectations and their perceptions of responsiveness.

H4 : There is a significant difference between customer expectations and their perceptions of assurance.

H5 : There is a significant difference between customer expectations and their perceptions of empathy.

7. Research Instrument And Method

The format was divided in four sections. The first section was designed to obtain demographic information about the respondents Gender, Age, Educational Qualification, and Profession. The second and third section is adopted from (Zeithamlet. Al 1990) was called SERVQUAL questionnaire. The second section is about service quality expectations. The third section is about service quality perceptions. Both sections uses a five point likert scale ranging from. (1 = strongly disagree and 5 = strongly agree). The Fourth section covers the other measure which includes Re-service, overall quality and overall satisfaction. The SERVQUAL instrument is used to measure the gap between customer perception and Expectation developed by (Parasuraman, 1988)

$$\text{SERVQUAL Score (Q)} = \text{Perception Score (P)} - \text{Expectation Score (E)}$$

8. Analysis Of Data :

Data was analyzed by using statistical package for social sciences (SPSS) software. Firstly correlation of variables was administered. Finally regression equation was developed for predicting the service quality in future.

8.1 Dealer wise variation in service quality

The quality scores of this selected two wheeler authorized dealer are given in Table 1.

Table 2, shows the gap between customer expectation and perception.

Table : 1 - Gap between customers expectation and perception

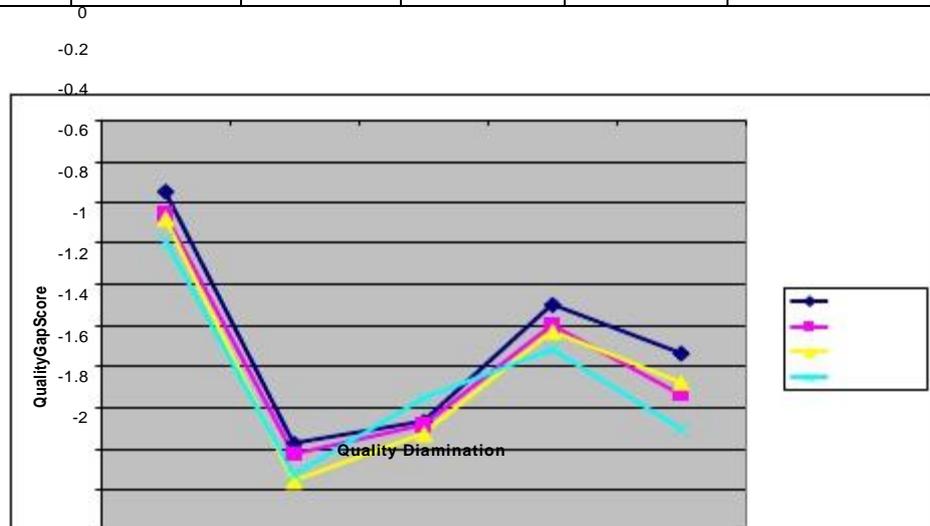
Two wheeler Dealer	Hero Honda		Bajaj		TVS		Yamaha	
	E	P	E	P	E	P	E	P
Tangible	4.03	3.68	4.03	3.57	4.00	3.52	3.98	3.39
Reliability	4.47	2.89	4.49	2.85	4.47	2.71	4.49	2.76
Responsiveness	4.62	3.15	4.61	3.12	4.56	3.03	4.60	3.24

Assurance	4.72	3.82	4.70	3.70	4.73	3.70	4.75	3.63
Empathy	4.65	3.51	4.64	3.30	4.59	3.31	4.76	3.25

Table : 2 - Service quality in two wheeler dealers averaged on all dimensions.

Two wheeler dealer	Tangibility	Reliability	Responsiveness	Assurance	Empathy	Overall service quality
Hero Honda	-0.35 (1)	-1.58 (5)	-1.47 (4)	-0.90 (2)	-1.14 (3)	-1.08 (1)
Bajaj	-0.46 (1)	-1.63 (5)	-1.49 (4)	-1.00 (2)	-1.34 (3)	-1.17 (2)
TVS	-0.48 (1)	-1.76 (5)	-1.53 (4)	-1.03 (2)	-1.28 (3)	-1.21 (3)
Yamaha	-0.59 (1)	-1.73 (5)	-1.36 (3)	-1.12 (2)	-1.51 (4)	-1.26 (4)

Hero Honda
Bajaj
TVS
Yamaha



The perceived performance of Hero-Honda relatively close to expectation in comparison to Bajaj, TVS, and Yahama. Yamaha ranks last in performance as the gap between expectation and perceptions is maximum among four companies dealer. Dealer wise analysis of individual dimensions reveals that the service quality of Hero-Honda is good on almost all dimensions and rated first among the four. The position of Bajaj on all dimensions is second followed by TVS.

Yamaha is comparatively very poor on all dimensions. Hero-Honda's customers are relatively close to expectation in comparison to other. Measurement of service quality is an important step forwards relationship building. This gaps clearly reveal that Hero-Honda needs little efforts to meet customer expectation and Yamaha needs the maximum efforts to fill gaps. Dimension wise variation in service quality. The dimension wise analysis of individual two wheeler dealer. (The quality scores are given in table 2) reveals that for Hero-Honda tangibility scores ranks highest followed by assurance where as reliability and responsiveness is in last position. Bajaj, TVS and Yamaha scores maximum on tangibility followed by assurance and ranks lowest on reliability. Among the four authorized dealer there is large quality gap in reliability dimension in TVS dealer. The customer expectation ranks reliability highest followed by assurance whereas as per perception reliability ranks lowest position followed by responsiveness.

8.2 Variation across demographic variable

Studying service quality across demographic variables helps two wheeler dealer in knowing the level of quality provided to different segments. Mean expectation and mean perception were calculated for different variables for each dealer separately. The SERVQUAL score, accordingly, for different groups and for each two wheeler authorize center were computed. To study service quality variation across professions, respondents were categorized into business, service, student other. The SERVQUAL scores of the three groups for each bank under study are given in table 3.

Table : 3

Profession	Hero Honda	Bajaj	TVS	Yamaha
Student	-0.99 (1)	-1.11(2)	-1.18(2)	-1.26 (2)
Service	-0.98 (2)	-1.20(3)	-1.21(3)	-1.23 (1)
Business	-1.08 (3)	-1.28 (4)	-1.24 (4)	-1.23 (1)
Other	-1.30 (4)	-0.90 (1)	-1.10 (1)	-1.40 (3)

The data reveals that Hero-Honda provides better service to all groups in comparison to other. The overall analysis of data reveals that in service group Hero-Honda is followed by Bajaj, TVS and maximum quality gap can be seen in Yamaha. In business group Hero-Honda is followed by Yamaha, TVS and maximum quality gap can be seen in Bajaj. In student group, Hero-Honda is followed by Bajaj, TVS and maximum quality gap can be seen in Yamha.

Again in any other category Bajaj quality level is followed by TVS Hero Honda.

Table : 4

Profession	Hero Honda	Bajaj	TVS	Yamaha
20-30	-1.08	-1.01	-1.19	-1.24
30-40	-1.09	-1.27	-1.21	-1.36
40-50	-0.93	-1.07	-1.17	-0.94

The comparative SERVQUAL score Age-wise are reported in table 4. It is evident that in the SERVQUAL scores of the first group (20-30) Bajaj's rating is the highest followed by Hero-Honda, TVS, Yamaha's scores are the least. In the second group Hero-Honda score is the highest followed by TVS and Bajaj, here also Yamahas Scores are the least. Relationship marketing allows service provides to become more knowledgeable about the customers requirement and needs. Knowledge of the customer combined with social rapport built over a series of service encounter customizing of services.

9. Correlation Analysis

In this research correlation analysis is carried out to study the joint variation of two are more variable for determining the amount of correlation between two or more variable. In this analysis, we correlate dependent variable with gap score of five dimensions (Independent variable)

Table : 5 - Correlation between Independent & Dependent Variable

		Tangib le	Reliabil ity	Respon siveness	Assuranc e	Empat hy	Behavi or	Qualit y	Satisfa ction
Tangible	Pearson Correlatio n	1	.092(*)	-.009	.245(**)	.083(*)	.155(*)	.171(*)	.085(*)
	Sig. (2- tailed)		.025	.832	.000	.043	.000	.000	.037
	N	600	599	598	597	600	600	600	600
Reliabilit y	Pearson Correlatio n	.092(*)	1	.389(**)	.397(**)	.291(*)	.300(*)	.255(*)	.282(*)
	Sig. (2-	.025		.000	.000	.000	.000	.000	.000

	tailed)								
	N	599	599	597	596	599	599	599	599
Responsiveness	Pearson Correlation	-.009	.389(**)	1	.261(**)	.226(*)	.258(*)	.172(*)	.236(*)
	Sig. (2-tailed)	.832	.000		.000	.000	.000	.000	.000
	N	598	597	598	595	598	598	598	598
Assurance	Pearson Correlation	.245(*)	.397(**)	.261(**)	1	.319(*)	.248(*)	.299(*)	.266(*)
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000
	N	597	596	595	597	597	597	597	597
Empathy	Pearson Correlation	.083(*)	.291(**)	.226(**)	.319(**)	1	.249(*)	.268(*)	.221(*)
	Sig. (2-tailed)	.043	.000	.000	.000		.000	.000	.000
	N	600	599	598	597	600	600	600	600
Behavior	Pearson Correlation	.155(*)	.300(**)	.258(**)	.248(**)	.249(*)	1	.710(*)	.663(*)
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000
	N	600	599	598	597	600	600	600	600
Quality	Pearson Correlation	.171(*)	.255(**)	.172(**)	.299(**)	.268(*)	.710(*)	1	.752(*)
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000
	N	600	599	598	597	600	600	600	600
Satisfaction	Pearson Correlation	.085(*)	.282(**)	.236(**)	.266(**)	.221(*)	.663(*)	.752(*)	1

n								
Sig. (2-tailed)	.037	.000	.000	.000	.000	.000	.000	
N	600	599	598	597	600	600	600	600

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

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

The study show that correlation between depended and Independent variable said to be significantly correlate to each other. Form the current table : 5, if is seen that reliability which is most valuable factor according to customer expectation has strong correlation with assurance and weak correlation with tangible. The customer overall satisfaction (Dependent Variable) has strong degree of closeness with the reliability.

10. Formulation Of Regression Model :

Once we decide the five major factors which affect the customer satisfaction, any attempt to made to maximize the customer satisfaction in any two wheeler service industry should be direct in such a manner to study and critically evaluate the extent of influence of each factor and to improve the condition of these factors so that they have positive effect in improving the customer satisfaction.

To evaluation the extent of influence of these factors on customer satisfaction we consider multiple linear regression model.

Let, Y = Customer satisfaction (Dependent Variable)

A = Gap score of Tangible

B = Gap score of Reliability

C = Gap score of Responsiveness

D = Gap score of Assurance

E = Gap score of Empathy

Y = f (A, B, C, D & E)

General linear Equation is

$Y = K + c_1(A) + c_2(B) + c_3(C) + c_4(D) + c_5(E)$

Where ,K = Constant

c₁, c₂, c₃, c₄ and c₅ = Regression Co-efficient

A, B, C, D and E = Independent factors.

Final regression model was found by using SPSS software. Hence this model can be finally taken as the basis for the mathematical model in two wheeler service industries.

For service Station, regression model is as

$Y = 3.17 + 0.033 (A) + 0.09 (B) + 0.083 (C) + 0.113 (D) + 0.07 (E)$

For Showroom, regression model is as

$$Y = 3.43 + 0.074 (A) + 0.013 (B) + 0.030 (C) + 0.002 (D) + 0.041 (E)$$

Above regression model can predict customers satisfaction in two wheeler service industry.

11. Suggestion

The survey carried out for two wheeler service industry said that perception fall short of expectation in all service quality dimension. Therefore it is necessary to reduce the gap between perception and expectation it can be done through following suggestions.

- To reduce reliability gap provide prompt service by increasing man power as when required and give training to the employees of the service industry.
- To reduce responsiveness gap help the customer whenever they require, If the service is delayed then inform the customer about delay in service by Telephone, Deliver the vehicle as per time given to customer and convey the customer about next servicing of vehicles through telephone, letter, sms.
- To reduce Tangible gap service station / showroom should open on Sunday. As most of customers have holiday on Sunday.
- To reduce Assurance gap charge the bill of service/ sale as per estimate given before sale/ servicing.

12. Conclusion :

For assessing service quality dimension in two wheeler service industry SERVQUAL Instrument was able to provide relevant results for the present study. Based on the mean score of Perception & Expectation. It is observed that perception falls short to expectation of customer. Based on the current results, all the dimensions need to be improved and customer satisfaction has strong relation with reliability dimension. (pearson correlation 0.282 significant at 0.01 level). Based on the mean score of expectation reliability it is the important dimension need to be improved. Hence it is proposed to implement the suggestions at organization level and can reduce service quality gaps which allow them to increase customers' retention, corporate image, market shares and hence profit. A customer satisfied today might not be satisfied in the near future as their need changes, instead of resting on their laurels, service industry should continuously monitor the service quality levels so as to avoid erosion of service quality.

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Rural Marketing in India – An historical analysis

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Abstract:

Rural markets of India have acquired significance, as the overall growth of the Indian economy has resulted into substantial increase in the purchasing power of the rural communities. It is the known fact that India's 70 per cent of the population resides in rural areas and 56 per cent of the overall consumption comes from there. Rural Indians are competent to create meaningful demand to the country's urban class. Increase in incomes, rising non-farm employment opportunities, higher aspirations and the Government's focus on rural sustainability schemes are major factors that have been driving the rural markets' growth.

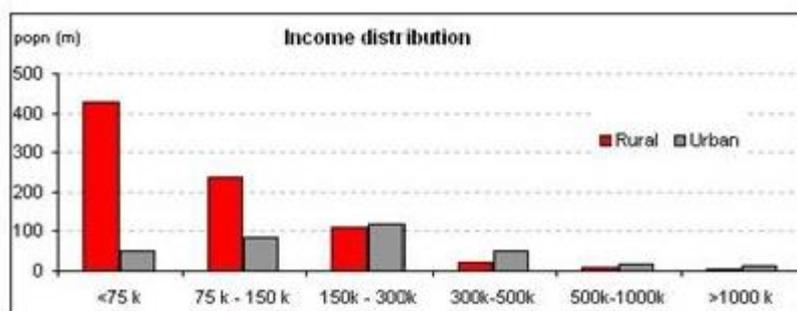
This paper analyses the nature of Indian rural marketing & identifies the rural marketing practices at different industries.

Key words: rural market, marketing practices

Introduction:

It is the known fact that India's 70 per cent of the population resides in rural areas and 56 per cent of the overall consumption comes from there. Rural Indians are competent to create meaningful demand to the country's urban class. Increase in incomes, rising non-farm employment opportunities, higher aspirations and the Government's focus on rural sustainability schemes are major factors that have been driving the rural markets' growth. Rural spending was significantly higher at Rs 3,75,000 crore (US\$ 67.57 billion) than urban consumption at Rs 2,99,400 crore (US\$ 53.95 billion) between 2009-10 and 2011-12; wherein rural consumption per person outpaced its urban counterpart by 2 per cent, according to a study by CRISIL and preliminary data released for 2011-12 by the National Sample Survey Organization (NSSO).

The real income of rural households is projected to rise from 2.8% in the past two decades to 3.6% in the next two. Higher incomes and exposure to urban lifestyles have also raised the aspirations of the rural populace, as they strive to improve their quality of life by gaining access to new technologies, products and services.



Rural India consists of 638596 villages that house 742,490,639 people. This figure represents around 70% of the total population of India and 12% of the globe's population. In fact, as per Mckinsey, despite rising urbanisation, 63% of India's population will continue to live in the rural areas even in 2025. Further, the number of consumers earning over \$5 a day is projected to catapult from 50 million today to 150 million by 2020.

Demographic classification	No of households (m)		
	Urban	Rural	Total
Rich (income greater than Rs 1m per annum)	4.8	1.3	6.1
Well off (income greater than Rs 0.5m per annum)	29.5	27.4	56
Total	34.3	28.7	63.0
% of Total	54.4%	45.6%	

Source: Ministry of Communications & Information Technology, India

Rural Markets in India.

* 630 million people ;

* According to a study by the Chennai-based **Francis Kanoi Marketing Planning Services**, estimated annual size of market is -

FMCG	Rs. 65,000 Crore
Consumer Durables	Rs. 5000 Crore
Agri Inputs (e.g., Tractors)	Rs. 45,000 Crore
2/4 Wheelers	Rs. 8,000 crore
Total	Rs. 1,23,000 Crore

* In 2001-02, LIC sold 55% of its policies in rural India.

* Of the two million BSNL mobile connections, 50% are in small towns / villages.

* Of the six lakh villages, 5.22 lakh have a Village Public Telephone (VPT).

* 42 million rural households are availing banking services in comparison to 27 million urban households.

* Investment in formal savings instruments: 6.6 millions households in rural and 6.7 million in urban India.

The concept of Rural Marketing in India Economy has played an influential role in the lives of people. The rural market in India is not a separate entity in itself and it is highly influenced by the sociological and behavioral factors operating in the country. Rural marketing determines the carrying out of business activities bringing in the flow of goods from urban sectors to the rural regions of the country as well as the marketing of various products manufactured by the non-agricultural workers from rural to urban areas. The rural market in India is vast, scattered and offers a plenty of opportunities in comparison to the urban sector. It covers the maximum population and regions and thereby, the maximum number of consumers.

Objectives:

- To study the nature of Indian rural marketing
- To analyse the rural marketing in India

Rural Marketing Scenario in India:

Study conducted by Rubayet Chakraborty & Ahana Chakraborty from NITIE informs about rural marketing scenario in India, which is given below: -

1. Fast Moving Consumer Goods:

FMCG companies have realized a significant proportion of their sales from rural markets. They account for 70% of toilet soap and 50% of TV, fans, bicycles, tea and wrist watch consumption. At present rural India accounts for 34% in FMCG consumption. HUL has launched special initiatives to push its rural sales through —Project Shakti and —Shakti Ammal television channel. Successful FMCG products have typically been low priced and available in small-unit packages. This is in line with the rural psychology of high aspiration and high price consciousness. Examples are Parle-G priced at Rs. 2, Chik Shampoos sold in sachets priced at 50 paisa and 500gm packs of Godrej soaps priced at Rs 5.

2. TELECOM:

RNCOS, a research agency, states that as penetration in the urban region has saturated, operators are vying for rural India and estimates that the subscribers' base in rural markets will grow at a CAGR of 35% during 2011-12 to 2013-14. Mobile device manufacturers are also tailoring their products to this market.

Nokia had earlier launched Nokia 1100 with a torch (large parts of rural India don't have electricity) and an alarm clock. In December 2008, it went one step further with the launch of Nokia Life Tools, which is a range of agriculture, education and entertainment services designed especially for the consumers in rural areas. Reliance Communications in a JV with Handygo Tech Pvt Ltd has introduced a Value Added Service, Behtar Zindagi, providing the people with weather reports, livestock information, mandi prices, fisheries, finance and wealth scheme advisories.

3. RETAIL:

The rural retail market is currently estimated at US\$ 112 billion, or around 40 per cent of the Indian retail market. Traditionally, people in rural areas purchase products in haats, mandis and melas, which represent the unorganized retail industry. Today many companies are entering the rural markets with a model for organized retail. Examples include:

Hariyali Kissan Bazar, promoted by DCM Sriram caters to the requirements of farmers for farm equipments and other agricultural inputs.

4. AUTOMOBILES

Rural areas have traditionally been major markets for automobiles such as tractors and cars. But rising incomes and people's aspirations have led to an increased demand for cars as well. Market leader in the small car segment, Maruti Suzuki India Limited, has registered almost a fifth of its sales from the non-metro areas across the country. Also, Mahindra & Mahindra is now selling more Scorpios in rural and semi-urban markets. The successes of these firms have encouraged others to venture into these markets. Bajaj Auto, the country's second largest two-wheeler seller, is planning to offer a 150cc engine motorcycle to the rural areas. Another entrant is Toyota Kirloskar Motor, which is planning to sell 40% of its cars in rural markets in India.

5. CONSUMER DURABLES:

Many companies are committed to modify their products to explicitly suit rural demands. For example, lighting solutions company BPL Techno Vision has launched its rechargeable light emitting diode (LED) lantern 'BPL Chirag' for the domestic rural market. Chirag needs only four hours of charging for five hours of light. This product addresses the problems of frequent power losses and fluctuating voltages in rural India.

Conclusion:

Indian rural market is undoubtedly complex but there are some simple truths that we need to accept. The rural consumers are very value-conscious. They may or may not have purchasing power, but they can make a difference to the company's growth if concentrated. However, the key challenge that companies face in the rural market is to identify and offer appropriate products without hurting the company's profitability or margins. Companies should recognize that rural consumers are quite discerning about their choices and customize products and services accordingly.

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Collaborative Marketing - A Roadmap and Resource Guide for Farmers

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Introduction

We define a CMG as a group of farmers who have agreed to work together over an extended time period to market the agricultural products they produce. A CMG may be a formally established business organization or an informal association. Some CMGs are based on significant investments in processing and distribution facilities, while others rely on the human capital embodied in their members' ideas and the social capital embodied in their collaborative spirit. Regardless of its size, form, or asset base, though, a CMG focuses on marketing, is owned and operated by its members, and exists for their benefit.

Many CMGs are cooperatives. This is not surprising. Cooperatives have played an important role in American agriculture throughout this century, and the cooperative form of business organization offers important competitive, legal, and tax advantages to farmers who want to work together. In addition, there are a number of state and federal programs that provide technical assistance, grants, and loan guarantees for CMGs that are organized as cooperatives. But a CMG need not be organized as a cooperative. New organizational forms, such as the Limited Liability Company (LLC) and Limited Liability Partnership (LLP), can offer many of the same advantages and may be more flexible. We will provide more information on organizational forms later. At this point, though, we will simply say that the choice of an organizational form of a CMG should be based on a careful analysis of business and legal considerations.

COLLABORATIVE MARKETING

Working together to accomplish marketing goals is often referred to as collaborative marketing. This may include farmers and consumers or non profit groups working together to benefit the farmer and/or buyers. A present shift in public perception is that local farmers need the support of their communities to stay viable. By working together, groups can provide a market for small farmers who can then afford to stay on the land. It is a circular system in which all participants can benefit and customers gain access to farm products in abundance. Examples of collaborative marketing groups include multi-stakeholder cooperatives, aggregation partnerships, produce auctions and more.

Collaborative Marketing Benefits

- Can accomplish goals together that may not be achievable alone
- Allows producers to focus on growing
- Can pool products and gain access to large –volume markets

Challenges

- Group decisions may override individual ones
- Group meetings may be needed to determine direction
- Efforts may be disrupted by staff of budgeting changes

Conclusion

One issue the Co-op still encounters is the lack of buyer education on the differences between industrial and local food. Consumers don't always understand the differences in quality, sustainability, or cost of production that come with purchasing local food. There is also a lack of local meat and produce processors. "The Co-op often has to schedule meat processing weeks to months in advance," Anderson adds. The lack of local infrastructure has been an issue for the Co-op. "Institutions are used to ordering and having product the next day, so their in-house storage is limited," says Anderson. "The product cost for storage has to be passed on to institutions, making local food less competitive." The Co-op had to develop a transportation system for itself, as well as find ways to meet the packaging and labeling needs of the institution.

One key resource for the Co-op was the Wisconsin Department of Agriculture, Trade and Consumer Protection's Buy Local, Buy Wisconsin grant. The Co-op also made use of other DATCP resources on business financing and planning. "Creating a local food supply that meets the needs of the producers and the institutions has to involve all parts of the food chain," says Anderson. "Producers must learn how institutions are accustomed to ordering and receiving their food, which is very different from working with individuals or selling at a farmers market." To succeed at selling to institutions, all stakeholders must demonstrate commitment and leadership. Anderson explains, "Commitment to the vision and dedication to the implementation are keys to success."

