

# The Psychology of Marketing

**Dr. Lalita K. Sharma**

# *The Psychology of Marketing*

*Editor*

*Dr. Lalita K. Sharma*

*Assistant Professor, Dept. of Commerce*

*Guru Nanak Khalsa Girls College*

*Sang Dhesian, Goraya, Jalandhar, Punjab*

*Mob. No./WhatsApp-62804-40947*

*Mail id: lalita099@yahoo.com*



**TEXT © DR LALITA K. SHARMA 2020**

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, resold, or otherwise circulated without the copyright owner's prior written consent in any form of binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser and without limiting the rights under copyright reserved above.

No part of this publication may be reproduced, stored in or introduced into a retrieval system or transmitted in any form or by any other means without the permission of the copyright owner.

Publisher  
ASIAN PRESS BOOKS  
85/S-1 Mahajati Road  
Kolkata-700028  
[www.asianpress.in](http://www.asianpress.in)

1st Edition October 2020  
ISBN: 978-93-90238-59-0

**MRP: ₹700/-**

## Foreword

Marketing is a specialised business function. In the early days, the selling function did not call for any specialised skills as the sales could have been affected on production-basis. But now the business environment has undergone tremendous changes in social, economic, political and cultural aspects. The management of a firm, therefore, has to develop a particular organisation with a view to absorbing new ideas, new approaches and new market demands.

Marketing is a social function. It requires constant interaction with the various strata of society. It is instrumental in manipulating the factors of production, distribution, promotion and price, and also in influencing the patterns of consumption and customer attitudes.

Thus the book *“The Psychology of Marketing”* has been published to provide a clear perceptive of changing aspects of marketing management, customer satisfaction, increasing use of ICT and e-resources in marketing and recent trends in marketing.

In the first part, this book has given a small introduction to its readers regarding the marketing management. In this first section, the issues and their potential solutions in growth of e-commerce, marketing management, online marketing, nonprofit marketing, social marketing green marketing and artificial intelligence are discussed to make the book quite understandable for the learners.

In the second part, this book has stressed on how to deal with branding strategies, customer service strategies, consumer buying behaviour, consumer perceptions, customer relationship management, customer satisfaction and consumer preference. All these topics have been compiled systematically and presented in a synchronized order.

The third part has comprehensively illustrated the concept of Information and Computer Technology in marketing. In this section, impact of information and computer technology on the Indian market, future of e-wallets, utility of ICT in promotion of distance education, and application and implication of information technology have been discussed quite systematically.

In the fourth part, this book has stressed on recent trends in marketing management. So, in this section topics like emerging trends of digital marketing, cloud computing, recent trends in marketing, customer perception towards celebrity endorsement and the psychology of colour in Indian television news channels have been explained by the authors.

As one of the authors of a chapter of this book, I have been highly encouraged by the warm responses of the editor Dr. Lalita K. Sharma having 12 years of experience in the field of

teaching and research. This book will surely open a new path for the educationists', researchers, marketers, policymakers and the planners to identify the usefulness of marketing management.

I on behalf of all the authors of this book express my deep sense of gratitude to the editor Dr. Lalita K. Sharma for taking the responsibility of editing and publishing our chapters in this said book. In short, it can be said that this book will surely manage to benefit the readers to know the customer satisfaction and use of ICT in marketing management in true sense.

**Dr. Vikas Kumar**  
*Assistant Professor*  
*University Business School*  
*Guru Nanak Dev University*  
*Amritsar, 143005, Punjab, India*

## Preface

Marketing management is the process of ascertaining consumer needs, converting them into products or services and moving the product or services to the final consumers or users to satisfy needs and wants with emphasis on profitability ensuring the optimum use of the resources available to the organisation.

The marketing manager must study the demands of customers before offering them any goods or services. Selling the goods or services is not that important as the satisfaction of the customers' needs is. Modern marketing is customer-oriented. It begins and ends with the customer. Marketing tries to realise long-term goals of profitability, growth and stability through satisfying customers wants. All the basic activities of a business organisation like production, finance, marketing, etc. are co-ordinated to meet the wants of customers and to earn a reasonable profit.

The book *The Psychology of Marketing* is an accumulation of the efforts made for bringing in concert illustrious academicians, thinkers, experts and professional with their precious inspection on the topics, on a common platform.

The book consists twenty three chapters on the theme and sub themes of the marketing management and new explorations in marketing management. I hope this book will serve as a valuable reference to students, managers, marketers and the academicians.

As editor I would like to acknowledge all the support I have received and extend my deepest appreciation to the Dr. Vikram Sandhu (Assistant Professor, University Business School, Guru Nanak Dev University, Amritsar, Punjab) and Dr. Vikas Kumar (Assistant Professor, University Business School, Guru Nanak Dev University, Amritsar, Punjab) who helped significantly in all the practical aspects of completing the book. I also gratefully acknowledge the support given by the academic colleagues by sending their chapters.

**Editor**

**Dr. Lalita K. Sharma**

*Assistant Professor*

*Department of Commerce*

*GNK Girls College, Sang Dhesian*

*Goraya, Jalandhar, Punjab*

## *Acknowledgement*

*Every mature person in professional life is keenly aware of his/her sense of indebtedness to many people, who have motivated and influenced his/her intellectual development ordinarily. This feeling is formally expressed in gestures of acknowledgement. My endeavor shall be incomplete without the acknowledgement of these who have helped me in carrying out this study. I would like to convey my feelings of gratitude to all those who have in any manner helped me in completing this edited book. Their valuable guidance and wise direction has enabled me to complete this work in a systematic and smooth manner, obeying the norms of scholastic research.*

*First of all, I bow my head in reverence to the God almighty, for providing me with this opportunity to work with the intelligentsia and enabling me to reach far beyond my own, restricted ambit of thought and action and has been made this endeavour successful.*

*I extend my heartiest gratitude and indebtedness towards all authors for their immense interest, judicious guidance and continuous encouragement throughout this work which help me in completing the work of book in a systematic manner.*

*I am also grateful to Dr. Vikram Sandhu (Assistant Professor, University Business School, Guru Nanak Dev University, Amritsar, and Punjab) and Dr. Vikas Kumar (Assistant Professor, University Business School, Guru Nanak Dev University, Amritsar, Punjab) for their continuous support at various stages of this book.*

*Last and most importantly, I again thank The Almighty God for answering my prayers by providing the finance, the strength, wisdom and knowledge that enabled me to start and conclude this book.*

*Once again my sincere thanks to all.*

***Dr. Lalita K. Sharma***

# Contents

<b>S. No.</b>	<b>Chapter Title/Author</b>	<b>Page No.</b>
<b>Part One: Overview of Marketing Management</b>		
Chapter 1	<b>Issues and their Potential Solutions in Growth of E-Commerce</b> <i>Monica</i>	1-8
Chapter 2	<b>Marketing Management</b> <i>Amanjeet Kaur</i>	9-19
Chapter 3	<b>Online Marketing: A Global Perspective</b> <i>Dr. Sonali Zankar Patil</i>	20-26
Chapter 4	<b>Nonprofit Marketing and Social Marketing: An Overview</b> <i>Dr Kriti Singh</i>	27-33
Chapter 5	<b>Green Marketing: Opportunity for Innovation</b> <i>Dr. Sandipkumar G. Prajapati</i>	34-41
Chapter 6	<b>Artificial Intelligence for Management: An Introduction</b> <i>Dr. Sujay M. J.</i>	42-44
<b>Part Two: Customer Satisfaction</b>		
Chapter 7	<b>Branding Strategies and Customer Service Strategies</b> <i>Dr A Mansurali &amp; M Shanmugapriyaa</i>	45-53
Chapter 8	<b>Impact of Dissimilar Factors on Consumer Buying Behaviour</b> <i>Harjyot Kaur &amp; Paramveer Singh</i>	54-63
Chapter 9	<b>Consumer Perception towards Online Shopping: A Study of Apparel Websites</b> <i>Kirandeep Kaur &amp; Sourav Chhibber</i>	64-82
Chapter 10	<b>Importance of Customer Relationship Management: A Descriptive Study</b> <i>Gunashree. B &amp; Dr. Manjunatha.V</i>	83-87
Chapter 11	<b>Factors Contributing Customer Satisfaction Leads Customer Delight in Insurance Sector</b> <i>Dr. Namita Srivastava &amp; Dr. Garima Srivastava</i>	88-99
Chapter 12	<b>Consumer Preference towards Eco Friendly Products: A Study of University Students</b> <i>Dr. Vikas Kumar, Dr. Vikas Chandra &amp; Dr. Lalita K. Sharma</i>	100-106
Chapter 13	<b>Customers Satisfaction towards Motor Service Centres: A Study with reference to Muneer Motor Services at Koppal</b> <i>Dr. Karibasaveshwara B. &amp; Husen Bhashu</i>	107-114



### **Part Three: Use of ICT in Marketing**

Chapter 14	<b>Impact of Technology Management on the Indian Market</b> <i>Bholanath Jaiswal &amp; Dr. Sachin Goyal</i>	115-122
Chapter 15	<b>A Study on the Future of E-Wallets after the Introduction of Unified Payment Interface</b> <i>Dr. Sreekumar M</i>	123-134
Chapter 16	<b>Utility of ICT in Distance Education</b> <i>Indrajit Halder</i>	135-140
Chapter 17	<b>Application and Implication of Information Technology in Rural Marketing</b> <i>Dr. Poonam Madan</i>	141-147

### **Part Four : Recent Trends in Marketing**

Chapter 18	<b>Emerging Trends of Digital Marketing in India</b> <i>Dr. Kausar Unnisa</i>	148-153
Chapter 19	<b>Cloud Computing In Banking Services</b> <i>Kirandeep Kaur</i>	154-160
Chapter 20	<b>Customers' Perception towards Celebrity Endorsement</b> <i>Dr. Lalita K. Sharma &amp; Sourav Chhibber</i>	161-172
Chapter 21	<b>The Psychology of Colour in Indian Television News Channels</b> <i>Dr. Pooja Basnett</i>	173-181
Chapter 22	<b>Online Marketing Strategies of L'oréal during Covid 19 Pandemic: A Business Ethics Perspective</b> <i>Dr. Juhi P. Pathak</i>	182-193
Chapter 23	<b>Impact of Covid 19 on Performance of Software Companies in India</b> <i>Dr. Megharaja B</i>	194-204

## CHAPTER 1

### ISSUES AND THEIR POTENTIAL SOLUTIONS IN GROWTH OF E-COMMERCE

**Monica**

*Assistant Professor*

*Department of Commerce*

*Dasmesh Girls College, Mukerian, Punjab*

---

#### **ABSTRACT**

*Electronic commerce (e-commerce) as a major aspect of the data technology revolution became widely used on the planet trade in general and Indian economy specifically. With advancements in technology, there have been changes in the methodology for business exchanges. India, being a fast connector of technology is apace with the current scenario of electronic information exchanges and has taken to e-commerce. E-commerce represents electronic commerce and pertains to exchanging products and ventures through the electronic medium. India is demonstrating tremendous development in the Ecommerce. The ease of the PC and the developing use of the Internet is one of reasons for that. There is a developing awareness among the business network in India about the opportunities offered by e-commerce. E-commerce and electronic applications in mobilization has acquired tremendous development in India. E-commerce is connecting rustic India for the business hence develops village economy. The future does look very brilliant for ecommerce in India. India is indicating tremendous development in the E-business. India has an online user base of over 100 million users. The penetration of e-business is low compared to markets like the US and the UK however is developing at an a lot faster rate with a large number of new entrants. India is yet to witness a breakthrough E-commerce success story especially in online retail. E-commerce creates new opportunities for business; it additionally creates new opportunities for education and academics line. It raises key challenges that are being faced by consumers concerning e-commerce viz., Ethical issues, Perceptions of hazard in e-service encounters, challenges for e-business education and system.*

*Keywords: Electronic, services, ethical issues, perceptions, legal system*

---

## **1.0 INTRODUCTION**

Electronic commerce, or e-commerce, is that the buying and selling of products and services on the web. Other than buying and selling, many of us use Internet as a source of data to match prices or check out the newest products on offer before making a sale online or at a traditional store. E-business is sometimes used as another term for the same process. More often, though, it's wont to define a broader process of how the web is changing the way companies do business, of the way they relate to their customers and suppliers, and of the way they believe such functions as marketing and logistics. For the aim of this study e-commerce is taken to mean doing business electronically. (Lindsay P., 2002)

## **2.0 WHY E-COMMERCE?**

With the increasing diffusion of ICTs, more specifically the web , the worldwide businessmen is rapidly moving towards Business-to Business (B2B) e-Commerce. The buyers gain a transparent advantage when the web gives them access to the worldwide market, by which they will compare prices across regions, determine whether prices vary by order fragmentation and obtain awareness about substitute products. Due to transparency of the market, customer can compare the services of varied e-commerce sites easily. For instant, just in case of e-commerce the competitors are one click faraway from customer. If clients aren't proud of the products, prices or services offered by a specific ecommerce site, they're ready to change far more easily than within the physical. From the Sellers' point of view, they don't got to have physical existence of shop.

## **3.0 OBJECTIVES OF THE STUDY**

- i.** To identify the benefits of E-commerce
- ii.** To know the challenges in E-commerce

### **3.1 Research Methodology**

The paper has been written on the basis of secondary data. The secondary data were collected from published books, journals, research papers, magazines, daily newspaper, internet and official statistical documents. The study is qualitative in nature.

### **3.2 The main benefits of ecommerce for patrons are as follows:**

- i.** Reduced transaction costs for participating exchange during a market.
- ii.** Increased comfort - transactions are often made 24 hours each day , without requiring the physical interaction with the business .

- iii. Time saving- Customer can purchase or sell any product at any time with the assistance of internet.
- iv. Quick and continuous access to information customer will have easier to access information check on different websites at the click of a button.
- v. Convenience-All the purchases and sales are often performed from the comfort sitting a home or working place or from the place a customer wants to.
- vi. Switch to others companies-Customer can easily change the corporate at any time if the service of a corporation isn't satisfactory.
- vii. Customer can buy a product which is not available in the local or national market, which gives customer a wider range of access to product than before.
- viii. A customer can put review comments a few product and may see what others are buying or see the review comments of other customers before making a final buy.

### **3.3 Issues along with the solutions**

#### **3.3.1 An absence of Online Identity Verification**

When a visitor visits an e-commerce website and signs up, the portal is unaware of the customer except for the information he/she entered. The customer is genuine or not is questionable. This creates huge revenue losses for a company when a customer makes a Cash-On-Delivery (COD) purchase and the information entered like phone number, the address is invalid or fake.

##### **3.3.1.1 Solution**

This challenge can be solved by taking proper steps to verify the customer's information. First of all recognize signs of suspicious activities like if any customers are placing high priced orders or large orders, Detect fake phone numbers or e-mail address, check zipcode whether it is matching with state/city. Besides this when a customer signs up send textual message or e-mail to validate the genuineness of customer. And when a customer makes a COD purchase automated call can be dialed out to the customer and ask him/her to validate the delivery address.

#### **3.3.2 Competitor Analysis**

“You can't check out the competition and say you're getting to roll in the hay better. You have to seem at the competition and say you're getting to roll in the hay differently.” – Steve Jobs. In this competitive world, there'll be too many competitors who are going to be offering

same products and repair as you. Unless you have the best strategy that differentiates yourself from other competitors; it will become difficult to survive.

### **3.3.2.1 Solution**

Conduct proper and deep research of your competitors. Put your efforts in making strategy which enables you to shine brighter than your competitors. Use social media platforms, blogs, for promoting your products. Invest in promotional offers this may help to urge more web presence and customers.

“Businesses with customer’s loyalty programs, on average, are 88% more profitable than customers who do not.”

Carry out research to find which new products are more in demand and remove old and unwanted items less in demand. By offering best & extraordinary customer services can even help you to be one step ahead of your competitors.

### **3.3.3 Maintaining customer’s loyalty**

No matter how attractive or fancy your website looks, if you would not be able to build the customer trust and loyalty, the business has to struggle another day!

It’s the work of lots of efforts for companies to make a new a customer and maintain the same customer for a long time. One of the explanations why ecommerce companies face the struggle while building trust and loyalty with the customer is because a seller and a buyer don’t know one another nor they will see one another while making a transaction, unlike street-shopping. It takes few transactions, time and many of efforts by the corporate to create the customer trust and loyalty.

#### **3.3.3.1 Solution**

“Customer service is what you and your organization provide. Customer loyalty is that the results of the service.” – Shep Hyken

To earn the customer loyalty, you want to provide is superb customer service. You must make sure from ordering online to shipping, the customer is satisfied with your service. There are many online retailers which may be the selling an equivalent product like yours, so you want to identify your competitive advantage and nurture your customers accordingly.

**The few simple ways to increase the trust with visitors are as follow**

- i.** Display your address, phone number and pictures of staff, customer testimonials, and credibility badges on your website.

- ii. Add live chat option to the website.
- iii. Create the blogs. Often blogs help the ecommerce to build trust.
- iv. Make customer service as a priority before profit. Always remember, it's always easy to maintain an existing customer than to find a new.
- v. Create loyalty programs. As the points are not transferable to other companies, the customer will definitely make next purchases from your sites.

### **3.3.4 The headache of product return and refund**

In a survey by comScore and UPS, 63% of yank consumers check the return policy before making a sale and 48% would shop more with retailers that provide hassle-free returns. This clearly shows how conscious consumers are for the return and refund policy.

When the product is returned, due to whatsoever reason, whether a customer was dissatisfied or the product was damaged, the business suffers a heavy loss of shipment and reputation. Cost of logistics and shipping have always been scary for those e-commerce sellers who deliver the merchandise for free of charge .

#### **3.3.4.1 Solution**

Return and refund are also part of great customer services, therefore it will be the big mistake to underestimate them. The best thing you'll do is build a robust returns policy. Below consideration should be kept in mind while designing returns policy:

- i. Never hide your policy. Be transparent.
- ii. Use plain English that even understand by laymen. Not all your customers that will read the policy will be highly intellectual.
- iii. Don't use the scary stuff in the policy like, "you must", "you are required", the too harsh policy may stop customer to purchase the product.
- iv. Outline what they can expect from you. Provide them various options for payments and shipping.
- v. Educate your staff about your return policy. So, that they will assist customers quickly and effectively.
- vi. Be prepared to face the cost of your mistakes. If the merchandise is shipped wrong, then take extra efforts to form the customer happy.

#### **4.0 The struggle of competing on price and shipping**

Online merchants frequently compete on price. Plenty of sellers may list equal products on their sites. The product is same but the sole difference here is that the price. They are vying to sell the merchandise to extend their market share.

The price competition affects the tiny ecommerce business badly. Because the mid-sized or large competitors often offer products for fewer price and free shipping on nearly every order, while they couldn't afford to supply an equivalent with competitive price.

Online sellers like Amazon and Walmart generally have the shipping amenities around the country. Their distributed warehouses allow large ecommerce businesses to ship orders from the closest facility; approximately 60 percent of orders are within the same area the customer is in. As the orders are shipped from the nearby warehouses, the cost to send the order decreases and the order arrives in a day or two.

Ultimately every online shopper expects fast and free shipping that too at lowest price.

#### **4.1 Solution**

To survive within the competitive market, ecommerce companies got to distribute their own inventory to fulfilment warehouses, become extremely resourceful shippers, or find some unique products to attenuate this problem. Because ultimately every online shopper expects fast and free shipping that too in lowest price.

#### **5.0 Competing against retailers and manufacturers**

Many online stores bulk buy products wholesale from manufacturers or distributors to sell that in retail from their online store. This is the essential business model for online stores.

Unfortunately, due to ecommerce's low barrier to entry and other reasons, many product manufacturers and retailers to start out selling on to consumers.

The same company that sells your products can also be your competitor. For an example, ABC Garments, sells not just your online marketplace, but also on to consumers on its website. Even some of manufactures builds distributors that makes the scenario worse.

#### **5.1 Solution**

Though it's not completely possible to prevent manufacturer to sell products to customers directly, but few tactics may help to attenuate the matter . Below are the tactics that might help the online seller:

- i. Giving priority to buy from those manufactures that are less likely to sell directly to customers.
- ii. Offering the product at fewer prices or with added benefit to increase the sales.
- iii. Restricting the manufacturer to sell the product directly to the customer by enforcing the policies and strict rules while making the contract. It will be impossible for each manufacturer but you'll affect the tiny manufacturers.

## **6.0 Problem of Data Security**

Security issues over the web can lead to nightmare. Fraudsters post lot of spam and they may attack the web host server and infect all websites with viruses. They can get access to all your confidential data about your customer's phone number, card details etc.

### **6.1 Solution**

Manage your own servers and do not use common FTP to transfer files. FTP is prone to theft. If any developer copies any file in an open Wi-Fi network can lose passwords and other confidential data to the thief. By constantly updating shopping cart you can minimize the risk of data stolen. Most content management systems store their data within the database. Developers should take the backups at regular intervals and should retrieve the data if stolen.

## **7.0 CONCLUSION**

The e-commerce industry are going to be a pacesetter with popularity in electronic business world within the upcoming years. The e-commerce revolution has fundamentally changed the business of transaction by giving new opportunities and breaking borders easily. In Bangladesh, it has strongly impacted the traditional business system and changing the life of people by making it easier. While it gives benefits to customer and seller, e-commerce gives challenges to traditional business for competitive position. Developing countries face many obstacles that affect the successful implementation of e-commerce with the assistance of comparing with developed country. When the web cost are going to be low then the e-commerce will flourish easily and can make many of traditional business to run out of their business. Convenience is one among the advantages that customer gets from the e-commerce and thus increasing customer satisfaction. This is due to customer can place a purchase an order from anywhere with internet connection.



## REFERENCES

- Almeida, G. A. A. et al (2007). Promoting ECommerce in Developing Countries. [www.diplomacy.edu](http://www.diplomacy.edu).
- Bairagi, A. K. (2011). "Utilization of E-Commerce can Change the Auction Culture of Bangladesh Specially in Public Sector". IJCIT, Vol. 2(1), pp. 55- 61.
- Bangladesh Association of Software and Information Services. <http://www.basis.org.bd/>.
- Bhowmik, R. (2012). "The Present E-Commerce Situation In Bangladesh For B2c E-Commerce". International Journal of Economic Research, Vol. 3(5), pp.77-91.
- Chavan, J. (2013). "Internet Banking- Benefits and Challenges in an Emerging Economy". International Journal of Research in Business Management, Vol. 1(1), pp. 19-26.
- Clayton, T. et al (2002). Electronic Commerce and Business Change.
- Embassy of Denmark in Bangladesh: The Trade Council (2014): ICT and commerce booming in Bangladesh.
- Hasan, A.H.M., Saidul. et al (2010). "Adoption of E-banking in Bangladesh: An exploratory study." African Journal of Business Management, Vol. 4(13), pp. 2718-2727.

## CHAPTER 2

### MARKETING MANAGEMENT

**Amanjeet Kaur**

*Assistant Professor*

*Government College, Derabassi (Mohali)*

---

#### **ABSTRACT**

*This chapter explores the concept of Marketing and Marketing Management. This chapter helps in making understand the meaning of Marketing and Management also along with definitions of some renowned Authors. The chapter also focuses attention on Characteristics of Marketing Management which says that it is managerial process, consumer centric, involves research analysis, planning and development, building marketing framework, organizational objectives, promotional and communication process, controlling of activities. The main part of this chapter includes Objectives and Importance of Marketing Management. The chapter also discusses the various Functions of Marketing Management such as assessing the marketing opportunities, planning the marketing activities, organising the marketing activities, coordinating different activities of enterprise, directing and motivating employees, evaluating and controlling marketing efforts. This chapter also draws our attention towards challenges faced by Marketing Management like keeping abreast of competitor's actions, scarcity of resources, dealing with competitive disadvantages, listening to the customer, getting the message out. The scope of Marketing Management is also very wide which includes marketing research, determination of objectives, planning marketing activities, product planning and development, pricing of product, promotion, distribution, evaluation and controlling of marketing activities. This chapter also shows the process of Marketing Management which starts with conducting market research, developing market strategy, making marketing plan, feedback and control..The study of these topics will help the Marketing manager in effective utilization of resources, creation of demand, customer satisfaction and helps in increasing the profits of the business, improvement in quality of life of customers, creation of goodwill of business.*

*Keywords: Marketing, marketing management, marketing management process, evaluation and control, market research*

## 1.0 INTRODUCTION

In order to satisfy the needs of the customers, every organization needs effective marketing to match its products and services with the customer's choices, and maintain and grow its revenue. Marketing is required by every concern in order to survive in the market. Marketing includes all resources and activities required to direct the flow of goods and services from the producer to the consumer. Marketing activities should be managed properly because the success of every concern depends upon its sales and revenue and marketing helps in increasing both. Here arises the need of Marketing Management.

## 2.0 MEANING OF MARKETING MANAGEMENT

Marketing Management comprises of basically two words:

<b>MARKETING</b>	+	<b>MANAGEMENT</b>
(Marketing is concerned with providing the right goods and services to the right people, at the right price ,at the right time with the right communication and promotion)		(Marketing is the art of getting things done with and through others towards the attainment of the objectives of the firm.)



Therefore, marketing management refers to the direction of those activities which are performed to obtain marketing objectives i.e increasing the customer's satisfaction and firm's profits. The functions of management like planning, organising, staffing, directing and controlling are also applied in marketing. Marketing management means planning, organising, controlling and implementing marketing programmes, policies and strategies which are designed to create and satisfy the demand of customer for the firm's product or services as a means of generating a certain profit.

## 3.0 DEFINITIONS

Many great scholars had defined Marketing Management in different ways:

*According to Philip Kotler and Kevin Lane Keller, "Marketing Management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value".*

*According to American Association of Marketing, “Marketing Management is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services in order to create, exchange and satisfy individual and organisational objectives”.*

#### **4.0 NATURE OF MARKETING MANAGEMENT**

The main characteristics of Marketing Management are as follows:

- i. Managerial Process:** Marketing management is a managerial process because it includes management so, all the functions of management are also involves in it like planning, organising, decision making, forecasting, directing, coordinating and controlling. Every aspect of marketing, starting with identifying the consumer’s needs, identifying the targeted customer, product planning and development, pricing, promotion, distribution requires planning, decision making, coordination and controlling.
- ii. Consumer Centric:** All marketing management activities are consumer centric. The consumer is the king. Marketing management activities are based on the theory of “make what the customer wants”. The principal objective of marketing management is to create new customers and to retain current customer. Marketing management performs the task of converting the potential customers into actual customer.
- iii. Research Analysis:** The main function of marketing management is identification of consumer’s needs and wants .This requires continuous and systematic collection of data and information, analysis and reporting of data relevant to marketing activities. It helps in forecasting and planning future course of action.
- iv. Planning and Development:** Marketing management includes planning and development of goods and services. Organizations make a continuous efforts towards planning, development and innovation of product and services so as to meet the changing needs, taste and preferences of the consumers.
- v. Building Marketing Framework:** Marketing management activities are not just selling and distribution of ownership of goods and services from the producer to the ultimate consumer. But it involves a number of activities like research analysis, production, development and innovation, advertisement and promotion, pricing decision, selling and distribution, customer relationship and after sales service. All these dimensions of

marketing management must be effectively planned, organised and built to achieve better results.

- vi. **Organizational Objectives:** All marketing management activities are based on overall organisational objectives. The marketer bridges the gap between overall organisational objectives of achieving high profit and maximization of sales and customer satisfaction.
- vii. **Promotional and Communication Process:** The primary objective of a firm is to maximise sales volume and profit. This can be achieved through effective promotion and communication about the goods and services. This function of marketing management enables the firm to provide information about the product and services to the customers.
- viii. **Controlling of Activities:** Marketing management analyse the effectiveness of marketing activities in order to judge the efficiency of marketing personnel and the plans. It involves measuring the actual performance with the standards and identifying the deviations and taking corrective actions.

## 5.0 IMPORTANCE OF MARKETING MANAGEMENT

Following points will explain the importance of marketing management:

- i. **Helps in Transfer, Exchange and Movement of Goods:** Marketing management is very helpful in transfer, exchange and movement of goods. Goods and services are made available by marketing management to customers through various intermediaries like wholesalers and retailers etc.
- ii. **Analysing Market Opportunities:** Marketing management collects and analyses information related to consumer's needs, wants,, competitor's marketing strategies, changing market trends etc. This helps in identifying market opportunities.
- iii. **Determination of Target Market:** Marketing management helps to identify the target market that the organization wishes to sell its products and increase its market share.
- iv. **Planning and Decision Making:** Marketing management helps in planning and decision making and prepare future course of action. Planning relates to product introduction, diversification and modernisation. Decision making regarding pricing, selection of promotional mix, selection of distribution channel etc. is taken by the marketing management.

- v. **Creation of Customer:** Marketing management by providing the best product to the consumer according to their preference helps in creation of new customers and retention of current customers.
- vi. **Helps in Increasing Profit:** Marketing management through catering to the varied and unlimited needs of consumers helps in increasing profit and sales volume. It leads to expansion of market and increasing customers.
- vii. **Improvement in Quality of Life:** Marketing management aims at providing innovative products and services to the customers in order to improve their quality of life and makes their life easier than before.
- viii. **Employment Opportunities:** Marketing process requires researcher, production engineer, distribution intermediaries, sales personnel etc. Thus marketing management opened up different employment avenues for people thus creating employment opportunities.

## 6.0 FUNCTIONS OF MARKETING MANAGEMENT

Various functions of marketing management are:

- i. **Assessing the Marketing Opportunities:** Determination of marketing objectives, goals and assessing the marketing opportunities for the firm is an important function of marketing management. It involves market research.
- ii. **Planning the Marketing Activities:** Planning is very important managerial function. It is concerned with formulation of policies and strategies relating to product, price, channels of distribution, promotional measures, sales forecasting etc. It is also the main function of marketing management.
- iii. **Organising the Marketing Activities:** Another important function of marketing is organising. It refers to determination of various activities to be performed and assigning these activities the right person, so that marketing objectives are achieved. For this, it is necessary that the organisation structure should be flexible and accommodative. It will help in better interaction between organisation and environment.
- iv. **Co-Ordinating Different Activities of Enterprise:** Even the best of planning will not be rewarding if there is lack of proper coordination between different activities of the organisation. Marketing involves various types of activities and these are inter-related and interdependent. Product decisions, pricing strategies, distribution channel decisions,

research activities all require proper coordination. Marketing management helps in achieving coordination among different activities of enterprise.

- v. **Directing and Motivating the Employees:** A good direction and properly motivated employees are must for effective performance of marketing functions. Direction helps in performance of the work in right manner and motivation not only helps in better performance by the employee but also helps in retaining him in the organisation for longer periods. Marketing management ensures both.
- vi. **Evaluating and Controlling Marketing Efforts:** In order to increase profits and market share, marketing manager must on a continuous basis, evaluate the marketing efforts. This will help him in knowing the deviations if any, which can be corrected beforehand only and proper adjustments can be made with the changing environment. Marketing management performs this function efficiently.

## 7.0 OBJECTIVES OF MARKETING MANAGEMENT

There are many objectives of marketing management which are as follows:

- i. **Creation of Demand:** The marketing management's first objective is to create demand for the product through various means. The marketer makes efforts to find out the preferences and tastes of the consumers. Goods and services are produced accordingly to satisfy the needs of the customers. Demand is also created by informing the customers about the utility of various goods and services through different means of promotion.
- ii. **Customer Satisfaction:** The marketing manager must study the needs and preferences of customers before offering them any goods or services. Selling the goods or services is not only important but the satisfaction of the customer's needs is also important. Modern marketing is customer- oriented because customer is the king of the market. It starts and ends with the customer only.
- iii. **Market Share:** The aim of every business is to increase its market share, i.e., the ratio of its sales to the total sales in the economy. For example, both Pepsodent and Colgate compete with each other to increase their market share. For this, they have adopted innovative advertising, innovative packaging, sales promotion activities and other promotional tools.
- iv. **Generation of Profits:** Earning sufficient profits is the main goal of every business. The marketing department is the only department which generates profits for the business. If

the firm is not earning adequate profits, it will not be able to survive in the market. Moreover, profits are also needed for the growth, expansion and diversification of the firm.

- v. **Creation of Goodwill and Public Image:** To build up the favourable public image of a firm is another objective of marketing management. The marketing department provides quality products to customers at reasonable prices and thus creates its positive impact on the customers.
- vi. The marketing manager continuously makes efforts to raise the goodwill of the business by initiating image- building activities such a sales promotion, personal selling, publicity and advertisement, high quality, reasonable price, convenient distribution outlets, etc.

## 8.0 SCOPE OF MARKETING MANAGEMENT

Marketing management comprises of different areas which are given below:

- i. **Marketing research:** Marketing research involves survey on identification of needs, wants, taste and preferences of the targeted customer. Marketing management conducts continuous research on consumer's behaviour towards firm's marketing mix strategies, business environment; competitor's marketing strategies in order to plan effectively the marketing strategies for future.
- ii. **Determination of Objectives:** Marketing management performs the function of setting different marketing objectives. The various marketing objectives are set in accordance with the overall organisational objectives of profit maximization. Marketing objectives includes attracting new customers, retaining current customer, expansion of customer base, introduction of new product, improvement of old product and so on.
- iii. **Planning Marketing Activities:** Planning marketing activities involves determining the future course of action for business. Planning helps in achievement of marketing objectives in a systematic manner. Planning of marketing activities includes determining product line strategies, planning for product diversification, advertisement and promotional activities, planning related to selling and distribution process etc.
- iv. **Product Planning and Development:** Product is the core of marketing. Products refer to goods or services that are offered to the customer for satisfying their needs and wants. Products are customer oriented and offered to the customer's as per their requirement and



preferences. Product planning involves new product development, product innovation, product diversification product modernization, removal of existing product etc.

- v. **Pricing of Product:** Pricing is also the main function of marketing management. Price refers to the exchange value of the product. Pricing decisions are based on cost of the manufacturing and distribution of product, competitor's pricing strategies, Customer's income, customer's willingness to pay for the product, customer's perception about the product etc.
- vi. **Promotion:** Promotion and advertisement are those functions of marketing management which maximise sales. Promotion and advertisement are required to provide information to the customers about the product, to attract new customers, to provide information about product improvement or introduction of new brand. Marketing management develops new tools and techniques for promotion of their product.
- vii. **Distribution:** Distribution process means easy availability of goods and services to the customers at right time and at right and convenient location. Decision regarding selection of distribution channel depends upon the nature and price of the product, availability of intermediaries for distribution, cost involved in the distribution process, size of the market etc.
- viii. **Evaluation and Controlling of Marketing Activities:** Marketing management performs the function of evaluation and controlling of the marketing activities. Evaluation means identification of effectiveness of marketing plans and actions. Controlling refers to knowing the deviations if any, which can be corrected beforehand only and proper adjustments can be made with the changing environment

## 9.0 PROCESS OF MARKETING MANAGEMENT

The marketing management process goes through various stages to ensure the success of a product in an organization. These stages are as follows:

- i. **Conduct market research:** The first step in the marketing management process starts with conducting a market research. To convert an idea into reality ,market research is necessary. Before launching a new product, a lot of data should be collected and analysed. Market research may be defined as an organised approach which includes all research activities involved in marketing process:
  - ✓ Gathering, recording and analysing the utility and marketability of the product;

- ✓ The nature of demand;
  - ✓ The nature of competition;
  - ✓ The methods of marketing; and
  - ✓ Other aspects of movement of products from the stage of production to the point where they get consumed.
- ii. Develop a marketing strategy:** Before making a marketing strategy, one should know the market. After market research, marketing strategy forms the second step in marketing management process. The marketing strategy takes numerous points in consideration such as segmentation, targeting and positioning . It involves deciding the marketing mix , getting the positioning strategy right, analyzing the core competencies like financials and production. After taking all these things in consideration, a marketing strategy is formed.
- iii. Make a marketing plan:** After developing marketing strategy, a written marketing plan should be made. This is the third and a very significant step in marketing management process. A written marketing plan is made to analyse where the company is now and where it wants to reach in a given time period. The marketing plan guides the marketer to analyse whether he is on track or not. The marketing plan includes some important points which are as follows:
- a) **Situation analysis** – Business environment analysis, Internal analysis (SWOT analysis), Core competencies.
  - b) **Strategic plan** – A time related strategic plan defining the pros and cons of the strategy.
  - c) **Financials** – Sales forecasts, Expenses forecast, Working capital ,Capital Structure etc.
  - d) **Implementation** – Operations, Customer loyalty, Brand building, Consumer behavior, Product and pricing decisions, Distribution decisions.
  - e) **Follow up** – After implementation, follow up is done to ensure marketing strategy is on right track.
- iv. Feedback and control:** The last step of marketing management is Feedback and control. Once a product is launched in the market, customers might give further ideas for the improvement of the product. Marketing department considered these ideas and a market research is conducted to find the validity of the ideas. If the idea is found valid, another product can be developed or another marketing strategy can be implemented. On the

other hand, if the product is not received positively, then the control mechanism will be needed.

## 10.0 CHALLENGES IN MARKETING MANAGEMENT

Marketing management faces different issues and challenges which are as follows:

- i. **Keeping Abreast of Competitor's Actions:** The biggest challenge for the marketing management is to keep itself update with the competitor's strategies. Every business owner should gather information about competitors and it must be a high priority. If a competitor has slashed prices in the summer, you need to have your own response to this tactic planned out so you don't lose customers.
- ii. **Scarcity of Resources:** Most of the times businesses have more ideas for marketing their products or services but they have don't have funds available to execute these strategies. Prioritizing expenditures becomes prime importance. Marketer must allocate these resources where they will have the strongest positive impact on sales and profits. The challenge in this allocation process is that the business owner may not be certain about the likely effect of a new marketing strategy.
- iii. **Dealing with Competitive Disadvantages:** This is another challenge for the marketing management. In the long run, a marketer must upgrade the company's market offering to narrow the gap between a company and its competitors. In the short run, challenge is to create a marketing message that emphasizes your own company's strengths and creates positive image of the company.
- iv. **Listening to the Customer:** Marketers are close to their customers or customer prospects -- they may speak or interact with them on a daily basis. But the challenge is that customer tastes are constantly changing and marketers must adapt the products or services to meet these changes.
- v. **Getting the Message Out:** Business owners have to use a variety of means to spread the word about a company and what it offers. It includes direct mail, print, radio or television advertising, social networking etc. A major challenge is time. Sometimes marketers may neglect setting aside time for planning and executing a marketing campaign. The effect of not spending enough time on marketing campaign is lower potential sales.

## REFERENCES

Bose, B.S (2009), Marketing Management (2<sup>nd</sup> ed.), Himalaya Publishing House Pvt.Ltd.

Jain Ashok.,(2008-09,)Principles of Marketing ,V.K Publication

Hawkins, D.I., Best, R.J, and Coney, K.A. (1998), Consumer Behaviour; Building Marketing strategy (7<sup>th</sup> ed.),U.S: Mc Grew-Hill.

Kazmi, S. (2007), Marketing Management: Text and Cases, New Delhi: Excel Books.Pearson.

Kotler, P., Koshy, A., and Jha, M. (2012), Marketing Management: A South Asian perspective (13<sup>th</sup> ed.), Noida, Uttar Pradesh: Pearson.

### **Websites Visited**

<https://www.economicdiscussion.net/marketing-management/what-is-marketing-management/31788>

<https://www.yourarticlelibrary.com/marketing/marketing-management/5-objectives-of-marketing-management/27961>

<https://smallbusiness.chron.com/challenges-marketing-management-41046.html>

<https://www.marketing91.com/marketing-management-process/>

## CHAPTER 3

### ONLINE MARKETING: A GLOBAL PERSPECTIVE

**Dr. Sonali Zankar Patil**

*Assistant Professor*

*Department of Bioanalytical Sciences*

*B. K. Birla College (Autonomous)*

*Kalyan, MS, India*

---

#### **ABSTRACT**

##### ***Objectives and Approach***

*This paper aims to build a structured literature review to the field of Online Marketing. The literature review will provide past research points and methodologies related to the studies of online Marketing. It will develop a clear idea about online marketing and its global scenario. The paper systematically reviews the published literature in the field of Online Marketing.*

##### ***Results***

*The literature review covers many areas such as: E-Commerce, E-marketplace, Online marketing and offline marketing and many other research areas. It extends the overview of previous studies within the field. Based on the findings the author highly recommends depending on a triangulation approach in conducting future research in the field of Online Marketing.*

##### ***Implications***

*The study will provide great benefits for entrepreneurs, policy makers, practitioners, researchers, and educators though providing a clearer view and deep understanding for all the issues related to the field of Online Marketing.*

##### ***Value***

*This paper will add the knowledge in the field of Online-Marketing by investigating and illustrating a survey and systematic review of the published work. Depending on this review, researchers and scholars in the field of Online-Marketing can have a clearer view to set their*

*attitude towards suitable future research studies and methodologies which in turn will contribute to the related accumulated knowledge in the field.*

*Keywords: Online marketing, online shopping, internet, social networking, e-commerce, performance, literature review.*

---

## **1.0 INTRODUCTION**

In recent years, increasing numbers of businesses have been using the Internet and other electronic media in conducting their marketing efforts, giving the chance for Online Marketing to grow in a very dramatic and dynamic way. Thus, the idea of getting creative, sharing value with your prospects/audience, and building brand loyalty and customer relationships organically is playing important role in business. The online marketing or internet marketing thus can be defined as

*“A strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience — and, ultimately, to drive profitable customer action.”*

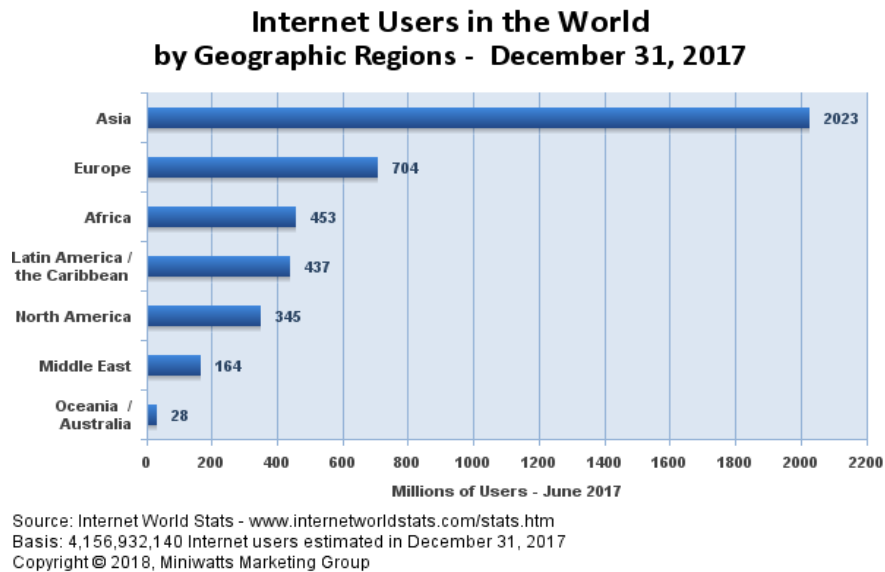
Although, it is noticed that despite of the fast growth in Online-Marketing research in the last decade, it appears that only from the late 1980s researches on Online -Marketing begun to appear in the literature. Starting with the work of: Malone, Yates and Benjamin (1987 & 1989), crossing by the work of: White (1997), Samiee (1998), Wientzen (2000), Porter (2001) and so on. The study here is as a step towards building a complete archive of the past publications in the field of Online-Marketing.

## **2.0 USE OF INTERNET AND SOCIAL NETWORKING**

The Internet has been the most important technology of the modern era which helps us in personal as well as professional development. The internet has served more useful in all age categories, to access the necessary information for their use. According to survey of Miniwatts marketing group, 2018, the numbers of internet users are as shown in figure 1.

The most common use of internet is to maintain contacts with friends, relatives and other people all around the world. Also it is way of easiest communication like internet chatting, emails which give access globally. The use of social media is increasing day by day and thus, the way to communicate with the people is being easier than before. The study showed by Statistica

2018, indicates that in 2019, there will be around 2.77 billion social network users around the globe, up from 2.46 billion in 2017.



**Figure 1: Details of Internet Users**

From this prospective, it is noticed that increase usage of the Internet, Social networking sites and other Electronic Marketing tools (i.e.: E-mail, Intranets, Extranets and Mobile phones) in electronic transactions might create lots of opportunists for business enterprises to market their products which can be sold globally. And thus, plays a vital and essential role in conducting marketing activities within business enterprises regardless of its type or size.

### **3.0 ONLINE MARKETING**

Online Marketing can be viewed as a new philosophy and a modern business practice involved with the marketing of goods, services, information and ideas via the Internet and other electronic means. By reviewing the relevant literature it is noticed that definitions of online marketing vary according to each author's point of view, background and specialization. In simplest word, it is the process of promoting a business or brand and its products or services over the internet using tools that help drive traffic, leads, and sales. This is the most inexpensive way to reach your target market, regardless of the size of the business.

Although the marketing of any products has its root traditionally i.e. offline, nowadays the focus has started to shift towards online marketing and making the most of a world where more and more people from all demographics and locations are using the internet. Online

marketing is also known as internet marketing, web marketing, digital marketing and search engine marketing (SEM). The advantages of online marketing over offline marketing are shown in figure 2.



**Figure 2: The advantages of online marketing over offline marketing**

Online marketing has outsold traditional advertising in recent years and continues to be a high-growth industry. Search engine marketing (SEM) is focused on promoting website content by using different paid and free-of-cost methods for search engine optimization. The goal of these methods is to increase the ranking of your website in search engines. As people are more likely to click on the first or second-most highly ranked link that their search engines dig up. Social media marketing is one of the most popular techniques that involves using social media to spread and increase businesses' online platforms. The most common social media tools are Facebook, Twitter, YouTube and LinkedIn, due to the popularity of these networks and the large number of users.

Similar to that email marketing, uses emails for promotional means. Companies may send out a series of emails to their customers and clients each day, whether it is about deals or data. Finally, it uses rewards in exchange for bringing in new customers or visitors through affiliations

For businesses and entrepreneurs who want to stay on top of the freshest and most attractive deals and sales going on in the world, internet marketing is a necessity, not a choice. This method of marketing has lifted the business domain to new heights. The limitations of



internet marketing are few in number, while the advantages are sure to boost any business up towards the most fantastic and profitable opportunities.

Modern market has transferred to the online world where companies can now reach customers worldwide, using different forms of online marketing. Not only does this increase the potential market and the number of potential customers, but it also provides companies with the chances of establishing the position on global market and thus reaching for greater success and achievement of long-term goals.

The broad online marketing spectrum varies according to business requirements. Effective online marketing programs leverage consumer data and customer relationship management (CRM) systems. Online marketing connects organizations with qualified potential customers and takes business development to a much higher level than traditional marketing.

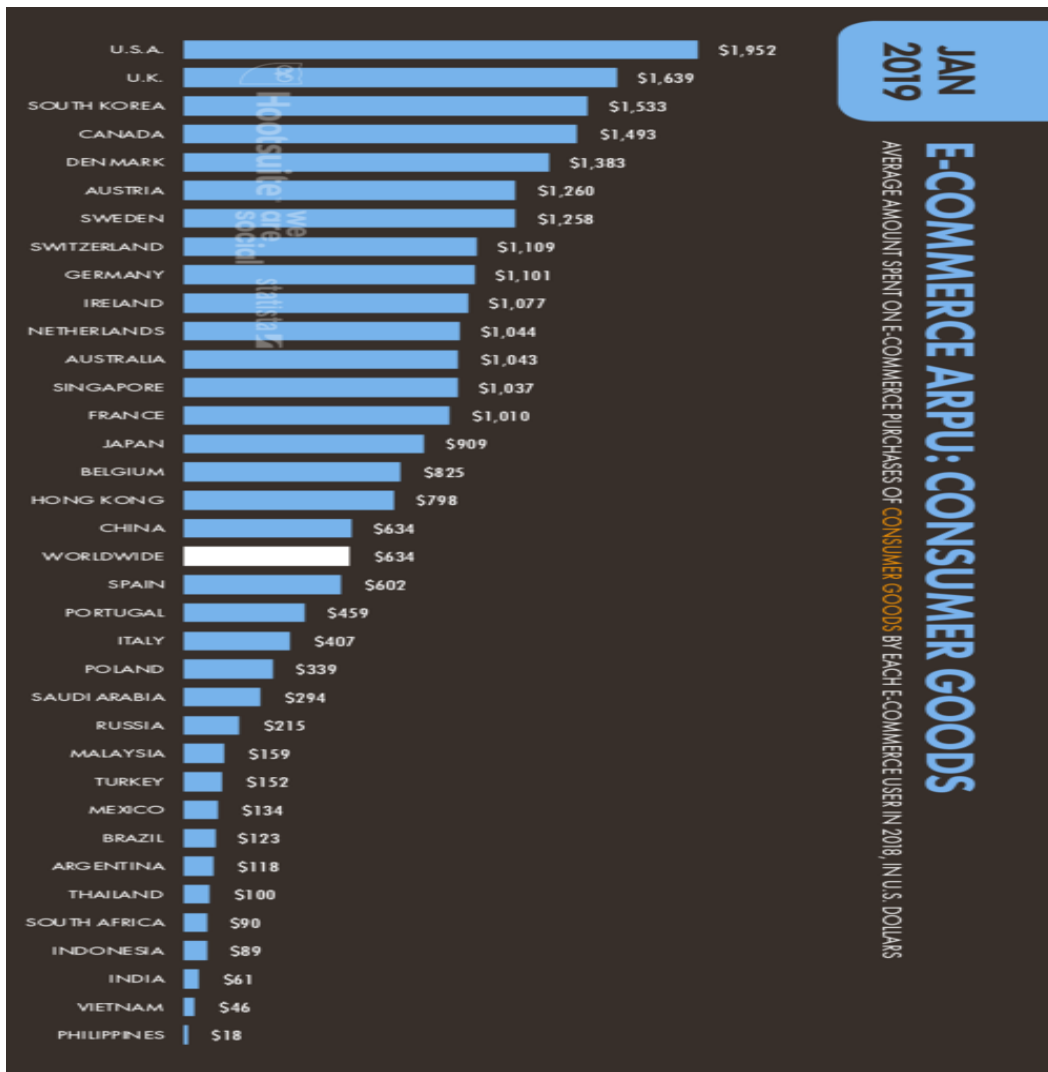
Online marketing combines the internet's creative and technical tools, including design, development, sales and advertising, while focusing on the following primary business models:

- E-commerce
- Lead-based websites
- Affiliate marketing
- Local search

Online or internet marketing is a part of e-commerce. Internet marketing and e-commerce has marked its place in the world of technology. The success of any business at present strongly depends on Internet marketing as well as e-commerce. Therefore business requires both.

GlobalWebIndex's data indicate that the total number of e-commerce users in the countries in our study are up 9% year-on-year. When the focus is on mobile commerce though, the rate of increase is even more impressive, with average growth across the markets in study of nearly 40%.

As the concept of online marketing is expanding, the online shopping has absolutely exploded, to the point that there are now many people who will only buy new products online. It's not difficult to understand the potential benefits of online shopping, but at the same time there are also people who are sticking to ordinary shopping, and they have their reasons as well. Ultimately, it certainly seems as if things are trending toward online shopping becoming more and more popular, but it is also highly unlikely that ordinary stores are going anywhere. There are benefits and dangers associated with online shopping (Table 1).



Source: GlobalWebIndex's data

Figure 3: total number of e-commerce users

Table 1: Benefits and dangers associated with online shopping

Benefits	Danger
Convenience	Supports local community
Selection all over world	See and feel what you get before purchasing
Immediacy	Interact with humans
Quality	Safer
Saving money	Better help for representatives
Discounts and offers	
Takes less time	
Doesn't required to drive	

Although many people believe offline shopping is safer, the truth is that both equally pose risks. And also because of advantages of online shopping, the number of people going for online shopping increasing and thus, the online marketing goes on increasing.

It's always tricky to put exact numbers against the value of online shopping around the world, but online-marketer estimate that there were more than 1.6 billion e-commerce shoppers worldwide in 2016, spending a combined total to US\$2 trillion. The average marketer spent roughly US\$1,189 over the course of 2016.

#### **4.0 CONCLUSION**

As generations evolve and technology develops, the old has been heavily replaced by the new. The advancement in the field of marketing and advertisements has been immense. No longer are businesses bound by the limitations of traditional marketing techniques. One of the newest and most effective strategies has been of online marketing, Online marketing utilizes the internet and its wealth of resources for promotional, profile-raising purposes.

The main highlight is that how unique modern internet advertising is, as compared to its traditional counterparts. Internet marketing is all about being available whenever and wherever customers may need you, rather than just popping up once in a while for attention.

## CHAPTER 4

### NONPROFIT MARKETING AND SOCIAL MARKETING: AN OVERVIEW

**Dr Kriti Singh**

*Assistant Professor*

*School of Film, Media and Entertainment*

*Department of Communication*

*Sharda University*

---

***“Good marketers see consumers as complete human beings with all the dimensions real people have.” – Jonah Sachs<sup>1</sup>***

---

#### **1.0 INTRODUCTION**

Marketing is often seen as a practice which aims at optimising profitability and consumer satisfaction. The process of marketing aims at building brand of an organisation, persuading target audience which includes various strategies, tactics and metrics. The combined strategies and tactics will leads to profitable revenue for the company/ organisation, better brand positioning and goodwill.

***According to American marketing author Prof Dr Philip Kotler marketing is “the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit.”<sup>2</sup> While elaborating on the definition of marketing, the American marketing Association defines marketing, “is an activity, set of institutions, and the processes for creating, communicating, delivering and exchanging offering that have values for the customer, clients, partners, and society at large”.<sup>3</sup>***

Time and again the practitioners of marketing have tried to define various types of marketing. With the changing landscape of the industry and the demand of the consumers, the marketing has also evolved with time. Although there are several types of marketing practices to name few important marketing strategies are traditional marketing, outbound marketing, inbound marketing, digital marketing, social media marketing, content marketing, search engine marketing, video marketing conversational marketing, influencer marketing and so on. Each type

of marketing depends on the strategy which is employed in order to gain more reach to the prospective consumers, built brand, persuade the target audience, which in return brings profitability to the organization. However, the focus of this chapter is to throw light on one of the unique ways of marketing which is nonprofit marketing and its subset social marketing. The objective of the paper is to define nonprofit marketing and social marketing, their respective objectives, various kinds and future trends.

## **2.0 NONPROFIT MARKETING: AT A GLANCE**

The origin of the word ‘non-profit sector’ or ‘non-profit organization’ can be traced back to the decades after World War II. Nevertheless, the meaning of this terminology alters and depends on the ‘*identity and the intention*’ of the person who is using it.<sup>4</sup> From the perspective of marketing, nonprofit marketing can be referred to those marketing activities and strategies that aims at spreading the message or persuading the target audience to raise funds, donations or opt for a volunteer position. The intention behind nonprofit marketing is to promulgate the idea or causes of an organization to a target audience. These target audience can be future volunteers or benefactors.<sup>5</sup> The nonprofit marketing comprises of various tactics, strategies and activities similar to commercial marketing but with different intent. It include various activities like slogan writings, designing logos, using different marketing strategies like emails marketing, content marketing, social media platforms, mobile marketing and so on.<sup>6</sup> Furthermore, instead of selling any product or services to the target audience, the nonprofit marketing is based on more “abstract idea”. These ideas can be related to “*education, advocacy, technical assistance, services*”. In this kind of marketing, instead of a transaction in monetary form, the exchange happens when the consumer performs, a desired action which reinforces the organization point of view or the idea which the organization is supporting. Therefore we see the transaction happening in form of contracts, grants, volunteer work, donations and so on.<sup>7</sup>

Nonprofit marketing can be employed in various forms, however, the main objective behind this kind of marketing is to either raise awareness about a cause or acquired monetary donations or seeking volunteer participation for a nonprofit campaign. Nonprofit marketing targets different groups which can be the customers, the prospective donors, the prospective volunteers. It is to be noted that funding creating awareness and volunteers are an indispensable part of nonprofit marketing.<sup>8</sup>

In order to have a cursory understanding about the types of nonprofit marketing, it can be divided into the following types (these forms may vary considerably) <sup>9</sup>

- **Message focused strategy:** in this kind of nonprofit marketing strategy the emphasis is on the message which is set in the backdrop of a current event of relevance. The objective is to create awareness or alteration in behaviour in the prospective target audience. This activity is combined with a fundraising tactic. Usually, the message strategy includes emotional laden Messages which can establish emotional connect with the target audience.
- **Point of sale campaign** is the strategy is to request a prospective donor to make a purchase and add a donation to it. Point of sale campaign can be employed at the places where one can see an influx of target audience this can be grocery store restaurants gas stations and so on.
- **Transactional campaign:** in this marketing the nonprofit organization, collaborate with a corporate to where the prospective donors/ target audience will be persuaded to buy a product which will lead to a sales and simultaneously raise funds for the nonprofit organisation.

### 3.0 SOCIAL MARKETING: IN A GLANCE

Social marketing is considered to be a subset of nonprofit marketing. The origin of the idea on which social marketing is founded can be traced back during World War II, in the words of German commander, Gerhard Weibe, who said: *“Why can't you sell brotherhood and rational thinking like you can sell soap?”* <sup>10</sup> The main objective behind social marketing is to create certain actions which intent to alter or maintain the behaviour of the target audience. The intention is to create a marketing strategy which combines the aspects of viable marketing, social sciences, which influence or leads a particular behaviour for the betterment of the individual in particular and society in general. <sup>11</sup> The key intent of social marketing is to involve in activities that result in to “social good”. Some of the causes where social media marketing emphasises are: to ensure the safety of the consumer health, eco-friendly marketing which aims to increase the sensitivity towards environmental issues and supporting the growth of the local business by allowing them to flourish.<sup>12</sup> Some of the examples of social marketing can be seen in social campaigns which are aimed to save endangered species, saving the environment, addressing issues like discrimination, social change and so on.

Social marketing is extensively used by the nonprofit organization, fundraising organizations which aims at creating awareness and promoting the cause of the nonprofit organization and generating funds. In this kind of marketing, the emphasis is not on sales of goods but human behaviour. Besides nonprofit organization, the social marketing is also employed by government agencies and emergency services to either create awareness or promote a particular behaviour in individuals that brings positive change in society. Taking an example from the present context, the government is using various marketing platform to promote awareness with regards to COVID-19. Various nonprofit organizations like Goonj, are creating various campaigns to alter the behaviour of humans, especially related to personal hygiene like frequent washing of hands, using hand sanitizers, wearing masks so that the society can fight against the global pandemic.

Broadly social marketing can be divided into two segments: <sup>13</sup>

- i. **Operational social marketing:** This social media marketing aims at changing or altering human behaviour in a planned and systematic manner.
- ii. **Strategic social marketing:** This social media marketing aims at influencing government policies and promoting development strategies.

#### **4.0 FUTURE TRENDS**

In past where the marketing strategies were highly dependent on traditional sources or platform of media like newspapers, radio, pamphlets, billboards and so on. with the coming of the Internet and the rise of new media the marketing strategies are now employing dynamic and quick platforms like social media, search engines, emails and integrate various multimedia to communicate with the target audience. the same strategies are applied by the practitioners of nonprofit marketing and social media marketing. the present trends indicate that the practitioners of the aforementioned marketing are optimising the usage of Internet-driven platforms and making a personal appeal to the target audience. For example, after donating to a nonprofit organization it immediately gets connected to the target audience through social media or Messenger application like WhatsApp and sends thank you greetings, the update with regards to the donation made, and sending personalised message sharing these similar events or need to be based on the previous donation behaviour of the target audience. it is evident that the digital platforms are bringing more personal touch between the target audience and the nonprofit or social marketers. However there is a flip side to this as well, continuous targeting of the target

audience who has donated in past can saturate them. Thus losing a prospective donor or volunteer. However, a devoted research study in this area can bring more substance to this observation.

Besides, the practitioners of nonprofit marketing and social marketing can innovatively optimize social media platforms, especially by leveraging the presence of micro-influencer on the social media platform. Furthermore, the rise in storytelling mobile best applications, personalised email correspondence, marketing automation software Are some of the trends which are going to influence nonprofit marketing and social marketing in the coming times.<sup>14</sup>

In the context of nonprofit marketing, the trends indicate that there is a need to create innovative strategies in order to acquire revenue, donations, and volunteers. There is a need to develop new ideas, strategies, and approaches to lessen the gap between the nonprofit organizations and prospective donors and volunteers. While social marketing one can see that from the systematic process intended to change human behaviour is expanding its influence in changing the social norms. It has started to show its impacts on policy related to socio-economic cultural aspects of society. To conclude, the nonprofit marketing and social marketing need to keep itself with the pace of changing technology, the dynamic behaviour of target audience, working relationship with the corporate partnership,<sup>15</sup> reinventing existing ideas and creating new ones.

## REFERENCES

- <sup>1</sup> 75 Quotes about Marketing, Branding & More. (2020). Retrieved 23 October 2020, from <https://business.linkedin.com/marketing-solutions/blog/7/75-quotes-to-inspire-marketing-greatness>
- <sup>2</sup> Prof Dr. Philip Kotler marketing is “the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit.”
- <sup>3</sup> Leroux Miller, K. (2010). *The Nonprofit Marketing Guide: High-Impact, Low-Cost Ways to Build Support for Your Good Cause*. United Kingdom: Wiley.p:12-13
- <sup>4</sup> Hall, Peter Dobkin. "A Historical Overview of Philanthropy, Voluntary Associations, and Nonprofit Organizations in the United States, 1600-2000." *The Non-Profit Sector: A Research Handbook - Second Edition*. Ed. Walter W. Powell and Richard Steinberg. Yale University Press, 2006, 32-65.



- <sup>5</sup>Nonprofit Marketing. (2020). Retrieved 19 October 2020, from <https://www.investopedia.com/terms/n/nonprofit-marketing.asp#:~:text=Nonprofit%20marketing%20involves%20the%20creation,of%20potential%20volunteers%20and%20donors.>
- <sup>6</sup>Nonprofit Marketing. (2020). Retrieved 19 October 2020, from <https://www.investopedia.com/terms/n/nonprofit-marketing.asp#:~:text=Nonprofit%20marketing%20involves%20the%20creation,of%20potential%20volunteers%20and%20donors.>
- <sup>7</sup> Leroux Miller, K. (2010). *The Nonprofit Marketing Guide: High-Impact, Low-Cost Ways to Build Support for Your Good Cause*. United Kingdom: Wiley.p:12-13
- <sup>8</sup> Decker, A. (2020). *The Ultimate Guide to Nonprofit Marketing in 2020*. Retrieved 23 October 2020, from <https://blog.hubspot.com/marketing/how-to-run-a-lean-mean-nonprofit-marketing-machine>
- <sup>9</sup>Nonprofit Marketing. (2020). Retrieved 19 October 2020, from <https://www.investopedia.com/terms/n/nonprofit-marketing.asp#:~:text=Nonprofit%20marketing%20involves%20the%20creation,of%20potential%20volunteers%20and%20donors.>
- <sup>10</sup> Social Marketing | What is Social Marketing?. (2020). Retrieved 23 October 2020, from <https://www.marketing-schools.org/types-of-marketing/social-marketing.html>
- <sup>11</sup> What is Social Marketing? | The NSMC. (2020). Retrieved 23 October 2020, from <https://www.thensmc.com/content/what-social-marketing-1#:~:text=Social%20marketing%20is%20an%20approach,and%20society%20as%20a%20whole.>
- <sup>12</sup> Elezaj, R. (2020). *Social Marketing Concept - Why does it have a big impact on human behavior - SEO for X*. Retrieved 23 October 2020, from <https://www.seoforx.com/social-marketing-concept-approach/>
- <sup>13</sup> Social Marketing Theory - Businessstopia. (2018). Retrieved 23 October 2020, from <https://www.businessstopia.net/mass-communication/social-marketing-theory#:~:text=There%20are%20two%20types%20of,new%20policies%20and%20development%20strategies.>

<sup>14</sup> Joseph DiGiovanni, T. (2020). 5 Nonprofit Marketing Trends to Keep in Mind for 2020. Retrieved 23 October 2020, from <https://blog.techsoup.org/posts/5-nonprofit-marketing-trends-to-keep-in-mind-for-2020>

<sup>15</sup> McWilliams, C. (2019). 2020 Vision: Catching Up to the Future. Retrieved 23 October 2020, from <https://www.nonprofitpro.com/article/2020-vision-catching-up-to-the-future/>

Search engines and secondary source of data are used.

## CHAPTER 5

### GREEN MARKETING: OPPORTUNITY FOR INNOVATION

**Dr. Sandipkumar G. Prajapati**

*Assistant Professor*

*Department of Commerce and Business Management*

*Faculty of Commerce*

*The Maharaja Sayajirao University of Baroda, Vadodara*

---

#### **ABSTRACT**

*Green marketing may be a vital constituent of the holistic marketing concept today. It's particularly applicable to those businesses that are directly hooked into the physical environment. Changes within the physical environment may pose a threat to fishing, processed foods and tourism, and adventure sports industries. Consequently, new sorts of products were created, called "green" products, which might cause less damage to the environment. Thus green marketing plays a crucial role in the market and reinforces the thought of environmental protection and sustainable development both within the minds of the customer and therefore the firms. Many global players in diverse businesses are now successfully implementing green marketing practices. Now's the age of recyclable, non-toxic, and environment-friendly goods, this has become the new mantra for marketers to satisfy the requirements of consumers and earn better profits. The paper examines the notion of 'green marketing' and therefore the challenges which are related to different aspects of green marketing within the present scenario. It also includes the strategies which are to be used, so that green marketing is often expedited and paves the thanks to making the 'green products' more 'ecological viable' also as 'economical viable for the consumers belong to different hierarchy.*

**Keywords:** *Green marketing, consumer behaviour, sustainable development*

---

## 1.0 INTRODUCTION

*Every social and global issue is a business opportunity just waiting for the right kind of inventive entrepreneurship, the right kind of investment, the right kind of collective action. - Peter Drucker*

Green Marketing refers to holistic marketing thought wherein the assembly, marketing utilization, and disposal of products and services occur during a manner that's less harmful to the environment with increasing awareness about the implications of worldwide warming, non-biodegradable solid waste, harmful contact of pollutants, etc. consumers are getting more and more sensitive to the necessity for changing into green products and services. While moving to green may appear to be expensive within the short term, it'll certainly convince be necessary and valuable, cost-wise too, within the end of the day. There are several attributes of green products; the products that are manufactured through green technology which caused no environmental hazards are called green products.

### 1.1 Green Marketing is aimed toward the following objective:

- i. Eliminate the concept of waste
- ii. Reinvent the concept of a product
- iii. Make environmentalism profitable
- iv. Bringing out product modification
- v. Changing in production processes
- vi. Packaging changes
- vii. Modifying advertising.

There is a number of problems that occur with green marketing such as; The firms using green marketing must confirm that their activities aren't confusing to consumers or industry, and don't violate any of the regulations or laws handling environmental marketing. It's found that only 5% of the marketing messages from green campaigns are completely true and there's a scarcity of consistency to validate these claims. There's no consistency to validate these claims like Indians are educated and concrete consumer is getting more aware of the merits of green products. But it's still a replacement thought for the ample.

The consumer must be educated and made conscious of the environmental threats; the investors and company companies got to view the environment as a serious long-term investment occasion and therefore the marketers got to check out the long-term benefits from this new green movement. It'll require tons of endurance and no direct results. the company shouldn't expect huge benefits for implementing Green Marketing directly. Green marketing is that specialize in customer reimbursement i.e. the first cause why Consumers buy certain products within the first place. If the green products are priced very high but it'll lose its market adequacy (Marketing Myopia) etc.

### **1.2 Green product/ eco-labelled products**

The products that are manufactured through green technology which caused no environmental hazards are called green products. The promotion of green technology and green products is important for the conservation of natural resources and sustainable development.

We can define green products by following measures: Products that have eco-friendly packaging i.e. reusable, refillable containers, etc.

- Products which will not be tested on animals
- Products that don't harm or pollute the environment
- Products contents under approved chemical
- Products containing recycled contents, non-toxic chemical
- Products with natural ingredients
- Products those are recyclable, reusable and biodegradable
- Products those are originally grown

### **1.3 Strategies for implementing green marketing**

To expand the market of green products it requires a number of strategies that may be conducive to spice up up the market of the green products. Those strategies are often implemented as follows:

#### **1.4 Green marketing mix**

- Product- Green Product out of green innovation
- Price- Green Price (Affordable and ensuring repeat purchase)
- Place- Appropriate distribution which reduces frequent travels
- Promotion- Usage of online media or reducing the prints

### **1.5 Life cycle analysis of green marketing**

Product brand may be a vital aspect, which may help to formulate plans for green marketing. It's the best tool for performing life cycle analysis complex assessment which may make available the statistic on the social, environmental, and economic impact of products through the availability chain production process and after the acquisition. Life cycle analysis can inform a brand's requirement to travel before it claims to be sustainable.

The consumers don't expect perfection when it shapes sustainability but they might wish to see that brands figure out the amount of probe, formulate an idea, and within the executing process. additionally, different commercialization programs and incentives might be proved conducive to accumulate new technologies introduced of citing the examples included a fleet program to cultivate strategic niche markets and by rendering services for financial services e.g. advanced vehicle decrease proposal just in case of auto purchase.

### **1.6 Distribution strategy of green marketing**

In this strategy of green marketing, it's very essential to require customer support. During this case, the situation must be differentiated from the competitors. It is often achieved by promoting the in-store activities like recycling of materials to focusing the environmental and other related benefits. ∞ Product strategy for green marketing: to market marketing for green marketing it's urgent got to identify customer's environmental necessities and develop the products accordingly. It includes more environmentally responsible packages which make sure that products meet or exceed the standard expectation of the consumers; so that the marketers may charge higher prices by highlighting the ecological viability of the products.

### **1.7 Avoiding green myopia**

The primary principle of green –marketing is focusing the customer benefits i.e. that why are consumers buy particular goods and services as their priority. Is it the right approach and motivate the purchasers to shop for particular brands or maybe pay a premium for 'greener' surrogate products? It'll be futile practice if a product is produced which is completely green in various aspects but doesn't hold well upon the satisfactory criteria of the purchasers, and it'll cause 'green myopia'. If the green product not economically viable, as a result, it'll reduce the market acceptability. Other challenges, related to 'Green

Marketing' are green products that require renewable and recyclable material at the value effective. It requires a contemporary technology which again huge cost in Research and Development. To inculcate the 'Concept of Green Marketing' into the masses, it requires scientific advocacy and campaigning programs, so that the people could also be able to pay a premium for green products.

## 2.0 BEST EXAMPLES OF INDIAN COMPANIES WHO ADOPT GREEN MARKETING

### i. Depository financial institution of India

Green IT@SBI by using eco and power-friendly equipment in its 10,000 new ATMs, the banking giant has not only saved power costs and earned carbon credits but also set the proper example for others to follow.

SBI is additionally entered into green service referred to as "Green ChannelCounter". SBI is providing many services like; paperless banking, no deposit slip, no withdrawal form, no cheques, no money transactions form of these transactions are done through SBI shopping & ATM cards.



(Source:<https://www.learnmorekerala.com/2014/01/sbi-green-remit-card-atm-debit-card.html>)

State Bank of India turns to wind energy to scale back emissions: The depository financial institution of India became the primary Indian bank to harness wind energy through a 15-megawatt wind park developed by Suzlon Energy. The wind park located in Coimbatore uses 10 Suzlon wind turbines, each with a capacity of 1.5 MW. The wind park is spread across three states – Tamil Nadu, with 4.5 MW of wind capacity; Maharashtra, with 9 MW; and Gujarat, with 1.5 MW. The wind project is that the initiative within the depository financial institution of India's green banking program

dedicated to the reduction of its carbon footprint and promotion of energy-efficient processes, especially among the bank's clients.

## **ii. Indian oil's green agenda green initiatives**



Indian Oil is fully geared to satisfy the target of reaching EURO-III compliant fuels to all or any parts of the country; major cities will upgrade to Euro- IV compliant fuels by that point.

Indian Oil has invested about Rs. 7,000 crore thus far in green fuel projects at its refineries; ongoing projects account for an extra Rs. 5,000 crores.

Motor Spirit Quality Improvement Unit commissioned at Mathura Refinery; similar units are arising at three more refineries.

Diesel quality improvement facilities in situ in the least seven Indian Oil refineries, several more green fuel projects are under implementation or on the anvil.

The R&D Centre of Indian Oil is engaged within the formulations of eco-friendly biodegradable lube formulations. The Centre has been certified under ISO-14000:1996 for environment management systems.

## **iii. Wipro green IT**

Wipro can do for you in your go after a sustainable tomorrow - reduce costs, reduce your carbon footprints, and become more efficient - all while saving the environment. Wipro's Green Machines (In India Only) Wipro InfoTech was India's first company to launch environment-friendly computer peripherals. For the Indian market, Wipro has launched a replacement range of desktops and laptops called Wipro Greenware. These products are RoHS (Restriction of Hazardous Substances) compliant thus reducing e-waste within the environment.

## **3.0 CONCLUSION**

Now, this is often the proper time to pick —Green marketing globally. It'll accompany drastic change within the world of business if all nations will make strict roles because green marketing is important to save lots of world from pollution. From the business point of view because an ingenious marketer is one who not only convinces the buyer but also involves the buyer in marketing his product. Green marketing shouldn't be considered as only one more approach to marketing but has got to be pursued with much



greater vigor because it has an environmental and social dimension thereto. With the threat of worldwide warming looming large, it's extremely important that green marketing becomes the norm instead of an exception or simply a fad.

Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become far more systematized and universal. It's to become the overall norm to use energy-efficient lamps and other electrical goods. Marketers even have the responsibility to form the consumers to understand the necessity for and benefits of green products as compared to non-green ones.

In green marketing, consumers are willing to pay more to take care of a cleaner and greener environment. Finally, consumers, industrial buyers, and suppliers got to pressurize to attenuate the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India. Thus an environmentally committed organization might not only produce goods that have reduced their detrimental impact on the environment, they'll even be ready to pressure their suppliers to behave in a more environmentally "responsible" fashion. Final consumers and industrial buyers even have the power to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities.

#### **4.0 STUDENTS GROUP ASSIGNMENT**

##### **4.1 What is marketed?**

Ask each student to pick a company of their choice who develops green products and doing green marketing, prepare a list of all of the marketing messages the corporate disseminates through their various communication channels, and identify the marketing mixture of that company and prepare a presentation of 10 minutes thereon.

**Segment marketing** -Effective segmentation criteria are necessary for target market identification. Ask students to spot bases of segment chosen by the corporate of their choice who adopt green marketing.

**The communication process models** - The marketing communications mix consists of six major modes of communication which every brand contact delivers an impact that will strengthen or weaken a customer's view of the corporate. In small groups, have the scholars select a corporation and see if its messages are consistent across all major modes of

media: advertising, advertisement, events and experiences, PR, marketing, and private selling.

## REFERENCES

- Khandelwal, P. K. 2009, 'Green marketing: a challenge or an opportunity in the global environment', *Global Studies Journal*, vol. 2, no. 3, pp. 59-73.
- Shamshuddin M. Nadaf, *IMPACT: International Journal of Research in Business Management*, Vol. 2, Issue 5, May 2014, 91-104 & Anirban Sarkar, *International Journal of Marketing, Financial Services*
- Grant John (2007), *The green Marketing Manifesto*, John Wiley and Sons Ltd accessed via internet on 14th Jan 2011.
- Ottman Jacquelyn. A. (2007) *Green Marketing: Opportunity for Innovation* Book Surge LLC accessed via internet on 15th Jan' 2011.
- Ottman Jacquelyn. A (2011) *The New Rules of Green Marketing: Strategies, Tools, and Inspiration for Sustainable Branding* accessed via internet on 15th Jan 2011.
- Panda Tapan, (2007) *Marketing Management- Text and Cases, Indian Context*, Excel Books, New Delhi. P. 287 – 290.
- "Ford Pulls Plug on Think Electric Car," Reuters. Aug. 30, 2002.
- Roper ASW, "Green Gauge Report 2002" (New York: Roper ASW, 2002).
- F. Cairncross, "Costing the Earth: The Challenge for Governments, the Opportunities to Business" (Boston: Harvard Business School Press, 1992).
- Mintel Marketing Intelligence. "Organic and Ethical Foods" (London: Mintel International Group Ltd., 1997).
- J. Ottman, "Green Marketing: Opportunity for Innovation" (Lincolnwood, Illinois: NTC Business Books, McGraw-Hill, 1998).
- S. Smith, "Targeting the Green Consumer" (Bensenville, Illinois: Plumbing S Mechanical, 2000), 8. J. Ottman and V. Terry, "Strategic Marketing of Greener Products," *Journal of Sustainable Product Design*, Issue 5, April 1998: 53-57.
- "Investing in our Future: Packaging Operations," Anheuser-Busch Annual Report, 1998, p. 1.
- B. Gifford, "The Greening of the Golden Arches — McDonald's Teams with Environmental Group to Cut Waste," *San Diego Union*, August 19, 1991, pages C1 and 04

## CHAPTER 6

### ARTIFICIAL INTELLIGENCE FOR MANAGEMENT: AN INTRODUCTION

**Dr. Sujay M.J.**

*Assistant Professor*

*Department of Health System Management Studies*

*JSS Academy of Higher Education & Research*

*Mysuru 570015*

---

#### **ABSTRACT**

*Artificial intelligence (AI) is deemed to have a significant impact as a value driver for the organisations and help them get an operational and competitive advantage. This paper aims to give brief contributions of AI to the field of management.*

*Keywords: Artificial intelligence (AI), deep learning, generative adversarial networks (GANS) introduction*

---

#### **1.0 INTRODUCTION**

Artificial Intelligence (AI) refers to the simulation done by machines concerning human intelligence. From the last five years, developments in the field of AI have occurred so rapidly that companies are making major investments in these innovations, and are beginning to get to grips with the effects of having machines perform tasks and occupations that were previously thought of as uniquely human (McAfee and Brynjolfsson 2017; Tegmark 2017).

#### **2.0 FUNCTIONS OF AI**

Artificial Intelligence (AI) has made very rapid progress in recent years. From smart speakers and question answering chatbots to factory robots and self-driving cars, to AI-generated music, artwork, and perfumes, to game playing and debating systems—we have experienced the transition of AI from a largely theoretical discipline into a practical tool empowering a plethora of new applications. It is now generally accepted that computers, even with some sort of human supervision, can recognise and respond to human voices, recognise faces, diagnose cancer cells, drive vehicles, and interpret legal documents (Agrawal et al . 2018; Polson and Scott 2018); and more breakthroughs are widely expected to be on their way. Some might say that “AI is the new

IT (Information Technology),” and we are seeing the evidence across the industry: AI-enabled tools are already assisting doctors to spot melanoma, recruiters to find qualified candidates, and banks to decide whom to extend a loan to. Algorithms are powering product recommendations, targeted advertising, essay grading, employee promotion and retention, risk scoring, image labeling, fraud detection, cybersecurity defenses, and a host of other applications.

AI is a field of computer science that studies how machines can be made to act intelligently. AI has many functions, including, but not limited to:

- **Learning** - This includes approaches (unsupervised and supervised) for learning patterns from data. In unsupervised learning, the computer learns directly from raw data, whereas with supervised learning, human input is provided to label or identify important aspects of the data. (Note: Deep learning is a specialized class of primarily supervised learning built on artificial neural networks).
- **Understanding** – This includes techniques for knowledge representation required for domain-specific tasks, such as medicine, accounting, and law.
- **Reasoning** – This comes in several varieties, such as deductive, inductive, temporal, probabilistic, and quantitative; and
- **Interacting**, with people or other machines to collaboratively perform tasks, or for interacting with the environment.

### **3.0 APPLICATIONS OF AI IN MANAGEMENT**

In business operations, AI will play an increasingly important role, including strategic planning, mergers and acquisitions, marketing, and product design across businesses and industries, and its application for strategic planning will become more prevalent (Shrivastava et al., 2018). Using speech, gesture, and data visualisation techniques, the AI system helps groups of decision-makers to communicate efficiently with a vast volume of knowledge to support the process of assessing mergers and acquisitions alternatives.

In the product marketing domain, AI has gained considerable attention, i.e., AI can measure customer sentiment and monitor sales and marketing purchasing habits. Brands and marketers use the data for targeted advertisements. AI can be used to provide prospects and consumers with more customised communications (André et al., 2018). In innovative product design, AI will also have a significant role. New Deep Learning technologies such as Generative Adversarial Networks (GANs) offer the ability not only to analyse information but also to

synthesise data. As a consequence, we will learn from known products and be able and extrapolate and create new original ideas from learning. This AI capability is being realized for domains as diverse as fragrance design (Goodwin, 2018). AI will also expand workforce management applications into recruiting and hiring, managing employee turnover, and ensuring employee growth and satisfaction. AI models will also be able to tap into data within the organization to guide employees in developing skills and pursuing opportunities to grow within the company.

These are just a few examples of the use of AI technologies in addressing specific business needs. As more companies adopt AI technologies to drive business value, many additional examples will emerge and the business functions that benefit will continue to expand.

#### **4.0 CONCLUSION**

In recent years, we have seen major developments in AI and have reached a point where AI is starting to deliver great promise to help organisations with important tasks in business operations such as strategy development, product design, marketing, and customer service. A crucial first step in this process is to evaluate the roadmap for the specific use of AI to achieve their business goals and the implementation of a systematic AI strategy, as business leaders seek to develop and deploy more AI within their organisations.

#### **BIBLIOGRAPHY**

- Agrawal, Ajay, Joshua Gans, and Avi Goldfarb (2018). *Prediction Machines: The Simple Economics of Artificial Intelligence*. Brighton, MA: Harvard Business Press.
- Goodwin, Richard (2018). *Using AI to Create New Fragrances*. IBM, October 23. <https://www.ibm.com/blogs/research/2018/10/ai-fragrances/>.
- McAfee, Andrew, and Erik Brynjolfsson (2017). *Machine, Platform, Crowd: Harnessing Our Digital Future*. New York: W. W. Norton.
- Polson, Nick, James Scott, and Nick Polson (2018). *AIQ: How People and Machines Are Smarter Together*. New York: St. Martin's Press.
- Shrivastava, Puja, Laxman Sahoo, and Manjusha Pandey (2018). *Architecture for the Strategy-Planning Techniques Using Big Data Analytics*. In *Smart Computing and Informatics: Smart Innovation, Systems and Technologies Vol.77*.
- Tegmark, Max (2017). *Life 3.0: Being Human in the Age of Artificial Intelligence*. New York: Alfred A. Knopf.

## CHAPTER 7

### BRANDING STRATEGIES AND CUSTOMER SERVICE STRATEGIES

**Dr A Mansurali**

*Assistant Professor (SG)*

*PSG Institute of Management*

*PSG College of Technology*

*Coimbatore, Tamil Nadu- 641004*

**M Shanmugapriyaa**

**(Corresponding Author)**

*Student – MBA*

*PSG Institute of Management*

*PSG College of Technology*

*Coimbatore, Tamil Nadu- 641004*

---

#### **ABSTRACT**

*The number of companies are increasing day by day and so does the competition among them. The companies are striving to grab the customers from their competitors. In this era of competition, establishing a brand is important to have an edge over the competitors. Branding is not merely making a brand identity like designing a good logo, tag line etc. and extends beyond it. The purpose of good branding lies in increasing the company's visibility and market share in the markets. Among the factors, the customers consider while making a purchase, customer service and customer experience with the company is occupying an irreplaceable space. It has become the need for the companies to build a strong brand to win over their competition and gain customers while also focusing on better customer service. Devising strategies to build a winning brand and providing outstanding customer service is the first step that any organization must focus while planning to acquire customers. This chapter aims at providing a holistic view of the branding strategies and the customer service strategies. This chapter also gives a thorough understanding of the best branding and customer service strategies that can be adapted by the companies and provides a detailed outline of*

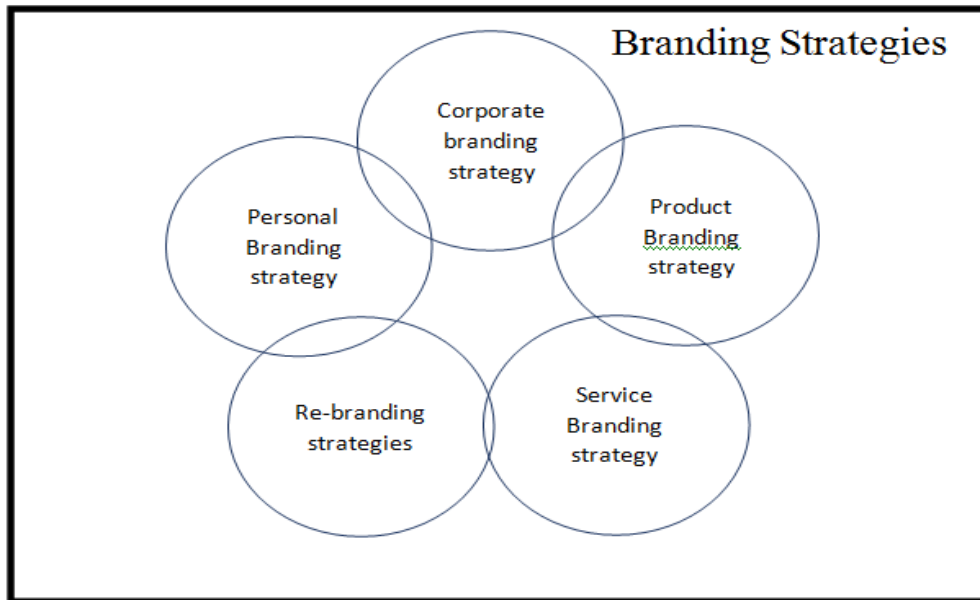
*implementing those strategies. This study will serve as a guide in improving the overall competitive position of the firms.*

**Keywords:** *Branding, customer service, strategies.*

---

## **1.0 INTRODUCTION**

In today's world, businesses are booming from every nook and corner. The advent of internet has made it simple and easy to start a business unlike in past where starting a business is more than a dream for most people. Entrepreneurship has become the buzzword for more than a decade now. As the number of businesses increases, the competition also increases gradually posing risks and challenges on profitability and gaining customers. This brings in the need for branding for the businesses. The brand is considered as the core asset of any company upon which the corporate success is ingrained. The branding is seen as the management priority and the most valuable intangible asset and it is the promise made by the company to the customer (Kevin, 2006) (John, 2018).



**Figure 1: Branding Strategies**

Branding helps in leaving a lasting impact on the customers and also creates value for the customers and frame a long-term vision for the company while also having quality product or

service. A well - known brand also ensures a reduced risk in terms of quality of the product and improved customer experience (Celinne, 2019) (Patrick, 2009). More than 50% of the businesses fail world- wide in the first 5 years after their launch, this is majorly because these startups focus on sales and leave out on the brand building part (Bram, 2018). This is again reiterated by the fact that most of the profitable companies and businesses in the world has the most recognizable brand. Apple, Microsoft, Google etc. stand as the testimonials for the importance of branding (Celinne, 2019). Establishing a brand also includes having a strong customer service strategy in place. Integration of customer service with the branding is essential for overall success of the business. The recent trends call for a customer focused branding strategy (Coffie, 2020).

## **2.0 PRODUCT BRANDING STRATEGY**

The product branding strategy helps in making the single product or a line of products of the company distinct from that of the competitor products and position themselves in a unique way in terms of the features that they provide in their products (Mitchell, 2001) (Mudambi, 2002) (Llonch Casanovas, 2012). This product branding strategy helps the customers to identify and recognize the products in an easier manner (Erika, 2020). The customers are becoming more and more informed due to the easy accessibility of internet. This has led to customers easily switching between products unless they are loyal to a particular brand. Thus, the customers loyalty in terms of the product is decreasing with decrease in the product branding efforts put by the company (Akpoviroro, 2020). This shows that there is a considerable dependency on the product branding and the customer loyalty. An investment in branding will reap the benefits for longer time in terms of increased sales and revenue. This is highly evident from the fact that larger brands spend a large portion of their profits on product branding efforts in forms of advertisements etc. Product branding also ensures sustainable growth for the firms (Parkitna & Sadowska, 2011) (Yeboah, 2016). Thus, from the studies it is clear that product branding is directly connected with the performance of the company in the market, showing the importance of product branding.

### **2.1 Personal Branding strategies**

Though personal branding does not pertain to all the businesses, but the businesses that are focused on people which are usually small business must focus on personal branding. Personal branding is also finding larger place in getting jobs, increasing credibility etc. growth of social media also has played a greater role in personal branding strategies (Erika, 2020). The



concepts like “people are their own enterprise” are popping up today (Arthur, 2017). The personal branding also increases the opportunities for the individuals in the business space. The credibility increases the trust among the clients (Hodge & Walker, 2015). The reputation management is important while adapting personal branding strategies for any kinds of business (Gorbatov, Sergey, Svetlana and Evgenia, 2018).

## **2.2 Service Branding strategy**

The statistics shows that service sector contributes about 61.2% of Global Gross Domestic Product (Global GDP) in 2018-2019. The service sector is growing rapidly as most of the industries are moving from product based to service based. The customers are moving more towards service centered (Plecher, 2020). The businesses which are earlier product based like the retail stores, super markets are also shifting towards service based and are focusing majorly on the customer service and customer satisfaction (Marilyn, 2019). According to the studies conducted, the customer satisfaction, customer attitude and buying behavior of the people while interacting with a service- based companies largely depends upon the service branding carried out by the companies (Grace & Cass, 2005). Thus, the service branding is essential for the success of the brands. The service branding includes value for money, core service, employee service, brand identity, congruence and feeling that the brand can provide its customers (Berry, 2000).

Consumer Based Service Branding is essential in today’s world of personalization. As the service sector is intangible, it is difficult to maintain the brand perception among the consumers. This requires companies to follow a brand consistency in terms of the experience they provide their consumers (Sarker, Mohd & Kamarulzaman, 2019). This brand consistency serves as a Unique selling point (USP) for the service brands as the actual customer experience is quite difficult to be replicated. Further, the good service branding depends on various factors like the alignment of the branding and the services, integration of the values of the company with the brand purpose, value proposition, brand experience and quality service (Endo, Ana, Farias and Pedro, 2019)

## **2.3 Corporate Branding strategies**

Corporate branding is often confused with product branding. In fact, corporate branding is different from product branding. Product branding essential involves framing branding strategies for a single product or a product line. However, the corporate branding involves using

the name of the company to promote the overall company, all its product lines and service lines under it. Corporate branding strategy is a broader approach (Hitesh, 2019). These corporate branding strategies usually integrates the culture of the company or organization and aligns with the brand meaning and values. Crafting a rhetorical corporate branding strategy with a solid brand vision will also help the employees resonate with the brand and generates commitment towards the brand (Yakimova, Mavondo, Freeman & Stuart, 2017).

The fortune 500 companies and other high performing companies are keen in their corporate branding strategies. Recently studies have shown that Corporate Social Responsibility efforts of the corporates are also reaping greater benefits in terms of improving the Corporate Branding. Improving the corporate branding has a direct impact on the customer loyalty (Pratihari and Uzma, 2018) (Sinha & Prakasha, 2020). Though branding is an intangible asset for a company, brand equity is considered as a measure of that intangibility. A positive brand equity is directly proportional to the good overall performance of the brand. Brand equity is an important marketing construct as it influences the customer preference in choosing over the competitors in the market. The studies have revealed that corporate branding and brand images are playing a great role in impacting the brand equity and the resulting customer choices (Sallam, 2016). Corporate Branding also helps in holding up the positive corporate image and reputation not only in the front of customers but also all the stakeholders (Lestari, Dimiyati & Shihab, 2017).

#### **2.4 Rebranding strategy**

Recently, rebranding is considered as one of the important strategies to revive a low performing brand or as a result of mergers & acquisitions or major structural changes in an organization (Balmer, Mukherjee and Greyser, 2006). According to literatures, rebranding involves three major aspects: the first type of rebranding is through making changes in the names of the brand, rebranding in terms of aesthetics of brand like the changes in brand color, logo etc. and rebranding like repositioning the brand (Muzellec, Doogan & Lambkin, 2003) (Daly & Moloney, 2005) (Stuart & Helen, 2018).

#### **2.5 Customer service strategies**

Customer service strategies are effectively used by the organizations to compete in the markets where differentiation of the products or services is not highly possible. Our markets are nearing the “perfect competition” and finding a USP that is difficult to be replicated by the

competitor is nearly impossible except for providing a unique customer service. Customer service strategy is important factor that determines the retention rate (Shane, 2018). Providing an outstanding customer service is important to gain the loyalty of the customers and customer satisfaction (Innis & Londe, 1994). This also directly influences the potential of any brands to attract the customers. When the customers are satisfied with the service, there is a huge potential to increase the market share, as most customers reach out to brands that provide a satisfactory experience (Innis & Londe, 2019) (Yelkur, 2000) (Othman, Harun and Rashid, 2019).

Thus, brands beside focusing on improving the product line and expanding their business must focus on sustaining and growing in the existing market. This is possible by having an increased attention towards customer service strategies (Thanabordeekij, Pithoon & Syers, 2020). The marketing plan must also consist of improving the customer service. most successful brands in the world have their major focus on customer service.

### **3.0 CONCLUSION**

The importance of the brands is felt greatly in the today's markets. The companies and organizations that are aiming for strategic growth and sustainable development should focus on the improvement of the brands by devising strong branding strategies. The brand alignment with the existing policies is important in reaching the heights. Even if the company is large or small, the apt branding is essential for sustaining the competitive market and winning over the customers from the competitors while also retaining the existing customers. This chapter has discussed some major branding strategies that any company can follow in order to take the company in the path of success.

Having stressed upon the importance of branding strategies, the ultimate aim of the promotions and branding strategies lies in bringing the customers, a satisfactory experience throughout their journey with the company or brand. The satisfied customers are more likely to recommend the brand's products or services to their family, friends and the crowd. So, all the marketing activities must eventually be under pinned in gaining the customers and achieving customer loyalty towards the company.

Further the studies provide actionable and proven industry insights in attaining a strong branding and customer service through implementation of strategies. Many thanks to the internet, social media and mass data availability that has paved way for even the smaller companies to

effectively implement strategies like branding in a cost-efficient manner while gaining profitability and market share.

## REFERENCES

- Akpoviro, K. S., Amos, A. O., Oladipo, A. O., & Adewale, A. G. (2020). Product Branding and Consumer Loyalty in Telecommunication Industry. *Economics and Culture*, 17(1), 94-103.
- Arthur, M. B., Khapova, S. N., & Richardson, J. (2016). *An intelligent career: Taking ownership of your work and your life*. Oxford University Press.
- Balmer, J. M., Mukherjee, A., Greyser, S. A., Jenster, P., Muzellec, L., & Lambkin, M. (2006). Corporate rebranding: destroying, transferring or creating brand equity? *European journal of marketing*
- Berry, L. L. (2000). Cultivating service brand equity. *Journal of the Academy of marketing Science*, 28(1), 128-137.
- Bram, "Why 90 of startups fail and what to do about it." *Reimagining the startup*, (2018).
- Celinne Da Costa, "Why you should build a brand not just a business." *Forbes* (2019).
- Clifton, R. (2009). *Brands and branding* (Vol. 43). John Wiley & Sons.
- Coffie, "7 Steps to starting any service-based business", *Reimagining the startup*, (2020).
- Coffie, S. (2020). Positioning strategies for branding services in an emerging economy. *Journal of Strategic Marketing*, 28(4), 321-335.
- Daly, Aidan, and Deirdre Moloney. "Managing corporate rebranding." *Irish Marketing Review* 17, no. 1/2 (2005): 30-36.
- Endo, A. C. B., de Farias, L. A., & Coelho, P. S. (2019). Service branding from the perspective of higher education administrators. *Marketing Intelligence & Planning*.
- Erika Giles, "7 types of Branding strategies and how to select one.", *Business2community*, (2020).
- Gorbatov, S., Khapova, S. N., & Lysova, E. I. (2018). Personal branding: interdisciplinary systematic review and research agenda. *Frontiers in psychology*, 9, 2238.
- Hitesh Bhasin, "What is Corporate Branding." *Branding article, Marketing91*, (2019).
- Hodge, C., & Walker, M. (2015). Personal branding: a perspective from the professional athlete-level-of-analysis. *International Journal of Sport Management and Marketing*, 16(1-2), 112-131.

- Innis, D. E., & La Londe, B. J. (1994). Customer service: the key to customer satisfaction, customer loyalty, and market share. *Journal of business Logistics*, 15(1), 1.
- Keller, K. L., & Lehmann, D. R. (2006). Brands and branding: Research findings and future priorities. *Marketing science*, 25(6), 740-759.
- Lestari, H. W. T. D., Dimiyati, D., & Shihab, M. (2017). Strategic Communications and Corporate Branding: A Study of Jebsen & Jessen Indonesia Group. *Mediator: Jurnal Komunikasi*, 10(1), 37-52.
- Llonch-Casnovas, M. (2012). Trademarks, product differentiation and competitiveness in the Catalan knitwear districts during the twentieth century. *Business History*, 54(2), 179-200.
- Michell, P., King, J., & Reast, J. (2001). Brand values related to industrial products. *Industrial marketing management*, 30(5), 415-425.
- Mudambi, S. (2002). Branding importance in business-to-business markets: Three buyer clusters. *Industrial marketing management*, 31(6), 525-533.
- Muzellec, L., Doogan, M., & Lambkin, M. (2003). Corporate rebranding-an exploratory review. *Irish Marketing Review*, 16, 31-40.
- Othman, B., Harun, A., Rashid, W., Nazeer, S., Kassim, A., & Kadhim, K. (2019). The influences of service marketing mix on customer loyalty towards Umrah travel agents: Evidence from Malaysia. *Management Science Letters*, 9(6), 865-876.
- Parkitna, A., & Sadowska, B. (2011). Factors determining the profitability of enterprises-influence assessment. *Operations research and decisions*, 21(2), 45-63.
- Plecher, H. "Share of economic sectors in the global gross domestic product from 2008 to 2018." *Satista* (2020).
- Sarker, M. M., Mohd-Any, A. A., & Kamarulzaman, Y. (2019). Conceptualising consumer-based service brand equity (CBSBE) and direct service experience in the airline sector. *Journal of Hospitality and Tourism Management*, 38, 39-48.
- Shane Baker, "4 Customer Retention Strategies You Never Tried.", *customer Retention Strategies, Medium*, (2018).
- Sinha, D., & Prakasha, M. N. (2020). A Study on Impact of Consumers Loyalty Based on Corporate Branding in Kodagu District. *Journal of Management (JOM)*, 7(2).
- Stuart, H. (2018). Corporate branding and rebranding: an institutional logics perspective. *Journal of Product & Brand Management*.

- Thanabordeekij, P., & Syers, K. (2020). The effect of marketing mix factors and brand image toward customer satisfaction and customer loyalty of liquefied petroleum gas for household use in Thailand. *Journal of ASEAN PLUS Studies*, 1(1), 35-43.
- Yakimova, R., Mavondo, F., Freeman, S., & Stuart, H. (2017). Brand champion behaviour: Its role in corporate branding. *Journal of Brand Management*, 24(6), 575-591.
- Yeboah, M. (2016). Impact of Product Branding on Sales Revenue of Listed Companies in Ghana. *International Journal of Academic Research in Business and Social Sciences*, 6(9), 112-124.
- Yelkur, R. (2000). Customer satisfaction and the services marketing mix. *Journal of professional services marketing*, 21(1), 105-115.

## CHAPTER 8

### IMPACT OF DISSIMILAR FACTORS ON CONSUMER BUYING BEHAVIOUR

**Harjyot Kaur**

*Assistant Professor*

*PG Department of Commerce & Management*

*S.D. College, Hoshiarpur, Punjab*

**Paramveer Singh**

*Assistant Professor*

*PG Department of Commerce & Management*

*S.D. College, Hoshiarpur, Punjab*

---

#### **ABSTRACT**

*Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the decision-making process of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general. The research paper is a literature review and an empirical study that contributes to a vital comprehension of the impact of dissimilar factors on consumer buying behaviours. At the end recommendations for the further research in this area will be suggested.*

*Keywords: Consumer, buying behaviour, decision making, products, marketing*

---

#### **1.0 INTRODUCTION**

Consumer behaviour studies individuals and groups when they select, purchase, use and dispose products, ideas, services or experiences. There is a huge variety of consumers from a small child asking mum to buy a new game to an international corporation executive making a huge investment deal. Consumers seek items to satisfy their basic needs and desires. Consumer

behaviour is much more than studying what consumers buy. It attempts to understand how the decision-making process goes and how it affects consumers' buying behaviour. (Solomon 2004, pp. 6-8) Marketers study consumers buying patterns to solve where they buy, what they buy and why they buy. However, why consumers buy a specific product is not easy to solve because the answer is locked deep within the consumers' mind. (Kardes et al. 2011, p. 8 and Kotler & Armstrong 2010, p. 160) Generally, consumers can be categorized to individual and organizational consumers. Individual consumers try to satisfy their own needs and wants by purchasing for themselves or satisfy the need of others by buying for them. These individual consumers can come from different backgrounds, ages and life stages. (Kardes et al. 2011, p. 8.) A consumer's buying behaviour is influenced by cultural, social, personal and psychological factors. Consumer behaviour is a part of human behaviour and by studying previous buying behaviour, marketers can estimate how consumers might behave in the future when making purchasing decisions. (Kotler&Armstrong 2010, p. 160)

## **2.0 Factors affecting consumers' buying decision**

### **2.1 Social factors**

Social factors affect consumer behaviour significantly. Every individual has someone around influencing their buying decisions. The important social factors are: reference groups, family, role and status. (Perreau, 2014) Every consumer is an individual, but still belong to a group. The group to which a consumer belongs is called a membership group. This is a direct and simple classification. The second group type is a reference group. The reference group influences the self-image of consumers and consumers' behaviour. The reference group provides some points of comparison to consumers about their behaviour, lifestyle or habits. Usually there are many smaller reference groups, which are formed by family, close friends, neighbours, work group or other people that consumers associate with. The groups to which a consumer does not belong yet can also influence. These aspirational groups are groups where a consumer aspires to belong and wants to be part in the future. (Kotler & Armstrong, 2010, p. 164 and Khan 2006, p. 58.) Family members can influence individual consumers' buying behaviour. A family forms the environment for an individual to acquire values, develop and shape personality. This environment offers the possibility to develop attitudes and opinions towards several subjects such as social relations, society and politics. A family creates first perceptions about brands or products and consumer habits. (Kotler&Armstrong 2010, p. 169; Khan 2006, p. 68.) For



example, the consumers who have created brand perceptions when they were young, can carry out these same brand selections in the adult life without even recognizing that their family influenced these selections. Individuals play many different roles in their lives. Each role consists of activities and attitudes that are expected from an individual to perform according to the persons around him. (Kotler & Armstrong 2010 p. 170) Social status reflects the position that individuals have in social groups based on such things as money and wealth, education or occupation. In many societies status is important and people want the admiration of others. Social status can be acquired by being successful in life or being born into money. Product and brand selection often reflect the social role and status. (Wright 200, p. 360.)

## **2.2 Personal factors**

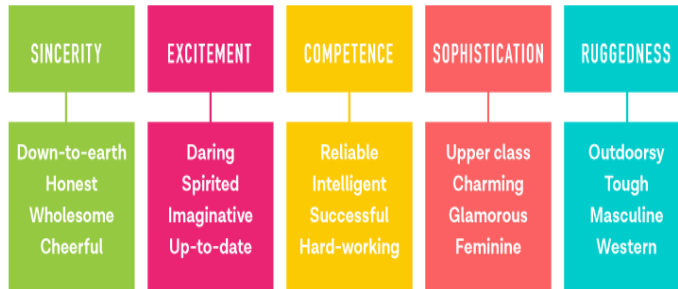
An individual's decisions are influenced by personal factors such as a buyer's age and life cycle state, occupation, economic situation, lifestyle, and personality and self-concept. Consumers' change during their life and buying of products alter depending on age and stage of life. Age related factors are such as taste in food, clothing, recreation and furniture. Moreover, environment, values, lifestyle, hobbies and consumer habits evolve during lifetime. Family life stages change purchasing behaviour and brand selection. Traditionally a family life cycle included only young singles and married couples with children. Nowadays marketers are focusing on alternative, non-traditional stages such as unmarried couples, childless couples, same sex couples, single parents and singles marrying later in life. (Kotler & Armstrong 2010, p. 170) It can be assumed that consumers' taste can change during lifetime and has influence on coffee brand selection in different stages of life. A consumer's occupation and purchasing power influence purchasing decisions and buying behaviour. The income level affects what consumers can afford and the perspective towards money. People, who share similar occupations, tend to have similar taste in music, clothing and leisure activities. They usually socialize with each other, and share the same kind of values and ideas. Income level effects on what consumer can afford and perspective towards money. (Solomon 2004, p. 12.) Individuals from lower income groups are probably more interested in buying products that are necessary for survival than spending on luxury brands or designer clothes. Consumers' life style tells how the person lives and spends money. It is combined from earlier experiences, current situation and congenital characteristics. The product choices that consumers make are related to their lifestyle. An

individual's lifestyle consists of different life style dimensions. (Khan 2006, p. 18.) These dimensions are:

- i. Activities describe how consumers spends their time, e.g. work, hobbies or vacations.
- ii. Interests are consumers' preferences and priorities e.g. family, home or food.
- iii. Opinions tell how consumers feel about different issues, e.g. themselves, politics or products. (Plummer 1974, p. 34.)

These life style dimensions express a person's pattern of living. Lifestyle will influence consumers' buying behaviour and decisions. (Kotler & Armstrong 2010, p. 170.) Personality distinguishes one person from another by individual traits. These personal traits can be self-confidence, adaptability, sociability and dominance. (Kotler & Armstrong 2010, p. 172) Personality determines how we see ourselves and the world around us as well as how other people see us. Attitudes, values and people around us shape our personality. Personality alters during life when a person grows up and changes surroundings. (Wright 2006, p. 296) Self-concept is a multi-dimensional and complex term. Kardes et al. (2011) describes the self-concept as follows "Self-concept is often described as the totality of an individual's thoughts and feelings regarding him/herself as an object." In another words, it is the image that people hold about their selves formed by attitudes and beliefs. Many brands have developed an image and personality that correspond with consumers' values and traits. It allows consumers to express themselves through brand choices. (Kardes et al. 2011, p. 230.) There are five dimensions of brand personality: sincerity, excitement, competence, sophistication and ruggedness. Each of these dimensions includes different factors that relate to human personality dimensions, as shown in Figure 1. In first dimension sincerity brings amiability of the brand by reflecting honesty and down-to-earth values. Excitement offers consumers up-to-date information and a spirited alternative like technology brand Apple. When using Mac computers, consumers can feel themselves young and laid back. While a brand that stands for competence offers responsibility and security to consumers. Sophistication affects upper class consumers by charming with luxury, e.g. designer products such as Gucci or Rolex. The fifth dimension is ruggedness that attracts consumers opposite of sophistication. Ruggedness represents brands that are seen as tough, strong and outdoorsy. (Kotler & Armstrong 2010, p. 172; Kardes et al. 2011, p. 243; Arpan 2011).

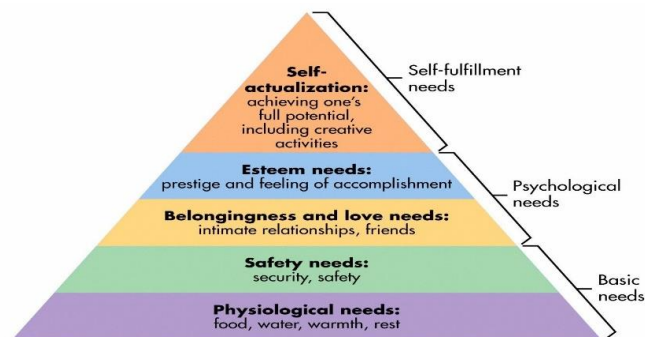
# BRAND PERSONALITY FRAMEWORK



**Figure 1: A brand personality framework (Arpan 2011)**

## 2.3 Psychological factors

A buyer's choices are also influenced by four psychological factors, i.e. motivation, perception, learning, and beliefs and attitudes. A consumer is an individual who has different kind of needs. These needs can be biological like thirst or psychological arising from the need of recognition or belonging. A need can be aroused to a sufficient level of intensity when it alters a motive. A motive is basically a need that drives a person to seek satisfaction. Abraham Maslow is probably the most know psychologist who has examined these human needs. He sought to explain why humans are driven by different needs at different times. (Kotler & Armstrong 2010, p. 173)



**Figure 2: Maslow's Hierarchy of Needs**

Figure 2 shows Maslow's hierarchy of needs from the most pressing at the bottom and the least pressing at the top. The basic rule is to satisfy first the basic need before proceeding up the ladder. When that need has been fulfilled, it stops being a motivator and a person focuses on

the next most important need. Maslow's needs are: 1. Physiological: basic need such as sleep, food or water. 2. Safety: need to feel secured and protected. 3. Belongingness: need to feel loved and be accepted by others. 4. Ego needs: to accomplish something and have status among others. 5. Self-actualization: to have enriching experiences and feel self-fulfilment. (Solomon 2004, p. 122)

A person acts according to his or her perception of the situation. Each person receives thousands of sensory stimuli like light, colour, sound, smell, taste and texture per day. Perception is the process through which these sensations are selected, organized and interpreted to form a meaningful picture of the world. People have a possibility to form different perceptions of the same stimuli due to three perceptual processes: selective attention, selective distortion and selective retention. At the selective attention process an individual focuses only on a few stimuli that he is exposed to. Consumers might neglect many stimuli in the environment and only focus on those related to their current need. For example, a consumer who desires to have a new car will pay more attention to different car ads while neglecting ads about houses. Selective distortion describes how people will interpret information in the way that it supports what they already believe. Every individual has different perception based on own experience, beliefs and attitudes. Selective distortion leads people to situations that are compatible with their beliefs and values. For example, for brands, the message that brands communicate will never be the same among different consumers. When people are exposed to a huge amount of information and stimuli, they are not able to retain all of it. Selective retention means what 12 people will retain from particular stimuli or situation. This can be seen when consumers remember good points about a brand, they favour and forget everything good about a rival brand. (Kotler & Armstrong 2010, p. 174) When people are motivated, they are ready to act. Learning comes from action. Learning illustrates changes in a person's behaviour that emerge from experience. People can also learn by observing others without having their own personal experience. Learning can happen even unconsciously. Consumers can hum many jingles and recognize several brands even without using those themselves. This is known as incidental learning. People can learn all the time. Consumers' knowledge of the world changes constantly as they are exposed to new stimuli and situations. They can receive feedback that allows them to alter behaviour when finding themselves in the same kind of situation than before. (Kotler & Armstrong 2010, p. 175 and Solomon 2004, p. 83) The consumer who has negative experience with a coffee is more

likely to avoid that brand in the future because he remembers the previous experience with that. Through learning and experiencing, consumers acquire beliefs and attitudes. A belief is a vision that consumer has on something. It can be based on real knowledge, faith or opinion. External influence like family or neighbours combined with learning produces beliefs that will influence consumers' buying behaviour. Different kind of people has different attitudes concerning religion, politics, food, music and many more. The attitude describes consumers' feelings or evaluations toward an object or idea. Both beliefs and attitudes are hard to change. Those are anchored deep in consumers mind and can be part of a person's personality. (Kotler & Armstrong 2010, p. 175).

## **2.4 Brand**

A brand is a name, design, symbol or other feature that distinguishes one product from another. It is more than just a tangible product or service because it can be packed with the consumer's feelings and perception towards the product. It is a promise to the customer. (Kotler & Armstrong 2010, p. 260) An 18 great brand can be something the consumer can trust and hang on with when the world around changes. It can reflect you as a person or what you want to be. A brand should provide values, personalities, stories, benefits and slogans for consumers. (Mallik 2009, p. 4) A product can have a strong brand image that corresponds with consumers' personality. Consumers can express themselves through brand choices or give image of an ideal self. A brand image is consumers' perception towards the product and set of beliefs concerning the brand. Marketers can strengthen these brand images by advertising, promotions and packaging. (Wright 2006, p. 431) When consumers are buying a product, they are also buying a brand image. The image should be positive and unique. This brand image can be combined with brand personality. The brand can have personality that corresponds to a set of human traits (Aaker 1997, p. 347). These brand personality dimensions were discussed earlier in more detail in the chapter concerning the personal factors of consumer behaviour. Decisions concerning branding require a lot of time from marketers. They need to position their brands in a way that they reach consumers' mind. In order to succeed in that, marketers can use three levels of positioning. At the lowest level, a brand can be positioned by product attributes. For example, in coffee brands can have attributes such as an environmentally friendly package or dark roast. Universally positioning by attributes works, but competitors can copy these attributes easily and the gained benefit with these attributes is lost. Fortunately, consumers are not so interested in

attributes but in what these attributes can do for them. A better way to position a brand is to join its name with desirable benefits, e.g. car brand Volvo represents safety, Nike is known from its performance and Maserati with quality. Consumers can associate a brand name and its benefits in their mind without even having seen any tangible products. Highest level of brand positioning goes beyond attributes and benefits. It concerns strong beliefs and values. Brands are appealing to a consumer's emotional state by creating excitement and passion around the brand. (Kotler & Armstrong 2010, pp. 262-263) 19 consumers can engage in brand switching for many reasons. It can be a lack of interest in a current product or simply the interest to try a new brand. When consumers want to try new things, they get involved in variety seeking. This happens especially when there is less stimulation in the environment or people are in a good mood. (Solomon 2004, p. 300) Another reason for brand switching can be better price, better quality, better selection or better features. If consumers switch the brand due to a lower price and the product does not deliver its promise, it will not keep consumer long. (Perreau 2014) Nonetheless, people tend to buy same brand every time they go to store. As mentioned earlier, consumers can buy a specific brand out of habit, because the decision can be made with little or no effort. In these situations, another product can be bought also easily, for example if the original product is out of stock. Consumers just need the right incentive to change the brand without consideration. On the other hand, the consumer can also be brand loyal and buy the same brand every time when the experience with the same brand has been positive and the consumer has made a conscious decision to buy that brand. Over time this purchase decision that has been based on brand loyalty, will chance to habitual buying. (Solomon 2004, pp. 318-319)

### **3.0 CONCLUSION**

In this research paper, a literature review in the field of consumer decision-making process was presented, and the papers were discussed for a deeper understanding of state of the art. For a long time, it was a "black box" for marketer what happening in a stage between information search and post purchase behaviour in buying process. Till now there is no one right answer, but it is possible to follow the tendencies and shed light on some processes

The aim of this study was to examine how social, personal and psychological factors have effect on consumer behaviour when selecting a product, and gain knowledge of the decision-making process. The empirical research focused on finding these social, personal and psychological factors behind consumer behaviour and the effect of those in the decision-making

process. Results of the empirical study indicated that there was a relationship between social, personal and psychological factors and the decision-making process in product selection, but it was not credible. It can be said that these factors have effect when consumers are making decisions concerning purchasing. The result shows that family, friends and neighbours are the most important factors that effect on decision making when selecting a brand. In addition, consumers can also base their selection on beliefs and attitudes of psychological factor. The research showed that consumers are using different steps of the decision-making process during purchasing. However, there was indication that consumers make often impulse decisions when the steps of the decision-making process are discarded. The results of the study give the general view that social, personal and psychological factors have some effect. For future studies concerning this topic, it is recommended to have a larger sample and to create smaller groups when analysing data. Regarding methodology gaps in reviewed articles, it was noticed that there should be more sample in the research because nowadays people demand more and more for personalization and it will help to find out common characteristics and interrelations. Also, the key topic now is a difference between generations. How they react on marketing campaigns. As in this century, at least two generations are presented marketers have a complex task to please needs and wants both of them using different approaches. Less research was done in the sense of the difference in consumer goods. More often scholars talk only about durable and nondurable products. But there is a difference inside these groups of products. Furthermore, less attention pays to services (not products).

Researchers are also beginning to understand the role of controlling the information flow about consumers' decisions, as increased control leads to increased performance. These new insights promise to be particularly important in the new online environments, where controlling the information flow can particularly influence the quality of consumers' decisions, memory, knowledge, and confidence. Research on information structure (the amount of information in a choice set) is also relevant in the new electronic marketplaces, where consumers are regularly faced with information overload when making decisions. One more interesting direction of future research would be to investigate how the shopping momentum effect is moderated by the nature of the driver item. As a product that considered as "guilty pleasure" (e.g., sweets, cigarettes, alcohol, etc.) would be less cause momentum purchases as standard basket goods, as it is expected.

## REFERENCES

- Vijayalakshmi, S., & Mahalakshmi, V. (2013). An impact of consumer buying behaviour in decision making process in purchase of electronic home appliances in Chennai (India): an empirical study. *Elixir Marketing Management*, 59(1), 15267-15273.
- Aaker, J. 1997. Dimensions of brand personality. *Journal of Marketing Research*. Volume 34. American Marketing Association.
- Arpan, K. 2011. Business Fundas. Brand personality dimentisons. <http://business-fundas.com/2011/brand-personality-dimensions/> Accessed on 3 January 2015
- Kardes, F. Cline, T. Cronley, M. 2011. *Consumer behaviour: Science and Practice*. South-Western Cengage Learning.
- Khan, M. 2006. *Consumer Behaviour and Advertising Management*. New Age International.
- Kothari, C.R. 2004. *Research Methodology: Methods and Techniques*. New Age International.
- Kotler, P. & Armstrong, G. 2009. *Principles of Marketing*. Pearson Education. Thirteenth Edition. New Jersey.
- KvantiMotv. Kvantitatiivistenmenetelmientietovarasto 2003. Otsijaotantamenetelmät. <http://www.fsd.uta.fi/menetelmaopetus/otos/otantamenetelmat.html>
- Mallik, S. 2009. *Brand management*. Book Enclave.
- Perreau, F. 2014. *The Consumer Factor. The Consumer Buying Decision Process*. <http://theconsumerfactor.com/en/5-stages-consumer-buying-decisionprocess/> ccessed on 29 December 2014.
- Plummer, J. 1974. The Concept and Application of Life Style Segmentation. *Journal of Marketing*. Volume 38. American Marketing Association.
- Riley, J. 2012. Buyer behaviour - The decision-making process. [http://tutor2u.net/business/marketing/buying\\_decision\\_process.asp](http://tutor2u.net/business/marketing/buying_decision_process.asp)
- Shuttleworth, M. 2008. *Explorable Psychology Experiments. Validity and Reliability*. <https://explorable.com/validity-and-reliability>
- Solomon, M. 2004. *Consumer behaviour*. Sixth edition. Prentice Hall.



## CHAPTER 9

### CONSUMER PERCEPTION TOWARDS ONLINE SHOPPING: A STUDY OF APPAREL WEBSITES

**Kirandeep Kaur**

*Assistant Professor*

*Department of Commerce*

*Guru Gobind Singh Khalsa College for Women*

*Jharsahib, Ludhiana, Punjab, India*

**Sourav Chhibber**

*Commerce Lecturer*

*St.Mother Teresa Public Senior Secondary School*

*Khanna, Punjab*

---

#### 1.0 INTRODUCTION

Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers.

Online shopping is commonly known as internet shopping or e-shopping. Nowadays, the consumers have become more shopping conscious and surf the internet on a daily basis and buy products even across the globe. Development in technology and an increase in the usage of internet in recent times have led to a drastic, increase in the practice of online shopping. At present, online shopping is becoming a well-accepted way to purchase a wide range of products and services. Internet shopping is becoming extremely popular because online shoppers have an option of shopping at any time of the day sitting at their home or offices.

Shopping websites provide various kinds of discounts on the original price of the product. It offers gift coupons, vouchers and promotional offers which attracts the consumer to buy products in discounted price.

The greatest feature of online shopping is that the websites are open 24 hours a day and consumers are free to shop at their convenience. Most of the items available for online shopping are on huge discount and low prices along with free shipping on the maximum range of products.

Much of the early research on Internet shopping described the consumer characteristics most likely associated with web-based commerce. These characteristics included demographics, motivations, personal characteristics and attitudes. In general, the comparative impact of age on online shopping has been studied less frequently than motivational and attitudinal factors.

**Bellman et al., (1999)** concluded that demographic variables such as income, education and age have only a modest impact on the decision to purchase online. The online shopping websites and number of consumers shopping online have increased aggressive in the past few years. It is important to study consumers' behavior towards online shopping as it clearly reflects their intentions. It helps in emerging better marketing strategies to convert off-line buyers into online shoppers. It gives an idea about the kind of products that a consumer is interested in buying and the environments under which they prefer buying online.

## **2.0 CONSUMER BEHAVIOR TOWARDS ONLINE SHOPPING**

Consumer behavior can be described as the obvious behavior of consumers at the time of search of a product, during the process of making a purchase and the behavior after having made the purchase. In other words, the consumer behavior can be defined as the actions people carry out when they want to purchase and use the bought products or services. Consumer behavior is the attitude shown by the consumers while shopping online. Consumer behavior includes various practices, for example, how people usually buy, what things they prefer buying, when or at what time are they comfortable buying, why they buy the products or how they decide on the products that they buy.

Consumer qualities play an important role in online shopping. Most important factors that influence online buying are attitude, motivation, trust, risk, demographics, website etc. The attitude of consumers is based on the services provided by the e-retailers in terms of quality of products, customized delivery options, wide range of payment options including cash on delivery and after sales services offered by the website.

The factors like ease of use, website design and trust built in the websites make the consumers shop online often. The various factors determining buying intention are trust, which is being built in the website, website features, payment methods and convenience to shop etc.

Consumers' behavior towards online shopping and purchase intention for shopping online depends predominantly on the perceived risk and the perceived apparel quality associated with the online purchase. These relationships are controlled and driven by factors, such as "consumer traits, situational factors, product characteristics and previous online shopping experiences". Consumer attitude towards online shopping is a prominent factor affecting actual buying behavior.

According to **Li & Zhang's (2002)**, "there are ten factors that have an impact on online consumer behavior. These ten factors were categorized into five independent variables i.e. external environment, demographics, personal characteristics, vendor/service/product characteristics, and web site quality and five dependent variables that are attitude towards online shopping, intention to shop online, decision making, online purchasing and consumer satisfaction".

Consumer attributes play an important role in online shopping. Most important factors that influence online buying are attitude, motivation, trust, risk, demographics, website etc. The attitude of consumers is based on the services provided by the e-retailers in terms of quality of products, customized delivery options, wide range of payment options including cash on delivery and after sales services offered by the website.

Consumers' behavior towards online shopping and purchase intention for shopping online depends predominantly on the perceived risk and the perceived apparel quality associated with the online purchase. These relationships are controlled and driven by factors, such as "consumer traits, situational factors, product characteristics and previous online shopping experiences". Consumer attitude towards online shopping is a prominent factor affecting actual buying behavior.

According to **Burke (2002)** "four relevant demographic factors: age, gender, education, and income have a significant moderating effect on consumers' attitude toward online shopping". **Childers et al., (2001)** found "enjoyment to be a consistent and strong predictor of attitude toward online shopping. The consumers who enjoy their online shopping experience,

have a more positive attitude towards online shopping, and are more likely to adopt the Internet as a shopping medium”.

**Vijayarathy & Jones (2000)** reported that, “Internet shopping convenience, lifestyle compatibility and fun positively influence attitude towards internet shopping and intention to shop online”. The factors like ease of use, website design and trust built in the websites make the consumers shop online frequently. The various factors determining buying intention are trust, which is being built in the website, website features, payment methods and convenience to shop etc.

### **3.0 RESEARCH METHODOLOGY**

#### **3.1 Rationale for the study**

Online shopping is very popular nowadays. Consumers are attracted towards online shopping due to its convenience. It is important to assess consumer behavior while shopping online as the behavior of consumers changes with time.

The level of consumer satisfaction towards website trust, website design and perceived apparel quality was also identified. Present study will be beneficial to both consumers and e-retailers. As a result, retailers will be able to identify the needs of the consumers and will work towards the problems faced by consumers thereby improving their marketing strategies and website design.

#### **3.2 Objectives of the study**

- i.** To study the frequency of consumer towards online shopping.
- ii.** To study the consumer perception towards online shopping with reference to Apparel Websites.

#### **3.3 Research design**

Research design refers to the overall strategy that you choose to integrate the different components of the study in a logical way. The research used below is Descriptive and Exploratory research in which a survey would be done with a proper detailed questionnaire.

#### **3.4 Sample plan**

##### **3.4.1 Target Population**

Target population refers to the entire group of individuals or objects to which researchers are interested in generalizing the conclusions. So the target population in this study is Ludhiana’s resident of different age groups.

### **3.4.2 Sampling Techniques**

Convenient Sampling will be used further in the study. Convenient Sampling is a no probability technique where subjects are selected because of their convenient accessibility and proximity to the researchers and are easiest to recruit for the study.

### **3.4.3 Sample Size**

Sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample. The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample. The sample for the study is 206.

### **3.4.4 Research Instrument**

Research instrument is the generic term that researchers use for a measurement device. The research instrument used is Questionnaire. A detailed Questionnaire will be used as the Research instrument. Scales were constructed to measure with 22 items. A five point Likert Scale has been used to get the responses which included options like: 5- Strongly agree, 4- Agree, 3- Neutral, 2- Disagree, 1- Strongly disagree.

### **3.5 Need and Scope of the Study**

Online shopping is very popular nowadays. Consumers are attracted towards online shopping due to its convenience. It is important to assess consumer behavior while shopping online as the behavior of consumers changes with time. The level of consumer satisfaction towards website trust, website design and perceived apparel quality was also identified. Present study will be beneficial to both consumers and retailers. As a result, retailers will be able to identify the needs of the consumers and will work towards the problems faced by consumers thereby improving their marketing strategies and website design.

The guidelines will help enhance the knowledge and awareness of consumers when shopping online. With the help of this study, retailers will be able to access the behavior of consumers when they shop online. As a result, retailers will be able to identify the needs of the consumers and will work towards the problems faced by consumers thereby improving their marketing strategies and website design.

## **4.0 ANALYSIS AND INTERPRETATION**

Online shopping has become extremely popular over the last decade. Sample planned. E-commerce is consistently taking up a larger proportion of consumer time and spending. There

are several driving factors for consumers to shop online with low price, convenience in shopping and wide range of available products being the primary. A large number of studies have been conducted by various research scholars nationally to explore the factors that may affect online buying perception and behavior of consumers.

This project was an attempt to study people perception towards online shopping. The study was conducted by drawing sample of 200 among e-shoppers. Variables were considered and offered to respondents in the form of questionnaire. The collection of data was analyzed and interpreted using different charts and tables.

**4.1 The major findings of the study are discussed below**

Under this section an attempt has been made to compile personal attributes of the respondents such as gender, age, marital status, education level, occupation, monthly income and marital Status.

**4.1.1 Distribution of online respondents on the basis of Gender (N=200)**

**Interpretation:** Table 1 shows that 53.4% of customers are male and 46.6% of the respondents are female.

**Table 1: Gender**

<b>Gender</b>	<b>N</b>	<b>%</b>
Male	110	53.4
Female	96	46.6
Total	206	100

*Source: Primary Data*

**4.1.2 Distribution of online respondents on the basis of Age?**

**Interpretation:** Table 2 shows that 86.4% of the respondents fall under the age group of less than 30, and 9.7% of the respondents under the age group of 30-40, and 2.7% are the age group of 40-50 and last 1.2 % respondents are above 50 years age group.

**Table 2: Age**

<b>Age</b>	<b>%</b>
Less than 30	86.4
30-40	9.7
40-50	2.7
Above 50	1.2

*Source: Primary Data*

#### 4.1.3 Distribution of online respondents on the basis of Marital Status

**Interpretation:** Table 3 shows that 85.4% of the respondents are single, and 14.1% are married, and 0.5 are others

**Table 3: Marital Status**

Marital Status	%
Single	85.4
Married	14.1
Others	0.5

*Source: Primary Data*

#### 4.1.4 Distribution of online respondents on the basis of Education level

**Interpretation:** Table 4 shows that 0.9% of respondents are up to 10<sup>th</sup>, and 11.7% are up to 12<sup>th</sup> and 27.2% of respondents are Under Graduation, and 60.2% are the Post-Graduation respondents.

**Table 4: Education Level**

Education Level	%
Up to 10	0.9
Up to 12	11.7
UG	27.2
PG	60.2

*Source: Primary Data*

#### 4.1.5 Distribution of online respondents on the basis of Occupation

**Interpretation:** Table 5 show that 0.5% of respondents are retired, and 15% of respondents are employees, and 78.2% of respondents are students, and 6.3% are businessman.

**Table 5: Occupation**

Occupation	%
Retired	0.5
Employee	15
Student	78.2
Businessman	6.3

*Source: Primary Data*

#### 4.1.6 Distribution of online respondents on the basis of Family Monthly Income

**Interpretation:** Table 6 shows that 14.1% of respondents are less than 20,000 of monthly income, and 20.9% of respondents are 20,000-40,000 of monthly income, and 40.8% of respondents are 40,000-60,000 of monthly income, and 24.3% of respondents are more than 60,000 monthly income.

**Table 6: Family Monthly Income**

<b>Family Monthly Income</b>	<b>%</b>
Less Than 20,000	15.80
20,000-40,000	35
40,000-60,000	47.90
More than 60,000	1.30

*Source: Primary Data*

**4.1.7 Distribution of respondents on the basis of how frequently do you shop online?**

**Interpretation:** Table 7 shows that 22.8% of respondents are shop online are once a week, and 20.4% are more than one week, and 40.3% of respondents are shop online are once a month, and 16.5% are more than once a week shop online.

**Table 7: How to frequently do you shop online?**

Once a week	22.8%
More than one week	20.4%
Once a month	40.3%
More than once a week	16.5%

*Source: Primary Data*

**4.1.8 Distribution of online respondents on the basis of shopping online is easy for you?**

**Interpretation:** Table 8 shows that 65% of respondents are shows shopping online is easy, and 30.1% are shows No, and 4.9% of respondents are shows may be.

**Table 8: Shopping online is easy for you**

Yes	65%
No	30.1%
May be	4.9%

*Source: Primary Data*

**4.1.9 Distribution of online respondents on the basis of shopping online is clear and understandable?**

**Interpretation:** Table 9 shows that mostly 65.5% of respondents are agree with this statement, and 23.8% of respondents are strongly agree of this statement.

**Table 9: Shopping online is clear and understandable**

Strongly disagree	1.5%
Disagree	1.4%
Neutral	7.8%
Agree	65.5%
Strongly agree	23.8%

*Source: Primary Data*



#### 4.1.10 Distribution of online respondents on the basis of I am capable of shopping online?

**Interpretation:** Table 10 shows that 46.6% of respondents are agree & capable of shopping online and 44.7% of respondents are strongly agree of this statement.

**Table 10: I am capable of shopping online**

Strongly disagree	0.6%
Disagree	1.4%
Neutral	6.7%
Agree	46.6%
Strongly agree	44.7%

*Source: Primary Data*

#### 4.1.11 Distribution of online respondents on the basis of shopping online is a safe way to shop?

**Interpretation:** Table 11 shows that 50% of respondents are agreeing to shop online is a safe way to shop, and 34% peoples are strongly agreed of this statement.

**Table 11: Shopping online is a safe way to shop**

Strongly disagree	0.8%
Disagree	4.5%
Neutral	10.7%
Agree	50%
Strongly agree	34%

*Source: Primary Data*

#### 4.1.12 Distribution of online respondents on the basis of online retailers are trustworthy?

**Interpretation:** Table 12 shows that 38.8% of respondents are shows neutral, and 25.2% are agree of this statement, and 17% of respondents are shows disagree of this statement, and 11.7% of respondents shows that is retailers are trustworthy, and 7.3% are shows that strongly disagree of this statement.

**Table 12: Online retailers are trustworthy**

Strongly disagree	7.3%
Disagree	17%
Neutral	38.8%
Agree	25.2%
Strongly agree	11.7%

*Source: Primary Data*

#### 4.1.13 Distribution of online respondents on the basis of shopping online is very risky?

**Interpretation:** Table 13 shows that 27.7% of respondents are totally disagree of this statement, and 26.2% of respondents are agree of shopping online is very risky, and 13.1% are strongly agree of this statement, and 10.7% are strongly disagree.

**Table 13: Shopping online is very risky**

Strongly disagree	10.7%
Disagree	27.7%
Neutral	22.3%
Agree	26.2%
Strongly agree	13.1%

*Source: Primary Data*

#### 4.1.14 Distribution of online respondents on the basis of I don't trust the internet service providers to give personal details online?

**Interpretation:** Table 14 shows that 57.8% of respondents are agree of this statement, and 32% of respondents are strongly agreed of this statement.

**Table 14: I don't trust the internet service providers to give personal details online**

Strongly disagree	0.4%
Disagree	3.5%
Neutral	6.3%
Agree	57.8%
Strongly agree	32%

*Source: Primary Data*

#### 4.1.15 Distribution of online respondents on the basis of online shopping makes me feel proud

**Interpretation:** Table 15 explaining the distribution of online respondents on the basis of online shopping makes me feel proud. Table shows that 46.1% of respondents are agree to shopping online makes feel proud, and 39.8% of respondents are strongly agree to shopping online makes feel proud.

**Table 15: Online shopping makes me feel proud**

Strongly disagree	2.1%
Disagree	4.7%
Neutral	7.3%
Agree	46.1%
Strongly agree	39.8%

*Source: Primary Data*

#### 4.1.16 Distribution of online respondents on the basis of shopping online improves my shopping confidence?

**Table 16: Shopping online improves my shopping confidence**

Strongly disagree	0.9%
Disagree	5.1%
Neutral	4.2%
Agree	59.2%
Strongly agree	30.6%

*Source: Primary Data*

**Interpretation:** Table 16 shows that 59.2% of respondents are agree to shopping online improves confidence, and 30.6% of respondents are strongly agree to this statement.

#### 4.1.17 Distribution of online respondents on the basis of shopping online gives me control over what I buy

**Interpretation:** Table 18 explaining distribution of online respondents on the basis of shopping online gives control over what they buy. Table 17 shows that 53.4% of respondents are agree to this statement, and 33.5% of respondents are strongly agree to this statement

**Table 17: Shopping online gives me control over what I buy**

Strongly disagree	0.4%
Disagree	2.5%
Neutral	10.2%
Agree	53.4%
Strongly agree	33.5%

*Source: Primary Data*

#### 4.1.18 Distribution of online respondents on the basis of shopping online fits with status

**Interpretation:** Table 18 explaining distribution of online respondents on the basis of shopping online fits with status. Table 18 shows that 52.4% of respondents are agree to shopping online fits well with status, and 35% of respondents are strongly agree to this statement, and 10.7% of respondents are neutral to this statement.

**Table 18: Shopping online fits with my status**

Strongly disagree	0.9%
Disagree	1%
Neutral	10.7%
Agree	52.4%
Strongly agree	35%

*Source: Primary Data*

**4.1.19 Distribution of online respondents on the basis of shopping online enables me to shop very quickly?**

**Table 19: Shopping online enables me to shop very quickly**

Strongly disagree	0.7%
Disagree	2.1%
Neutral	7.3%
Agree	51.1%
Strongly agree	38.8%

*Source: Primary Data*

**Interpretation:** Table 19 shows that 51.5% of respondents are agree to shopping online enable to shop very quickly, and 38.7% of respondents are strongly agree to this statement.

**4.1.20 Distribution of online respondents on the basis of shopping online is compatible with my lifestyle**

**Interpretation:** Table 20 shows that 57.8% of respondents are agree to shopping online is compatible with lifestyle, and 34% of respondents are strongly agree to this statement.

**Table 20: Shopping online is compatible with my lifestyle**

Strongly disagree	0.6%
Disagree	1.3%
Neutral	6.3%
Agree	57.8%
Strongly agree	34%

*Source: Primary Data*

**4.1.21 Distribution of online respondents on the basis of shopping online allows me to get a better price**

**Interpretation:** Table 21 explaining distribution of online respondents on the basis of shopping online allows me to get a better price. Table shows that 56.8% of respondents are agree to shop online allows getting a better price, and 35.4% of respondents are strongly agreed to this statement.

**Table 21: Shopping online allows me to get a better price**

Strongly disagree	0.7%
Disagree	2.2%
Neutral	4.9%
Agree	56.8%
Strongly agree	35.4%

*Source: Primary Data*

#### 4.1.22 Distribution of online respondents on the basis of shopping online enables me to view variety of other items before buying?

**Interpretation:** Table 22 shows that 65.5% of respondents are agree to this statement, and 27.75 of respondents are strongly agreed to this statement.

**Table 22: Shopping online enables me to view variety of others items before buying**

Strongly disagree	0.4%
Disagree	1.2%
Neutral	5.2%
Agree	65.5%
Strongly agree	27.7%

*Source: Primary Data*

## 5.0 FINDINGS

Based upon the previous chapter i.e. Chapter 4, the major findings of the study had been summarized in the present chapter. In the initial stage the major findings as emerged from the responses of the respondents, have been summarized. As a resultant of the major findings, the suggestions have been explained thereafter. The findings are explained in this section according to the objectives of our project. The findings and suggestions are based on the analysis and interpretation.

### 5.1 The major findings of the study are discussed below:

- i. **Table 1:** Presents the demographic profile of sampled population. It can be seen from Table 1 that male respondents participated in survey (53 %) as female (47%) respondents.
- ii. **Table 2:** Sample population formed the majority (86%) in the age group of less than 30 years and 30-40 years is (9.7%), followed by 40-50 years (2.7%). Furthermore, respondents falling in the age category of above 50 are just (1.2%).
- iii. **Table 3:** Marital status of the sample respondents from Table 3 that almost 85% respondents are married and 14% are unmarried.
- iv. **Table 4:** As far as education level is concerned, (60%) of the respondents are post graduates, the next largest category comprised of those respondents who are graduates (14%).
- v. **Table 5:** As far as respondents occupation is concerned, then Table 5 explains that major portion of the respondents come from students (82%), employees (16%), businessman (6%), and retired (1%).

- vi. **Table 6:** As per income categorization, Table 6 shows that (48%) respondents are falling in the income category of Rs.40, 000-60,000 followed by (35%) who belongs to income category of Rs. 20000-40,000 Though just (16%) are falling in the income category of less than Rs. 20,000 yet (1%) are falling in the income category of more than Rs.60, 000 income group.
- vii. **Table 7:** As per the Table shows that (22.8%) of respondents are shop online are once a week, and (20.4%) are more than one week, and majority of (40.3%) respondents are frequently shop online are once a month, and (16.5%) are more than once a week shop online.
- viii. **Table 8:** As per the Table shows that majority of respondents (65%) are shows Yes are shopping online is easy, and (30.1%) are shows No, and (4.9%) of respondents are shows may be.
- ix. **Table 9:** As per the Table shows that mostly (65.5%) of respondents are agree with shopping online is clear and understandable, and (23.8%) of respondents are strongly agree of this statement.
- x. **Table 10:** As per the Table shows that respondents are similar to capable of shopping online (46.6%) of respondents are agree & and (44.7%) of respondents are strongly agree of this statement.
- xi. **Table 11:** As per the Table shows that the majority of respondents (50%) are agree to shopping online is a safe way to shop, and (34%) peoples are strongly agree of this statement.
- xii. **Table 12:** As per the Table shows that (38.8%) of respondents are shows neutral, and (25.2%) are agree of this statement, and (17%) of respondents are shows disagree of this statement, and
- xiii. (11.7%) of respondents shows that is retailers are trustworthy, and (7.3%) are shows that strongly disagree of this statement.
- xiv. **Table 13:** As per the Table shows that (27.7%) of respondents are totally disagree of this statement, and (26.2%) of respondents are agree of shopping online is very risky, and (13.1%) are strongly agree of this statement, and (10.7%) are strongly disagree.

- xv. **Table 14:** As per the Table shows that the majority of respondents (57.8%) are agree to don't trust internet services provides to give personal details online, and (32%) of respondents are strongly agree of this statement.
- xvi. **Table 15:** As per the Table shows that (46.1%) of respondents are agree to shopping online makes feel proud, and (39.8%) of respondents are strongly agree to shopping online makes feel proud.
- xvii. **Table 16:** As per the Table shows that majority of respondents (59.2%) are agree to shopping online improves confidence, and (30.6%) of respondents are strongly agree to this statement.
- xviii. **Table 17:** As per the Table shows that mostly respondents (53.4%) are agree to what I buy and control over online shopping and (33.5%) of respondents are strongly agree to this statement.
- xix. **Table 18:** As per the Table shows that (52.4%) of respondents are agree to shopping online fits well with status, and (35%) of respondents are strongly agree to this statement, and (10.7%) of respondents are neutral to this statement.
- xx. **Table 19:** As per the Table shows that majority of respondents (51.5%) are agree to shopping online enable to shop very quickly, and (38.7%) of respondents are strongly agree to this statement.
- xxi. **Table 20:** As per the Table shows that (57.8%) of respondents are agree to shop online is compatible with lifestyle, and (34%) of respondents are strongly agree to this statement.
- xxii. **Table 21:** As per the Table shows that (56.8%) of respondents are agree to shop online allows to get a better price, and (35.4%) of respondents are strongly agree to this statement.
- xxiii. **Table 22:** As per the Table shows that majority of respondents (65.5%) are agree to this statement, and (27.75) of respondents are strongly agree to this statement.

## **5.2 Recommendation to improve the consumer perception regarding online shopping**

- i. Online shopping Apparel websites sites should not break the trust of the public by providing faulty goods. If trust element is assured there then online shopping will be preferred more.

- ii. Online shopping Apparel websites sites should be designed in such a way that they should provide all necessary details regarding the product clearly: including quality of the product, different varieties, mode of payment etc. so that no confusion exists.
- iii. Measure should be taken to improve the quality element of the products shopped online.
- iv. People should buy the product through online because we can have all the details of the product and we can also compare with others products.
- v. We can save money through buying online.
- vi. We can also save money.
- vii. Online shopping sites should have more product lines so as to showcase a large variety of products.
- viii. Size measurement of clothes, shoes, etc should be made simple and standardized.
- ix. More sites should emerge, where the consumers will have the opportunity to try various varieties of the same product before purchasing it.
- x. The products should be unique and different in online websites.
- xi. The online sellers provide much more other benefits to the customers who purchase products online.
- xii. The websites should not much more confusing and taking long time for loading the products online.
- xiii. There should be provided the guarantee factor in online shopping.
- xiv. The security factor is highly affect the customers so there should be proper security while people purchase online products.

### **5.3 Implications of the study**

The results can be used by various organizations to identify their target customer segments.

## **6.0 CONCLUSION**

The study concluded that there is a difference in the online shopping behaviour of consumers based on their respective age, gender, occupation, income and marital status. However, both male and female shoppers have a positive attitude towards shopping online and are inclined to shop online.

It is seen from the above analysis that both male and female shoppers find the information related to the fabric, care instructions, various discounts and other schemes while



shopping online rather than the offline shopping. Through online shopping, consumers can easily search product catalogue but it is difficult and time consuming for the consumers to look for the same product in traditional stores.

Convenience has always been a prime factor for consumers to shop online. This helps online shoppers decide which product they want to buy and how much money they are willing to spend. Shopping online enables consumers to buy at any time they feel comfortable and gives consumers an opportunity to save their time in going to a physical store. The product is delivered at their doorstep and they have enough time to return the product back in case they do not get their desired product or they are not satisfied with the quality.

However, many consumers avoid online shopping because of credit card fraud, privacy factors, non-delivery risk, and post purchase services and so on. Present results of the study reveal that males find online shopping to be secure as compared to females. Females hesitate to make online payments as they fear disclosure of their account details.

The study further reveals that there are a lot of user's relative advantages for both male and female shoppers as they find it easier and realistic to shop online as compared to shopping in physical stores. They believed that online shopping have more options as compared to when they shop onsite stores. They are able to compare the prices of the same kind of products from different brands in shorter duration of time. Moreover, working male and females do not get enough time to go to a physical store and buy products as it is time consuming.

## **REFERENCE**

- Hung, H. T., & Thai, W. L. H. (2013). Factors Influencing Consumers' Attitudes Towards Online Purchase in Singapore. *Singapore Management Journal*, 2(1), 76-100.
- Alam, S. S., & Yasin, N. M. (2010). An investigation into the antecedents of customer satisfaction of online shopping. *Journal of Marketing Development and Competitiveness*, 5(1), 71-78.
- Anitha, N. (2015). Consumer Preference towards online retailing. *ICTACT Journal on Management Studies*, 1(02), 74-80.
- Glenn, J. Acharya. (1979). *Women and Society in India*. New Delhi: Ajantha Publications.
- Aditham Bhujanga Rao. (2008). *Research methodology for management*.

- Safe, S. I., & Madhavaiah, D. C. (2014). An Investigation on Shoppers' Buying Behaviour towards Apparel Products in Bangalore City. *Pacific Business Review International*, 6(8), 63-68.
- Burke, R. R. (2002). Technology and the customer interface: what consumers want in the physical and virtual store. *Journal of the academy of Marketing Science*, 30(4), 411-432.
- Bellman, S., Lohse, G. L., & Johnson, E. J. (1999). Predictors of online buying behavior. *Communications of the ACM*, 42(12), 32-38.
- Babar, A., Rasheed, A., & Sajjad, M. (2014). Factors influencing online shopping behavior of consumers. *Journal of Basic and Applied Scientific Research*, 4(4), 314-320.
- Childers, T. L., Carr, C. L., Peck, J., & Carson, S. (2001). Hedonic and utilitarian motivations for online retail shopping behavior. *Journal of retailing*, 77(4), 511-535.
- Richa, D. (2012). Impact of demographic factors of consumers on online shopping behaviour: A study of consumers in India. *International Journal of Engineering and Management Sciences*, 3(1), 43-52.
- Zarina, S., & Norzihan, M. The Factors Of Internet Usage that affect on Consumers Online Shopping Behaviour among Generation Y in Commerce Department Ungku Omar Polytehcnic Ipoh, Perak.
- Gordon, A. (2005). Factors that Influence Online Shopping Be-haviour.
- Commerce, P. G. T., & KVS, K. An Insight into the factors affecting customers' perception towards online shopping.
- Ludin, I. H. B. H., & Cheng, B. L. (2014). Factors influencing customer satisfaction and e-loyalty: Online shopping environment among the young adults. *Management Dynamics in the Knowledge Economy*, 2(3), 462.
- Hirst, A. L. A. N., & Omar, O. E. (2007). Assessing women's apparel shopping behaviour on the internet. *The Journal of Retail Marketing Management Research*.
- Basha, M. B., & Lal, D. (2019). Indian consumers' attitudes towards purchasing organically produced foods: An empirical study. *Journal of cleaner production*, 215, 99-111.
- Kim, J., & Damhorst, M. L. (2010). Effects of level of internet retailer's service quality on perceived apparel quality, perceived service quality, perceived value, satisfaction, and behavioral intentions toward an internet retailer. *Clothing and Textiles Research Journal*, 28(1), 56-73.

- Magesh, S., & Balaji, B. (2018). Customer Engagement in Online Retailing: A Regression Analysis. *International Journal of Creative Research Thoughts (IJCRT)*, 6(1), 61-66.
- Li, N., & Zhang, P. (2002). Consumer online shopping attitudes and behavior: An assessment of research. *AMCIS 2002 proceedings*, 74.
- Nazir, S., Tayyab, A., Sajid, A., Ur Rashid, H., & Javed, I. (2012). How online shopping is affecting consumers buying behavior in Pakistan?. *International Journal of Computer Science Issues (IJCSI)*, 9(3), 486.
- Prasad, C. J., & Aryasri, A. R. (2009). Determinants of shopper behaviour in e-tailing: An empirical analysis. *Paradigm*, 13(1), 73-83.
- Reddy, N. H., & Srinivas, A. (2015). Impact of Demographic Factors of Indian Consumers on Online Shopping Behaviour. *International Journal of Accounting and Business Management*, 3(1), 310-317.
- Shergill, G. S., & Chen, Z. (2005). WEB-BASED SHOPPING: CONSUMERS' ATTITUDES TOWARDS ONLINE SHOPPING IN NEW ZEALAND. *Journal of electronic commerce research*, 6(2), 78.
- Sultan, M. U., & Uddin, M. (2011). Consumers' Attitude towards Online Shopping: Factors influencing Gotland consumers to shop online.
- Suwunniponth, W. (2014). Factor driving consumer intention in online shopping. *Suan Sunandha Rajabhat University, Bangkok, Thailand*.
- Alkasassbeh, W. A. K. (2014). Factors affecting consumers' attitudes toward online shopping in the city of Tabuk. *European Journal of Business and Management*, 6(18), 213-222.
- Vijayasarathy, L. R., & Jones, J. M. (2000). Print and Internet catalog shopping: assessing attitudes and intentions. *Internet Research*.

## CHAPTER 10

### IMPORTANCE OF CUSTOMER RELATIONSHIP MANAGEMENT: A DESCRIPTIVE STUDY

**Gunashree. B**

*Assistant Professor*

*Government First Grade College, Bilikere – 571103*

*Mysore District, Karnataka, India*

**Dr. Manjunatha.V**

*Assistant Professor*

*Maharani's Women's Commerce and Management College*

*Valmiki Road, Mysore District, Karnataka, India*

---

#### **ABSTRACT**

*Today's companies operate within a complex environment featuring continuous and rapid changes, owing to the steady arrival of new kinds of competition. There are many factors that push companies in the direction of change, including the market and the development of new technologies. The relationship between company and customers is not limited to the negotiation in terms of quantity, price, delivery term etc, but it requires a special effort on part of the company to understand the needs of the customers. Therefore, companies have to adopt a relational approach, which should be meant to develop and reinforce steady and durable long term relationships with customers.*

*Today the most powerful letter "P" is dominating the marketing world and it is described as Psychology. Every business firm today needs to get into the mind of today's consumer, understand his dreams, his aspirations, his preferences and his desires. Every time a customer approaches a business firm, he comes with an expectation. It may be a service need or a new product interest, but in every case the customer has an expectation that accompanies his interest towards a business firm. A good experience with the firm may increase the customer's loyalty and tendency to purchase again and again, whereas a*

*poor experience may force the customer to transfer his business to competitor. The ability to recognize this process and retain the customers forms the basis for Customer Relationship Management.*

*Keywords: Complex environment, customer's loyalty, customer relationship management*

---

## **1.0 INTRODUCTION**

In this era of globalization and the cut-throat competition there are so many companies offering very similar and substitute products to the customer. This has paved the way and opportunities for the companies in order to adopt and implement various strategies to ensure the loyalty of the customer and to establish the longer period of relationship with the customers. According to one view, loyalty is like a ladder; where the closer the customer gets to you, the higher up the ladder he climbs. Repurchasing is just the lowest rung of this ladder. Loyalty has multiple dimensions. When customers get closer and familiar to a company, they used to tell others that doing business with this company is beneficial and worthwhile. When they do that, they bring in more revenues, which ultimately leads to reduce the cost of serving them and the company will be able to retain them. But retention is not everything in CRM. Companies must ask themselves: who are my most profitable customers? The Pareto principle, also known as the 80/20 rule, implies that in the marketing context, 80% of firm's business would come from 20% of the customers. This means that even a small group of customers make a substantial contribution to the company's earning capacity. Therefore, recognizing, respecting, rewarding and managing relationship with customers have become a business philosophy, which is termed as "Customer Relationship Management"

### **1.1 The Concept and Framework of CRM**

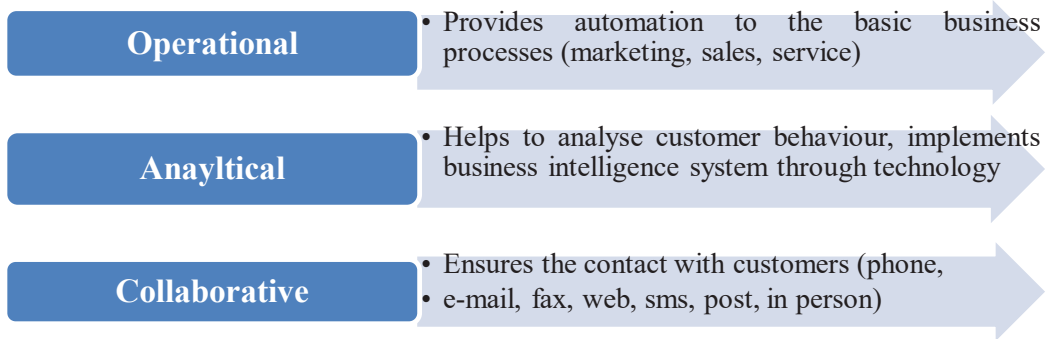
In today's scenario, companies hunt for customers, please them in every respect and offer them the best deal. "Customer is everything" is the new realization of every profit-making company, because they bring in revenues and profits. Customers are of different kinds. Some customers bring in more profits to the company, some reasonable profits and some low-profits. In this context, it is very interesting to note that profit comes through satisfied customers. There is no doubt that, ultimately it is the satisfied customers who will decide the fate of the company. In this sense it is important to note that customers vary in greater degree in terms of their

purchasing power and income. Different companies target different customers depending on the quality of products or service and price they offer to the target customers.

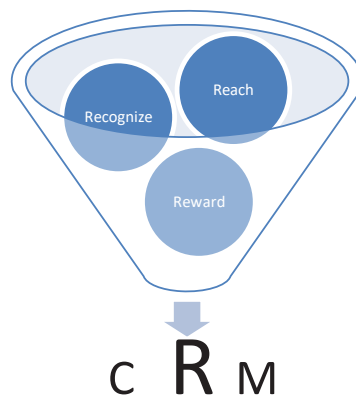
Loyalty programs aim at locking in the customer by rewarding him for patronizing a particular product for an extended period of time. Companies ought to have loyal customers to whom they keep on adding value so as to enhance an ongoing relationship. A well planned and executed loyalty program creates a better bond between customers and organizations. It makes a strong impact in the hearts and minds of the customers. Creating this relationship is not an easy task. As mentioned earlier, it takes the company to understand the customer behavior, their buying style, buying process, attitude etc. once the organization is successful in knowing these areas; it becomes easy for it to design strong loyalty programs. In today's market space, there are many ways to develop customer relationships apart from meeting them personally. With the advancement of technology and internet capabilities, there are now various innovative ways at the disposal of the organizations to interact with their customer base. Loyalty marketing definitely has reaped benefits out of these advancements. Marketers now have instant access to data. Results can be obtained real-time. Now more than ever, organizations have data about the customers in their fingertips. This has dramatically changed the organizations' strategy as far as customer management is concerned and they are coming out with innovative marketing efforts every day.

Nowadays times have changed. Customers have also changed over time and their knowledge base has expanded considerably. Now customers have easy access to information. Hence, retaining the customers also has become tougher than before. Organizations are coming out with innovating and unusual business practices as their growth strategies. At the same time, customers also don't want the same stereotype behavior from the business establishments. Newer ideas often catch the attention of the customers better than the older ones. So, it has become a necessity for the organizations to come out with innovative loyalty program to keep the customers happy and satisfied. This is where CRM plays a vital role. Call centers, front office systems, data mining and data warehousing tools, service centers and helpdesks are all part of CRM applications. With the help of these applications the company should identify the characteristics of its most loyal and profitable customers, so that proper measures can be taken to reward and retain them for a longer period of time.

## 2.0 ARCHITECTURE APPROACH OF CRM SYSTEM



If CRM system implemented successfully it offers immeasurable benefits to the organization. Some organizations are of the view that only hearing about customers is not enough for them. Until and unless they meet such customers and talk with them, no relationship can be built. An effective CRM system not only helps the organization to maintain a better relationship but it also helps the organization to improve sales, profitability, market share, customer and satisfaction. This system can also be used as an effective marketing tool in order to attract new customers, to reduce customer turnover and speedy way to attend customer complaints. The core essence and successful implementation of CRM process depends on three aspects popularly known as 3 R's of CRM – **R**ecognizing, **R**eaching and **R**ewarding the customers.



## 3.0 CONCLUSION

Today's business war is fought on information technology, data warehousing, employee contact skills such as attitude, courtesy, helpfulness, enthusiasm, respect, distinguish good service from bad etc. These tools act as strategic competitive weapons to win the long term

battles in the field of business war. The effective marketer always wins by strategic moves rather than the forceful marketing power. The great iconic boxer Mohammed Ali once said “float like a butterfly and sting like a bee”. Therefore, in order to delight the customers and disrupt the army of the competitors’ customer relationship management process should be used in an effective manner.

The great strategist Sun Tzu, in his famous book mentioned that “courageous soldiers win first and then go to the battlefield and fight, while lost and defeated warriors go to war first and then see to win. Today no doubt, the acceptance of CRM has been confirmed, the enthusiasm for CRM has been proven and the investment in CRM has been quantified and justified. Actually, the issue is not whether CRM is important for business; it is about how best to apply it. Therefore, strategizing a customer relationship management process helps the marketer to be proactive and design marketing programs to achieve greater success by realizing the importance of it.

## **REFERENCES**

Customer Relationship Management by Prof. Jagadish N Sheth

Customer Relationship Management by Kaushik Mukarjee

CRM – Emerging concepts, Tools and Applications, Tata Mcgraw Hill, New Delhi

The Myth of Excellence by Crawford and Matthews

The art of war by Sun Tzu

‘How to improve CRM’ an article by Lina P Morton

‘Implementation issues in CRM’ an article by M P Gupt and Sonal Shukla

‘How customer relationship management can be strengthened’ an article by K Ramachandran

Advertising Express Magazine by ICFAI

## **Websites Visited**

[www.destinationcrm.com](http://www.destinationcrm.com)

[www.successmtgs.com](http://www.successmtgs.com)

[www.thewisemarketer.com](http://www.thewisemarketer.com)

[www.crmguru.com](http://www.crmguru.com)

[www.crm-review.com/software](http://www.crm-review.com/software)



## CHAPTER 11

### FACTORS CONTRIBUTING CUSTOMER SATISFACTION LEADS CUSTOMER DELIGHT IN INSURANCE SECTOR

**Dr. Namita Srivastava**

*Associate Professor*

*ICCMRT, LUCKNOW*

**Dr. Garima Srivastava**

*Associate Professor*

*LBSIMDS, LUCKNOW*

---

#### **ABSTRACT**

*Life insurance companies have increasingly focused on changing needs and likes of the customers. Customers seek attention into the matters such as improvements in quality of services, transparency of information provided and query handling by the companies in respect to the product. Thus there comes a need to continuously study management of service quality and customer satisfaction among the critical insurance players. The life insurance providers need to reconstruct their strategy and business to sustain or improve their competitive advantage and to study various factors which closely influence the level of satisfaction and customer delight in the industry.*

*The present study is an attempt to measure the various factors leading customer satisfaction and relationship between customer satisfaction and customer delight leading customer retention. The results of the structural model reveal that there is direct significant relation between product quality and customer satisfaction. There are also evidence which proves existence of direct significant relationship between customer satisfaction and customer delight.*

*Keywords: Assurance, responsiveness, accuracy, customer satisfaction, customer delight.*

---

## 1.0 INTRODUCTION

Since long in the past Insurance sector has been governed by the government monopoly. But then due advent of creativity and innovation other private players came into play. Creativity and innovation were the demand of the changing times of the dynamic business. Therefore many new insurance companies came up with their customized products so as to solve this problem. The companies took up many factors to provide satisfaction to the customers such as responsiveness, assurance, product quality and accuracy. (Desai & Kahar, 2016). “Service Quality plays an important role in today’s world of intangible products. Moreover new forms of competition in the insurance sector have forced the companies to look into the perspectives of customer satisfaction and customer delight”. (Vazifehdust & Farokhian, 2013)

Thus the service providers in this sector believe that customer loyalty and customer satisfaction can be maintained through consistent service quality of the product and thereby we can decrease the cost of attracting new customers along with increase in sales and market share. As a strategic move the companies in this sector provide a product which is a perfect blend of all the factors which influence the customer a strategic satisfaction and customer delight. As a result Insurance industry in India has seen major growth in the last two decade due to the introduction of a large number of advanced and customized products. Insurance sector in India plays a dynamic role in contributing to the wellbeing of its economy. It increases the opportunities for savings amongst the individuals for future, secures their future and also helps the insurance sector for building up of funds. These funds help the insurance sector to raise capital markets and facilitating in large infrastructural developments in India.(Siddiqui & Sharma, 2010)

Life insurance companies have increasingly focused on changing needs and likes of the customers. Customers seek attention into the matters such as improvements in quality of services, transparency of information provided and query handling by the companies in respect to the product. Thus there comes a need to continuously study management of service quality and customer satisfaction among the critical insurance players. The life insurance providers need to reconstruct their strategy and business to sustain or improve their competitive advantage and to study various factors which closely influence the level of satisfaction and customer delight in the industry.

For analyzing this fundamental feature of insurance sector, the companies must realize the necessity of studying and understanding various factors which act as prerequisites to

customer satisfaction. We have considered four such factors for our study namely: Assurance, Responsiveness, Accuracy which measures the service quality and financial product quality which measures the quality of financial product offered.

## **2.0 REVIEW OF LITERATURE**

Creativity and innovation in the insurance sector have resulted in a fundamental change in the way the business is conducted. Service quality has become the focal point of insurance companies. The study identified the factors for overall satisfaction of the customers was derived from timely service, Brand unique selling proposition considerate employees.(Selvarani & Parveen, 2017). Siddiqui & Sharma in 2010 stated that life insurance players now a day largely depend on customer service and customer satisfaction. They provide a framework for the course of action to create a base of satisfied customers through quality of services given. I.Irulappan & Bincy in 2012 stated that the personal experience of the customers about the product can indicate the service quality of the provider. Further another study was conducted in Surat to analyze satisfaction level of policy holders of general insurance which revealed that all the customer were satisfied.(Desai & Kahar, 2016). (Abaidoo, 2015) did the study to explore the customer satisfaction level in life insurance companies and how they sustain the business by analyzing the factors of customer satisfaction.(Coviello & Di Trapani, 2012) worked on conceptual foundation for investigating retention of the customers with respect to customer satisfaction.(Khurana, 2014) analyzed the relationship between service quality and customer satisfaction. They took sample of 200 customers of ten life insurance companies in Haryana state with the help of random number table. The study stated that customer satisfaction was influenced by factors such as customer expectations and perception toward tangibility, assurance, competency & credibility dimension of service quality have more impact on customer satisfaction.

Sustainable services are often regarded as sustainable strategies and operations producing goods and services that satisfy customer needs and significantly improve social and environmental performance. (Nguyen et al., 2018) stated that to be sustainable, service providers must satisfy consumers' needs or they will no longer be in demand. Their paper presented the results of an empirical study on the determinants of customer satisfaction and loyalty in life-insurance services in Vietnam based on a database collected through a questionnaire survey of 1476 customers during 2017.

### **3.0 DATABASE AND RESEARCH METHODOLOGY**

#### **3.1 Objectives of the Study**

- To study the factors contributing the customer satisfaction in Life insurance sector
- To check the relationship between customer satisfaction and customer delight.

#### **3.2 Research Methodology**

The study has been conducted using both primary as well as secondary data. The primary data was obtained from the analysis done through direct questionnaire provided to the respondents. The questionnaire contains the questions to examine the relationship of study variables with the customer satisfaction and customer delight in insurance sector. Sampling used for the study is simple random sampling method. The information is collected through 190 respondents which include housewives, retired/VRS persons, salaried persons, professionals and unemployed youths. Out of the total questionnaire send 161 valid responses were found which are further used for analysis. Seven point Likert scale ranging from strongly disagrees to strongly agree were used to rate the different elements of the questionnaire

The study has been carried out for period of June 2019 to June 2020

The study undertaken was empirical in nature and trying to measure the various factors leading customer satisfaction and relationship between customer satisfaction and customer delight leading customer retention. The collected data was completed, classified and tabulated for analysis. The Amos SPSS 23 version is used to test the hypothesis developed and design and test the measurement and structural model. To estimate the various parameters of measurement and structural model maximum likelihood fitting function was used.

#### **3.3 Independent Variables**

The study used four independent variables and two dependent variables, where three independent variables are the dimensions of service quality and on measures the quality of financial product offered.

Predictor or independent variables are variables that are associated with the outcome and used to predict some other variable. The Predictor or independent variables used in the study are as follows:

##### **i. Service Quality**

Quality of service takes a focal position in the marketing of the product. Service quality is usually defined as the customer's impression about the inferiority or superiority of a service

provider and its services. It is often considered to build the customer ' s overall attitude towards the product of the company. It also helps to analyze the overall performance of companies and organizations. Since service quality is an intangible product therefore its production and consumption overlap each other. It can be accessed through the factors such as Receptiveness, accuracy and assurance.(Siddiqui & Sharma, 2010)

**ii. Assurance**

Assurance is a term that can be considered similar to insurance, the only difference if that the investor is assured or is made sure that he is getting benefits worth his investment. The customer is also informed regularly about changes and their feedback is taken to make improvements in policy. Assurance covers financial aspect of the customer that is he feels that his money is being utilized in a proper manner. The customer is also sure that to what limit his investment is in safe hands. It gives an assurance to the customer that in the situation of happening of an event a certain amount of money will be paid to the insured. It is measured by-

- Competent and trained employees to answer customer queries.
- Guidance to the customers at regular intervals.
- Feedback of customer experience after purchases.
- Timely supply of information regarding policy of the customer.

**iii. Accuracy**

Accuracy can be referred to the services provided by the organization with respect to information about the organization and the product. It also focuses on ethical conduct of the business and that organization is very much transparent about its policy to the customers. The service providers also maintain proper records of all the transactions and issue various statements at the end of the financial year. It is measured by-

- Providing promised services.
- Ethical conduct of the business.
- Transparency is disclosing information.
- Maintenance of proper records.

**iv. Responsiveness**

Responsiveness is the readiness of the employees of an organization towards the implementation of provision of service on time. Responsiveness includes giving timely feedback to the customers. It also provides comfort of accessibility to the customers to reach the

organization for any sort of queries. Prompt services also indicates positive attitude of the customer as well as the organization and also improves the quality of services of the organization. It is usually hard for an organization to bypass the customer's query since they are the most valuable assets and source of income of the organization. It is measured by-

- Availability of the top officials to answer specific issue.
- 24\*7 Helpdesk and personalized attention to individual needs.
- Soft Skills of the employees dealing with customers approaching them.
- Claim settlement without delay and hustle.

#### **v. Financial Product Quality**

This feature deals levels of customization offered to the customers in terms of the financial product offered by the organization. A customer can judge the quality of the product by calculating the amount of returns available on investment done or premium paid by him. This feature provides for innovation and creativity in the product offered which in turn gives satisfaction to the customers. It is measured by---

- Customization of product as per the needs of customer.
- Adequate premium charges.
- Satisfactory Performance of the product .
- Innovation in product with respect to competitor

### **3.4 Dependent Variables**

Whereas Criteria variable or dependent variables which depends on independent variables is affected by change in response of independent variable. The dependent variables used in the study are as given:

### **3.5 Customer Satisfaction**

Customer satisfaction with a company's services is the key to a company's success and long-term competitiveness to retain its customers. The insurance industry is getting a lot of attention in the context of relationship building with the customers. Therefore customer satisfaction can be viewed as a central determinant of customer delight. Customer satisfaction is a therefore key component for insurance companies to monitor in order to gauge different areas customer service quality and financial product quality. It also helps to analyze the strengths of the product regarding various factors of service and product quality to increase the number of member holding the policy. (Coviello & Di Trapani, 2012). It is measured by-

- i. The product fulfilled customer needs.
- ii. Satisfied with company grievance handling mechanism.
- iii. Satisfied with performance of product.
- iv. The company answers to all customer queries through customer help desk.

### **3.6 Customer Delight**

Customer delight is bringing a component of excitement in the customer by providing him/her more than his or her expectations. It creates a positive emotional reaction. This emotional reaction leads to develop a conducive and trustworthy relationship between organization/employees and the customers. It also helps in branding of the organizational products as customer prefer to buy the product in future and recommend it to be bought by others.(Upadhyaya & Jain, 2015). It is measured by:

- i. I will recommend the product to my friends.
- ii. I am ready to invest further with same company.
- iii. I feel happy to be associated with the company.
- iv. I had smooth customer care experience with the company.

### **3.7 Research Hypothesis**

The following research hypothesis are framed and tested.

***Ho 1: There is direct significant relationship between Assurance and. Customer Satisfaction.***

***Ho 2: There is direct significant relationship between Accuracy and. Customer Satisfaction.***

***Ho3: There is direct significant relationship between Product quality and. Customer Satisfaction***

***Ho4: There is direct significant relationship between Responsiveness and. Customer Satisfaction***

***Ho5: There is direct significant relationship between Customer Satisfaction and. Customer Delight.***

## **4.0 DATA ANALYSIS AND INTERPRETATIONS**

### **4.1 Reliability Test**

To test the internal consistency Cronbachs alpha is calculated. Internal consistency is required to measure that how much data collected is able to test the objectives of the study. If the Cronbachs alpha is greater than 0.5 as it is considered that there is good internal consistency within the items of the instrument and it is acceptable.

**Table 1: Results of Reliability Test**

Reliability Score	Number of Questions asked	Cronbach's Alpha Coefficient
Overall reliability results	24	0.972
Assurance	4	0.882
Accuracy	4	0.878
Product quality	4	0.929
Responsiveness	4	0.861
Customer Satisfaction	4	0.870
Customer Delight	4	0.844

*Source: Authors Calculation*

Since the reliability score for all the variables of the study is found to be greater than 0.5 so it validate the data collected through the study instrument and further study can be proceeded.

#### **4.2 Analysis of Measurement Model**

At the first step Measurement model is drawn and its goodness of fit and suitability is tested. . The suitability was examined by finding the widely used standard estimates of model fit of Confirmatory Factor Analysis and these are GFI, where GFI is the proportion of variance accounted for by the estimated population covariance which has value near to 1 as acceptable limit. CFI (comparative fit index) value near 1 confirmed a good fit, whereas parsimony fit index(PCFI) and Tucker Lewis Index (TLI) value ranging from 0.5 to one found to be within acceptable limit. Meanwhile Chi-square ( $\chi^2$ ) Assess overall fit and the discrepancy between the sample and fitted covariance matrices. Sensitive to sample size, for RMSEA (root mean square error of approximation) value of 0.06 and less represent a good fit. The CMIN/df with values ranging between 2 and 5 were considered within adequate range.

**Table 2: The results of measurement model**

Chi-square ( $\chi^2$ /df)	GFI	TFI	CFI	PCFI	NFI	RMSEA
3.563	0.831	.790	0.834	0.759	0.789	0.13

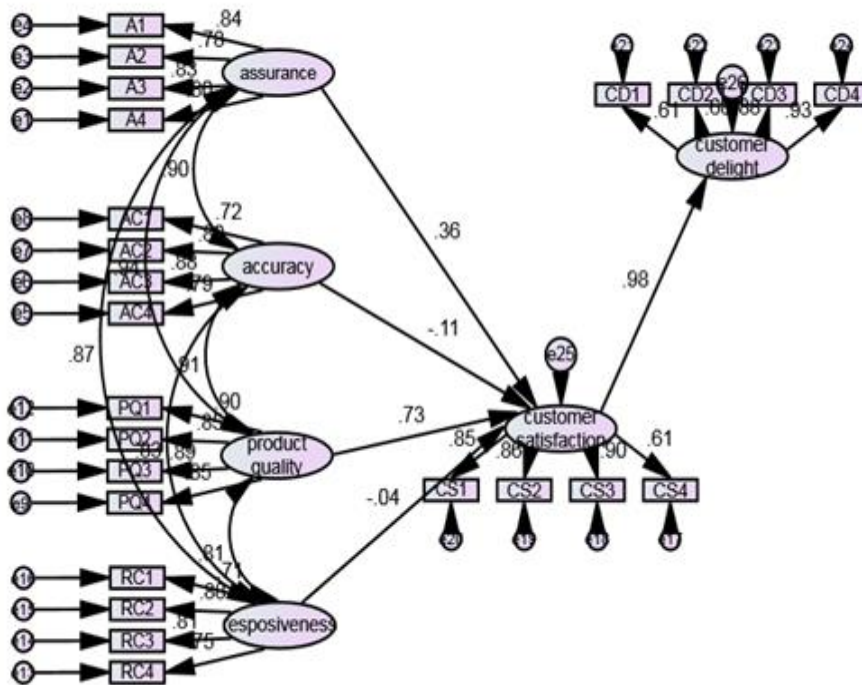
*Source: Authors Calculation*

The data from the above table reflect the good fit measure of measurement model and it showed that all the fit indices are within the acceptable range justify the further analysis of Structural model.



### 4.3 Analysis of the Structural Model

The Structure Model is proposed to test the **causal** relationship between measured variables and latent constructs. It investigates the interlink age between the various construct. A model was tested to find the factors contributing customer satisfaction and helps in attaining the customer delight. The suitability of the structural model was examined using the traditionally known standard estimates of model fit.



Structure Model

Table 3: The results of Structural models

Chi-square ( $\chi^2/df$ )	GFI	TFI	CFI	PCFI	NFI	RMSEA
3.647	0.856	0.794	0.834	0.803	0.828	0.12

Source: Authors Calculation

From the above figure it can be noticed that the results generated from the data exhibited that with  $df = 241$  all the path loadings are significant and indicate the good indices of model fit hence further evaluation of the model is not necessary as well model is able to test the research hypothesis of the study and attainment of research objectives.

#### 4.4 Results of Hypothesis Testing

**Table 4: Results of Hypothesis Testing**

Path Analysis		Hypothesis	Estimates	S.E.	C.R.	P value	Assessment
Customer satisfaction	Assurance	H1	.361	.249	1.451	.147	Rejected
Customer satisfaction	Accuracy	H2	-.102	.137	-.744	.457	Rejected
Customer satisfaction	Financial Product quality	H3	.635	.203	3.122	.002	Accepted
Customer satisfaction	Responsiveness	H4	-.033	.102	-.326	.744	Rejected
Customer delight	Customer satisfaction	H5	.894	.133	6.712	***	Accepted

**Source: Authors Calculation**

The table 4 above shows the results of testing of hypothesis. Two hypotheses H3 and H5 are accepted with significant value less than 0.05 with regression estimates of 0.635 and 0.894 respectively. In the structural model also there is high degree of positive correlation between product quality and customer satisfaction and high degree of correlation also exist between customer delight and customer satisfaction. The other three measured variable which are dimensions of service quality have low regression estimates and low degree of correlation with customer satisfaction. The hypothesis H1, H2, H4 testing the relationship between the customer satisfaction and dimensions of service quality i.e. assurance, accuracy, responsiveness are rejected with having p value non significant.

Thus it indicates that customer give more weight to quality of product and schemes in terms of return, performance and risk as compare to service quality and ready invest and reinvest if the product is performing well.

## 5.0 CONCLUSION

Customer satisfaction is providing all such services and product performance that is promised by company but company achieves the delighted customer if it offers their customer more than their expectations and more than it promised. A delighted customer becomes emotionally attached with the company and develops sense of belongingness and loyalty with the company. The chances of shifting delighted customer are very low.

The present study was conducted to analyze the factors contributing customer's satisfaction which may lead to customer delight in the insurance sector. The variables of customer satisfaction are product quality and services quality which is measured through three constructs Assurance, Accuracy and Responsiveness.

Through structural model a relationship between the study variables is tried to develop and hypothesis is tested. It was found that product quality measured through product performance, innovation in the schemes, product customization and easy and fast settlement procedure is highly correlated with dependent variable customer satisfaction. Similarly customer satisfaction is highly correlated with customer delight. After testing the hypothesis also it was found that there is direct significant relation between product quality and customer satisfaction.

There are also evidence which proves existence of direct significant relationship between customer satisfaction and customer delight. Now a days Insurance instruments are not only for security purpose but they are also treated as investment avenues, therefore product quality has got more weight over service quality whose variables have low degree of correlation with customer satisfaction.

Further study is required to be done to find whether the results are applicable to the large group or they are unique to the study sample.

## REFERENCES

- Abaidoo, G. G. (2015). Customer Satisfaction Factors in Life Insurance Growth in Ghana. i-372. <https://doi.org/10.1111/j.1467-8616.2008.00521.x> Malik,
- Coviello, A., & Di Trapani, G. (2012). The Customer Satisfaction in the Insurance Industry. SSRN Electronic Journal, September. <https://doi.org/10.2139/ssrn.2144684>
- Desai, M. P., & Kahar, N. (2016). Customer Satisfaction towards the Services Provided by General Insurance Companies within Surat City with Respect to Vehicle Insurance. Paripex- Indian Journal of Research, 5(4).

- Jain, R. (2018). Customer Satisfaction Towards Services Of Life Insurance Corporation ( LIC ) With Special Reference To Jaipur City. 5(3), 459–465.
- Khurana, S. (2014). The Relationship Between Service Quality and Customer Satisfaction : An Empirical Study of the Indian Banking Industry. IUP Journal of Bank Management, 13(4), 51–62.
- Nguyen, H. T., Nguyen, H., Nguyen, N. D., & Phan, A. C. (2018). Determinants of customer satisfaction and loyalty in Vietnamese life-insurance setting. Sustainability (Switzerland), 10(4), 1–16. <https://doi.org/10.3390/su10041151>
- Panigrahi, S. K., Azizan, N. A., & Khan, M. W. A. (2018). Investigating the empirical relationship between service quality, trust, satisfaction, and intention of customers purchasing life insurance products. Indian Journal of Marketing, 48(1), 28–46. <https://doi.org/10.17010/ijom/2018/v48/i1/120734>
- Selvarani, C., & Parveen, A. R. (2017). A study on customer satisfaction towards LIC with special reference to Villupuram town. International Journal of Multidisciplinary Research and Development, 4(10), 84–87. [www.allsubjectjournal.com](http://www.allsubjectjournal.com)
- Siddiqui, M. H., & Sharma, T. G. (2010). Analyzing customer satisfaction with service quality in life insurance services. Journal of Targeting, Measurement and Analysis for Marketing, 18(3–4), 221–238. <https://doi.org/10.1057/jt.2010.17>
- Upadhyaya, C., & Jain, V. K. (2015). Dimensions of Service Quality for Effective CRM in Banking and Insurance Sectors. 7(2), 63–71.
- Vazifehdust, H., & Farokhian, S. (2013). Factors influencing customer satisfaction with the success factors identified in the insurance industry. African Journal of Business Management, 7(21), 2026–2032. <https://doi.org/10.5897/AJBM11.2051>

## CHAPTER 12

### CONSUMER PREFERENCE TOWARDS ECO FRIENDLY PRODUCTS: A STUDY OF UNIVERSITY STUDENTS

**Dr. Vikas Kumar**

*Assistant Professor*

*University Business School*

*Guru Nanak Dev University*

*Amritsar, 143005, Punjab, India*

**Dr. Vikas Chandra**

*Assistant Professor*

*Department of Biotechnology*

*Guru Ghasidas Vishwavidyalaya*

*Bilaspur, 495009, Chhattisgarh, India*

**Dr. Lalita K. Sharma**

*Assistant Professor*

*Department of Commerce*

*Guru Nanak Khalsa Girls College*

*Sang Desian, Goraya, Jalandhar, Punjab*

---

#### **ABSTRACT**

*The aim of this study was to know the Influence of green consumer values on purchase of green products; Influence of green consumer values, awareness about green products and perception regarding seriousness of green marketers on purchase of green products and Factors affecting students' preference for eco-friendly products. It was a questionnaire survey. Data was collected from 400 students (belonged to major cities of Punjab i.e. Amritsar, Ludhiana and Jalandhar) from Guru Nanak Dev University Amritsar using convenient sampling technique. Factors analysis and Regression analysis was used for data analysis. Majority of respondents were female students, under graduate, having family income up to 60000 PM and fell age group above 21 years. Variation in purchase preference is accounted*

*due to green consumer values. Only 32.80 % variation was accounted due to the green consumer values, green product awareness and perception regarding seriousness of green marketers, on the purchase intention of green products which implied that there is impact of other factors also on purchase decision towards green products. Safety measures factor was the most affecting factor and latest technology was the least affecting factor.*

*Keywords: Eco friendly products, students*

---

## **1.0 INTRODUCTION**

Green marketing is also termed as environmental marketing or ecological marketing. According to American Marketing Association, marketing of products that are presumed to be environmentally safe is called as Green Marketing. Thus wide range of activities are covered under green marketing, which includes modifying the product, making changes in the production process and packaging, as well as modifying advertising or removing any activity that impacts the environment in negative way. Today, the Earth faces more environmental issues than ever before, hence it is imperative for companies to make and market themselves as environment friendly. Green marketing is emerging as a popular promotional strategy owing to increased consumer awareness and concerns. The concept of green or ecological marketing calls upon businesses to follow ethical and green practices while dealing with customers, suppliers, dealers, and employees. Companies have started marketing themselves as green companies. Even the Public Sector Units and state governments are now paying a lot of attention towards environmental issues such as global warming, pollution, or water contamination and have started taking steps to prevent environmental pollution.

### **1.1 Green Products and Marketing Practices**

Actually there is no consensus on what exactly is green. There is no accepted definition of green product. However based on different definitions of green marketing, some common characteristics of products generally accepted as green, including the products are:

- i.** Energy efficient (both in use and in production)
- ii.** Water efficient (both in use and in production)
- iii.** Low emitting (low on hazardous emissions)
- iv.** Safe and/or healthy products
- v.** Recyclable and/or with recycled content

- vi. Durable (long-lasting)
- vii. Biodegradable
- viii. Renewable
- ix. Reused products
- x. Third party certified to public or transport standard (e.g., organic, certified wood)
- xi. Locally produced

## **2.0 REVIEW OF LITERATURE**

Green marketing came into prominence in the late 1980s and early 1990s. The first book titled *Ecological Marketing* was the outcome of first workshop on “Ecological Marketing”, held by American Marketing Association (AMA) in 1975. Green marketing acquired an eminent status since early 1990s. There has been occurring about green consumers and green consumerism in 1970s and 1980s. Henion and Kinnear (1976) defined green consumers as environmentally conscious consumers while Antil (1984) described green consumerism as a specific type of socially conscious consumer behavior with prime focus on protection of environment. Green consumerism was described as a form of “pro-social” consumer behavior (Weiner and Doescher, 1991). Michael Polonsky (1994) defined “green marketing as the marketing that consists of 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.” Jacquelyn Ottman, (1998) suggests that from an organizational standpoint, all aspects of marketing including new product development and communications should be integrated with environmental considerations. This holistic view of Green Marketing suggests that not only the suppliers and retailers, but the new stakeholders including educators, community members, regulators, and NGOs should also be taken into purview. Environmental issues should not be compromised to satisfy primary customer needs. Organization operating green practices in their processes and products is considered as environmentally friendly by the consumers and they prefer to purchase the products of the organization that are marketing themselves as green organizations.

## **3.0 DATABASE AND RESEARCH METHODOLOGY**

### **3.1 Objectives of the Study**

- i. Influence of green consumer values on purchase of green products.

- ii. Influence of green consumer values, awareness about green products and perception regarding seriousness of green marketers on purchase of green products.
- iii. Factors affecting students’ preference for Eco-Friendly products.

**3.2 Research Methodology**

It was a questionnaire survey. Data was collected from 400 students (belonged to major cities of Punjab i.e. Amritsar, Ludhiana and Jalandhar) from Guru Nanak Dev University Amritsar using convenient sampling technique. Factors analysis was used to find out which factors affects students’ preference for Eco-Friendly products and Regression used to know the relationship between variables affecting consumer preference.

**4.0 DATA ANALYSIS**

**4.1 Demographic Profiles**

Majority of respondents were female students, under graduate, having family income up to 60000 PM and fell age group above 21 years.

**Table 1: Demographic Profile**

Demographics	Categories	Percentage
Age	Up to 20	47
	Above 21	53
Gender	Male	43
	Female	57
Educational Qualification	Under Graduate	53.7
	Post Graduate	46.3
Family Income (PM)	Up to 60000	54
	Above 60000	46

*Source: Primary Data*

**4.2 Influence of Green Consumer Values on Purchase of Green Products**

Table 2 below indicated that value of correlation coefficient, R=**0.885** suggests that there is high positive correlation between preference of green products and green values of the



customers. However 0.649% (R-square values of 0.649%) variation in purchase preference is accounted due to green consumer values.

#### 4.3 Model Summary

**Table 2: Influence of Green Consumer Values on Purchase of Green Products**

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	0.885	0.649	0.559	0.65643

*Source: Calculated through SPSS; \* indicates significant at 5 per cent level of significance*

#### 4.4 Influence of green consumer values, awareness about green products and perception regarding seriousness of green marketers on purchase of green products

Table 3 below indicated that only 32.8 % (R-square values of 0.328) variation is accounted due to the green consumer values, green product awareness and perception regarding seriousness of green marketers, on the purchase intention of green products. This implies that there is impact of other factors also on purchase decision towards green products. These factors remain to be explored in future research.

**Table 3: Influence of Green Consumer Values, Awareness about Green Products and Perception Regarding Seriousness of Green Marketers on Purchase of Green Products by Consumers**

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	0.542	0.328	0.262	0.81121

*Source: Calculated through SPSS; \* indicates significant at 5 per cent level of significance*

#### 4.5 Factors affecting students' preference for Eco-Friendly products.

**Table 4: Reliability Values of Statements**

ID	Variable Name	N (items)	Cronbach's Alpha
E	Environmental Feature	5	0.649
S	Safety Features/Personal Benefits	4	0.752
H	Health Features	4	0.601
LT	Latest Features	3	0.589

*Source: Calculated through SPSS from Primary Data*

All the values of Alfa ( $\alpha$ ) were greater than 0.5 so scale was reliable for the factor analysis and KMO value was 0.712 which indicated that data was adequate to run Factor analysis.

**Table 5: Factor Analysis**

Sr. No	Item	Factor Loading	Average Variance of Factor in Percentage	Factor Naming
1	SF1	0.925	20.24%	Safety Features
2	SF2	0.885		
3	SF3	0.787		
4	HF1	0.875	15.56%	Health Features
5	HF2	0.758		
6	HF3	0.787		
7	EF1	0.787	12.89%	Environmental Features
8	EF2	0.576		
9	EF3	0.584		
10	LTF1	0.454	9.06%	Latest Technology
11	LTF2	0.454		
12	LTF3	0.523		

**Source: compiled from the results of SPSS**

Table 5 above indicated that all the statements having factor loading more than 0.4 so they all were kept. All the variables were given names according to the statements they carried and maximum variance is showed by safety measures factor so this was the most affecting factor accordingly latest technology was the least affecting factor.

## **5.0 FINDINGS AND DISCUSSIONS**

- Majority of respondents were female students, under graduate, having family income up to 60000 PM and fell age group above 21 years.
- Variation (R-square values of 0.649%) in purchase preference is accounted due to green consumer values. This implies that there is impact of other factors also on green purchase behavior. These factors remain to be explored in future research.
- Only 32.80 % variation is accounted due to the green consumer values, green product awareness and perception regarding seriousness of green marketers, on the purchase

intention of green products. This implies that there is impact of other factors also on purchase decision towards green products. These factors remain to be explored in future research.

- Safety measures factor was the most affecting factor and latest technology was the least affecting factor.

The study has implications for marketers as well as consumers and makes a good case for start of an era of green marketing in India. The study since focused on a limited geographical area has limited generalizability but provides good insights regarding behavior of consumers towards green products.

### **BIBLIOGRAPHY**

- Antil, J. H. (1984). Socially Responsible Consumers: Profile and Implications for Public Policy. *Journal of Macro marketing*, Fall, Vol. 4, No. 2, pp. 18-39.
- Henion, K. E. and Kinnear, T. C. (1976). Measuring the Effect of Ecological Information and Social Class on Selected Product Choice Criteria Importance Ratings, *Ecological Marketing*, Chicago: *American Marketing Association*, pp. 145-156.
- Ottman, Jacquelyn. (1998). Green Marketing: Opportunity for Innovation. *NTC Business Books, 2nd Edition*.
- Polonsky, M. J. (1994). An Introduction to Green Marketing. *Electronic Green, 2 UCLA Library, UC Los Angeles*.

## CHAPTER 13

### CUSTOMERS SATISFACTION TOWARDS MOTOR SERVICE CENTRES: A STUDY WITH REFERENCE TO MUNEER MOTOR SERVICES AT KOPPAL

**Dr. Karibasaveshwara B.**

*Assistant Professor*

*Department of Commerce*

*Sri Gavisiddeshwar Arts, Science and Commerce College*

*Koppal – 583231 Karnataka State, India*

**Husen Bhashu**

*PG Student*

*Department of PG studies in Commerce*

*Sri Gavisiddeshwar Arts, Science and Commerce College*

*Koppal – 583231 Karnataka State, India*

---

#### **ABSTRACT**

*In 21<sup>st</sup> century human attitudes shift accordingly to the trends and it difficult to determine the demand of the market. Manufacturing sector and service sector have difficultly to fulfill the demand. More over the customer satisfaction is only one mantra to the business units to retain is customer and attract prospective customers. This study aims to examine and analyse the customer satisfaction level towards motor services. Many of the factors are involving in customer satisfaction like; product, price, design, advertisement, customer relationship etc. The present study used structural questionnaire to collect primary data from the fifty sample respondents. Five point likert scale adopted in measuring satisfaction level. Sample respondents are selected on simple random sampling method. It reveals from the analysis and interpretation that customers have satisfied with the product and services of Muneer Motors Service centre.*

*Keywords: Satisfaction, quality services, product design, and maintenance cost.*

## **1.0 INTRODUCTION**

The two wheeler industry has been going steadily over the years all over the world. Today, India is the leading manufacturer of two wheelers in the world. Every business organization's success depends on the satisfaction of the customers. Business always considers that customers comes "first" and then the profit. Those companies that are succeeding to satisfy the customers fully will remain in the top position in market. Today's business company has known that customer satisfaction is the key component for the success of the business.

Quality services will increases the number of customers and holds the long-term relationship with the customer and the existing customers will helps to attract the new customers by providing or sharing the information about the products and services of the companies. Satisfaction means to feel content after what the person desired or wanted. It is difficult to know whether the customers are satisfied with the availability of the product or services. So, giving satisfaction to the customers is not an easy task, for this different factor is needed to be taken into consideration. Nowadays, competition can be noticed between the business organizations and marketplaces everywhere and has been one of the challenging tasks for the competitors. Though it seems to be tough in the growing market, competitors are developing their marketing channels effectively.

### **1.1 About the Muneer Motors**

Muneer Suzuki Motors Private Limited was established in 2015 at Hosapete, Ballari district, Karnataka. It provides services to local customers and surrounding stations of Hosapete customers. In 2019 Muneer Motors established their sub-branch at Koppal. Muneer team gives more preference to the customer, while purchasing the new motors, service of Suzuki motors and clarifies doubts to its customers. The marketing units gives a detailed information about their products and services. Koppal unit having good turnover practice in services its more than twenty five customer's per day. It provides very good and fastest services to its customers.

## **2.0 REVIEW OF LITERATURE**

Chiguvu and Guruwo (2017) their research paper entitled 'Impact of Customer Satisfaction on Customer Loyalty in the Banking Sector'. This paper examined the impact of customer satisfaction level on the loyalty in banking environment. Study revealed that, there is a positive relationship between customer satisfaction and customer loyalty. Research also

recommended that to maintain customer satisfaction positively to achieve customer loyalty. Researchers have been used SPSS software to analysis purpose.

Khairunnisa and et. al. (2018) in their article mainly concentrated on customer satisfaction through delivered value base. In this study 180 sample respondents are selected and Structural Equation Modeling is used as analysis technique. Study suggested that to be improved by postal and shipping service are the product value, service value, personnel value, image value, time expense and monetary cost. In-time product delivery is more impacting factor in customer satisfaction point of view.

Solanki's (2019) research work titled 'Study on Customer Satisfaction and Analysis' attempted to study the need and demands of the customers and key issue of service quality delivered to customer's satisfaction. This study used questionnaire to collect primary data from the selected 70 sampled respondent. Study revealed that 86 percent of the respondents were satisfied with the banking services. Respondents are showed positive opinion towards the bank in feedback it further explained.

Naibaho and et. al. (2020) in their study examined that the effect of the marketing mix of services in the form of product, price, place, People and promotion practices and physical evidence on customer satisfaction. This quantitative study took 94 sample respondents for the study. Multiple Linear Regression techniques were used to analysis. The researchers have recommended that to concentrate on price variable factor to lie to customer satisfaction.

## **2.1 Research Gap**

Customer satisfaction is plays vital role of any businesses. Long run of business, it has to satisfy its customers by its products and services. The present study reviewed selected existing literature. But no extensive study conducted in backward areas. The researcher has undertaken this study to cover the important aspects influencing customer satisfaction on motors sales and services facilities in backward area.

## **2.2 Objectives of the Study**

The following are the important objectives of the present study:

- i.** To measure customer satisfaction level towards Muneer motors Centre.
- ii.** To analyses the satisfaction levels of customers about after sale service.
- iii.** To offer suitable suggestions to improve the customer satisfaction.

### 3.0 RESEARCH METHODOLOGY

The present study used both primary and secondary sources of data. The primary data were collected about the customer satisfaction level through structured questionnaire. Hundred respondents were selected and distributed the questionnaire to respond. 54 respondents are fully filled and responded properly. For the present study 50 respondents responses have been considered for the analysis. The secondary data were collected from the various sources such as books, magazines, journals and related websites. 50 sample respondents have been selected on simple random base.

**Table 1: Demographic Profile of the Respondents**

Sl. No.	Factor	Responses	Percent	
01	Gender	Male	31	62
		Female	19	38
		<b>Total</b>	<b>50</b>	<b>100.00</b>
02	Age Group	Below 25 Years	15	30
		25 Years to 35 Years	12	24
		35 Years to 45 Years	19	38
		45 Years and above	04	08
		<b>Total</b>	<b>50</b>	<b>100.00</b>
03	Marital Status	Married	29	58
		Unmarried	21	42
		<b>Total</b>	<b>50</b>	<b>100.00</b>
04	Educational Qualification	Illiterate	12	24
		SSLC/PUC	16	32
		Graduation	14	28
		Post Graduation	08	16
		<b>Total</b>	<b>50</b>	<b>100.00</b>
05	Occupation	Government Employees	13	26
		Semi-Government Employees	09	18
		Private employees	16	32
		Self Employed / Business	12	24

		<b>Total</b>	<b>50</b>	<b>100.00</b>
06	Income	Below Rs. 1,00,000	18	36
		Rs. 1,00,000 to Rs. 1,50,000	14	24
		Rs. 1,50,000 to Rs. 2,00,000	11	22
		Rs. 2,00,000 and above	07	14
		<b>Total</b>	<b>50</b>	<b>100.00</b>

*Source: Field Investigation*

Table 1 shows that demographic information of the respondents. The present study considered 50 respondents as sample, out fifty respondents 31 of the respondents are representing male and rest of the respondents are female that is 19. In the age factor considered 38 percent of the respondent are more than 35 years and less than 45 years. 30 percent of the sample respondents are below 25 years age group. 29 of the respondents in the study are married and it respondents their joint family representation. 32 percent of the respondents (16) are completed their SSLC / PUC education, 28 percent of the sample (14) are graduates. Majority of the sample respondents are working in private sector or concerns that is 32 percent. 18 of the respondents income level is below one lakhs rupees. 46 percent of the respondents have more than on lakhs rupees.

**Table 2: Satisfaction Level on Difference Measures**

Satisfaction Level	Free Services			Maintenance Cost			Quality and In-time delivery		
	R	P	CP	R	P	CP	R	P	CP
Highly Satisfied	21	42	42	23	46	46	31	62	62
Satisfied	12	24	66	13	26	72	10	20	82
Neither Satisfied or Dissatisfied	07	14	80	06	12	84	02	04	86
Dissatisfied	06	12	92	07	14	98	03	06	92
Highly Dissatisfied	04	08	100	01	02	100	04	08	100
<b>Total</b>	<b>50</b>	<b>100</b>		<b>50</b>	<b>100</b>		<b>50</b>	<b>100</b>	

*Source: Field Investigation (R: Responses, P: Percent, CP: cumulative Percent)*

Table 2 reveals that the respondent's satisfaction level of the muneer motors sales and services. 42 percent of the respondents are highly satisfied with free services which provided by



the muneer motor unit for their customers. 24 percent of the sample respondents are satisfied and 12 percent of the respondents are dissatisfied with free services facility. 46 percent of the respondents (23 respondents) opined maintenance of cost of vehicle is highly satisfied and 26 percent of the sample respondents (13 respondents) are satisfied. 82 percent of the respondents are opined their satisfaction with quality services and in time delivery, 12 of the respondents are showed their dissatisfaction towards the in time delivery of services.

The satisfaction is also influencing from the different factors like awareness about the product and services, influence for purchases, price attribution and comfortable. Service centers responsibility is play major role on customers. Customer's relationship is very important to their satisfaction towards sales and after sales services.

#### **4.0 FINDINGS AND DISCUSSION**

From the analyses of the collected data and observation the following important findings are identified and taken to discuss. The present study reveals that the majority of the sample respondents are male that is 62 percent. The service unit never makes any differentiate on gender base. 54 percent of the respondents (26 respondents) are in the age group of less than thirty-five years, it clearly understand that the customer of the Muneer service unit having young age customers. 28 of the selected sample respondents are below the graduation. It noticed that the any educational qualification doesn't matter to understand the sales and after sales service activities. The Muneer motor services centre attracts majorly private sector employees and self-employed customers that is fifty-six percent of the study. It observed from the analysis that the 60 percent of the total respondents are having less than Rs. 1, 50, 000 as monthly income. Researchers have an interaction with respondents and they shared their other factor regarding the satisfaction towards the Muneer motors. Customers refers to go with Suzuki motor because of family or relatives references, friends circle or the effect of advertisement by the company and showroom

#### **5.0 RECOMMENDATIONS**

The following are the recommendations are suggested by the researchers on their observations and opinion shared by the customers during the survey. Service centre have healthy relationship with its customer it leads to long run relationship. As the trend changes in the market accordingly manufacturing company also designs in innovatively and attractively. Innovations should consider the less motor service maintenance in future. Company and service units should

go for survey to identify the society demand and requirement to satisfy them. Muneer Motor Service centre extend their services through mobile service unit for outstation customers. Advertisement plays a cursial role in the attraction and sales promotions. Showroom should be make more advertisements on the products and services. Service centre also concentrate on after sale services to satisfying customer with free services or paid services. The present study also recommended that to provide waiting hall facility to its customers, waiting hall should include all facilities like; restroom, TV, drinking water, news papers/magazines, and sanitizer.

## **6.0 CONCLUSION**

Consumer is highly influenced on brands and mainly on products or services of “Muneer Suzuki Motors”. It concludes that the Muneer motors have a very good market share in Hosapete as well as Koppal city by offering good services, which is reflected on the satisfaction of the customer. Customers are satisfied with vehicle maintenance cost and in-time delivery. The study widely concentrates on the level of satisfaction amongst customers for that this research has been conducted at Koppal city. Customer satisfaction is only consideration for expansion and progress of any business. Study of customers’ attitudes and behaviors towards product and services mainly contribute to develop new strategies to satisfy and retain them. This study restricted to Koppal city only, same study can undertake in other servicing units in rest of the area. Satisfaction may varied from person to person and place to place, hence a wide scope for further research on same theme.

## **REFERENCES**

- Douglas Chiguvi and Paul T. Guruwo, ‘Impact of Customer Satisfaction on Customer loyalty in the Banking Sector’, International Journal of Scientific Engineering and Reseach (IJSER), ISSN: 2347-3878, Vol. 5, issue 2, 2017. Pp. 55-63.
- Nadya Khainrunnisa, Jono M Munandar and Mukhammad Najib, ‘Customer Satisfaction and Loyalty on Customer delivered Value of Postal and Shipping Service’, International Journal of Research and Review (IJRR), Vol.5, Issue: 11, November 2018. Pp. 15-27.
- Shweta Solanki, ‘Study on Customer Satisfaction and Analysis’, International Journal of Engineering Science and Computing, Vol. 9, Issue – 4, April, 2019. Pp.21166-68.
- Ernest Reynand Naibaho, Amrin Fauzi and Isfenti Sadalia, ‘The Effect of Marketing Mix on Satisfaction of Customer Insurance Products Unit Link (Empirical Study in PTAIA

- Financial Branch Phoenix Medan)', International Journal of Research and Review, Vol.7, Issue-2, February 2020. Pp. 47-55.
- Randall S. Schuler, The internationalization of human resource management, "Journal of International Management", 2000. Pp - 239-260.
- C R Kothari and Gaurav Garg, "Research Methodology- Methods and Techniques" third edition, New Age International Publishers. 2015.
- Human Resource Management – Text and cases, K. Ashwathappa, Tata McGraw-Hill Education. 2010.

## CHAPTER 14

### IMPACT OF TECHNOLOGY MANAGEMENT ON THE INDIAN MARKET

**Dr. Bholanath Jaiswal**

*Assistant Professor*

*Chhatrasal Govt. P. G. College.*

*Panna, (M.P.)*

**Dr. Sachin Goyal**

*Assistant Professor*

*Chhatrasal Govt. P. G. College*

*Panna, (M.P.)*

---

#### *Abstract*

*This research paper reviews Impact of technology management on the Indian market and formulates a conceptual model, which is influenced by knowledge, innovation and capabilities related to technology management. We conducted a systematic literature review, defining the meaning of the term technology and management as defining technology management. Through this research paper, the work has been done to make the contribution of technology management accessible to the people in a very easy and simple way by making them aware of the actual situation of the Indian market due to the Corona epidemic in the present time. With a view to giving originality to the title of the research paper, the economic benefits that India has received due to technology have also been clarified. In this research paper, the challenges faced due to lack of technology management on Indian markets and suggestions for its treatment are also given. We are confident that through this research paper people will be able to understand the role of technology management in the Indian market very easily.*

*Keywords- Technology, Management, Indian Market, Economic benefit.*

---

#### **1.0 INTRODUCTION**

Today, India has become one of the strongest countries in the world in terms of scientific manpower capacity and maturity. Since independence, India has tried to achieve commendable

success in the field of science and technology. We were buyers of technology, but due to continuous and concerted efforts, we have made science and technology as an important contributor to national development and social change. Science and technology help the organization at macro and micro level. The role of technology management in an organization is to understand the value of certain technologies for the organization. Sustainable development of technology is valuable as long as there is a value to the customer and therefore the technology management function in an organization needs to be able to determine the time and amount of investment on technology development. Technology management can be defined as the integrated planning, design, optimization, operation and control of technical products, processes and services.

Technology management is a set of management disciplines that allow organizations to manage their technical fundamentals to create a competitive advantage. Technology management in practice is defined as the management of the use of technology for human benefits. In fact technology is the spread of innovations. In principle all innovations follow a uniform diffusion pattern - known as the "S" curve. The broadly "s" curve is based on the four stages of a technology life cycle emerging, developing, maturing and aging.

### **1.1 Technology**

Technology is a group of studies or sciences related to practical and industrial arts and applied sciences. Many people use the terms technical and engineering interchangeably. People who adopt technology in business form are called engineers. Humans have been using technology since time immemorial. Technology has a huge contribution in the development of modern civilization. Societies or nations that are technically competent are also able to be strategic and they can also become financially competent.

### **1.2 Management**

Coordinating people's actions efficiently and effectively using available resources to ensure achievement of goals. Management includes planning, organizing, staffing, leading or directing, and controlling the organization or initiative. Whether the organization is large or small, for profit or non-profit, providing service or manufacturing, management is necessary for everyone. Management is necessary so that individuals can make their best contribution towards the accomplishment of collective objectives. Management involves mutually related tasks that all managers perform. Managers spend different time on different tasks. Managers at the higher

levels of the organization spend more time on planning and organization than managers at the bottom.

## **2.0 WHY TECHNOLOGY MANAGEMENT**

Nations around the world realize that not having access to or having the best technology in themselves is not capable of a successful counter. Globally, many phenomena are taking place: innovation has gained attention, research has become far greater results, technology life cycles have become much shorter, products have diversified significantly and far fewer life spans, new Product development has become paramount, rapid generation and has become essential for the commercialization of new technologies.

Furthermore, important technologies are not readily available from any source. Research programs are not only very risky, but also very intensive, and in some cases of cooperation in research, practical solutions have been done. Many countries are choosing to set up research bases in other countries. Some types of technology development are of such a large magnitude that the resources of any one nation in terms of finance or manpower are not sufficient to deal with the situation.

At the organizational level, technology is intertwined with every function, be it marketing or finance or services, not just manufacturing or research. In addition, intellectual property rights have gained great importance and it has become important to understand and handle the various complexities associated with these property rights and intangible funds associated with technology. In this context, the need to understand both business and technology, and the ability to manage various aspects related with technology has become very important.

Thus, technical skill alone is not enough to effectively combat challenges in the current competitive landscape, but the ability to manage these skills is equally important. Technology management is important for performance in every field of activity in current environment, be it finance or marketing or manufacturing or services.

## **3.0 LOCK DOWN AND INDIAN MARKET**

The epidemic of coronavirus has brought a lot of change in the form of government and people all over the world including India. This change is seen at all levels of mental economic and social. Globalization was threatened even before Covid-19 epidemic spread. The open system of business that had dominated the world economy for many years had been damaged due to the financial crisis and the Sino-US trade war. The third hit was due to lock-down and

business collapse. Economic activity will be back on track with the stir in many countries, yet the early return to open trade and unhindered movement is not possible. Indo-US Many countries in Europe have expressed their intention to insist on self-sufficiency. This may cause the most damage to China, although the damage to globalization will also harm other countries. Prime Minister Modi while addressing the country said that a new era of economic self-sufficiency has begun. Japan is giving subsidies to companies that will bring their factories from other countries to the country. Its purpose is to stop Chinese investment. China's investment in the US decreased by Rs 3000 crore in the first quarter of this year. It is 60% lower than 2 years ago. Companies with 59% stake in the world's GDP have tightened foreign investment rules. China has also called it biased. The United Nations Trade and Development Conference estimates that there will be a 30 to 40% drop in foreign investment directly due to the epidemic, according to the World Bank. There will be a 20% reduction in the amount of foreign investment. Worldwide public opinion is getting away from globalization . Many governments only want to have a movement with countries that have similar health regulations to them. The President of France has said in an interview that globalization of the old type is ending. Prime Minister Modi has emphasized on a self-reliant India, where Indian companies are ahead in areas like Telecom and FMCG, foreign companies dominate the field of mobile handsets and consumer durables. In the global market, our products are still behind in terms of branding, small and medium industries of our country can also come on the global board, so their business limit has been fixed to 100 crores of rupees. Self-sufficiency does not mean that India is against foreign capital investment. The global health crisis is intensifying due to the coronavirus epidemic and lockdown has become the new rule for many. Now the perception is growing rapidly that by the time the coronavirus comes to an end, the appearance of the world will change forever. From today onwards there is a general consensus that the whole world is possible in some way for the next 2 years. Covid-19 will continue to struggle with the then threat and after that reconstruction and its lasting effects will be felt for many years. .

#### **4.0 EFFECT OF TECHNOLOGY**

Technology is very important to keep moving forward. Nowadays there is the meaning of progress, development and continuous improvement. If society and man have to move from one layer to the other, then it is very important to use technology. Human always tries to make

his life happy. Man wants to change his work and thinking and make him new. There are two aspects of human life that change every time.

- **Society**
- **Technology**

Technology is the invention of devices and techniques. Technological change is the invention of a technology, the continuous process of improvement of a technology and its spread in this industry or society. Society is a group of people through social relations. Social change is the progress or change of social order. Technology was a factor in our lives from the beginning, it really began to shape our existence when it was only until the Industrial Revolution. Technology has been a variable in a complex factor in the history of society.

In the present day, technology is a boon or curse in society. Technology is a good way to build and improve and is badly looked at both. The use of technology is used in many ways and in many places around the world, as it is seen in a positive way. Technology is used in hospitals to save the lives of patients. Technology has also given mankind the knowledge of this world and space.

## **5.0 IMPACT OF TECHNOLOGY FOR ECONOMIC BENEFITS**

Technology has contributed to productivity growth. Technology has changed production methods. This increased the need for skilled labor and reduced production time. However it has increased the cost of production of organizations. The need for organizations to spend on research and development has increased, due to which the expenditure has also increased due to the growth of the institute. In addition to standard office laptops and smart phones, organizations implement information systems, custom software or specialized technology tools to keep operations running smoothly. Advances in technology have the potential to reduce the time required to complete a task, or in some cases eliminate the need for a business process or job function. Increased productivity upgrades of technology within an organization, which can significantly affect company operations. Progress in computer and technology will improve the efficiency of a business. The organizational structure is being changed by modifying the status requirements of restructuring departments, or adding and removing jobs. This becomes the industry standard if employers often require training or equipment on new software programs as a job requirement. Web-based businesses can add new departments or jobs to specialize in new



areas of technology. On some occasions, implementing new forms of technology may render some work duties obsolete in some industries.

Have you heard the name Black Age? In the popular book on the hedge fund industry by the same name, author Sheila Kolhatkar has defined the Black Age as the 'most valuable information', in which it is related to ownership, non-public and some important factors that change the market. There is no doubt that the capital market regulators all over the world are working tirelessly to curb the flow of such information and punish the illegal beneficiaries with their help. However, in the age of communication mediums like WhatsApp, Instagram, LinkedIn, Facebook and Telegram, it is very difficult to stop the flow of such information.

Indian capital market regulator SEBI is going to use new technologies to curb market-related activities and information such as insider trading. SEBI has prepared a four-year roadmap for technological development with a capital of Rs 500 crore. It will create a large repository 'data lake' incorporating different types of data and develop data modeling and analytics capabilities with the help of innovative technologies such as artificial intelligence (AI) and machine learning. At present, various industries like e-commerce, telecom, banking and financial services are using data modeling with the help of new technologies and tools, which help in business as well as increase decision making capability and accuracy.

Many banking and capital market regulators in the world have also started using data analytics significantly. Kunal Pandey, partner at KPMG India, says, "By developing mechanisms such as Data Lake, SEBI can use these patterns to detect instances of market manipulation that can accelerate action." He said that by gaining better capacity for data and its processing, the trust of SEBI will be further strengthened. Currently, only 'organized data' can be monitored in SEBI's monitoring system, that is, monitoring data received from market intermediaries such as exchanges, brokers, depositors and mutual funds. Although 'semi structured data' is also available with SEBI in the form of bank statements and income tax returns, there is no access to 'unorganized data' included in blogs, videos and online discussions. Sebi chairman Ajay Tyagi said, 'Organized data analysis is not proving to be more helpful and market influencers are using all kinds of technologies to avoid surveillance. Processing of disorganized data will require new techniques and appropriate investment. Accessing information that is shared on social media is also part of this strategy. Industry analysts, however, say the lack of analytics tools or data modeling platforms may limit Sebi's capabilities.

Currently, a lot of information related to the stock market is being shared by individuals and companies on social media and debate forums. Monitoring this information is a complex task to stop fraudulent trade and ensure transparency. Bringing the data lake repository will develop SEBI's capabilities of analyzing such data. This may prove to be a better technology if it is linked to SEBI's traditional monitoring mechanism.

## 6.0 SUGGESTIONS

Although technology management in the Indian market is developing at a rapid pace, due Covid-19, further development needs to be focused on the following areas-

- i. **Strengthening Digital Infrastructure** - Due to Covid-19 people are finding themselves having to work from home. Our collective efforts to work at home and work digitally and get education must be motivated to do.
- ii. **Artificial Intelligence Based Drug Development** - More effective and safer drugs for the treatment Covid-19 and the vaccine that protects against Covid-19 will be developed as soon as the epidemic is overcome, Artificial Intelligence in drug development is a May prove to be the ideal companion, it will be able to complement human efforts and speed up efforts. In the current critical situation you should be made aware of future attempts to seek help of Artificial Intelligence in the development of medicine.
- iii. **Telemedicine** - To reduce congestion and movement of people to hospitals and offices of healthcare providers, many hospitals and doctors are advising patients to consult a doctor through video conferencing. The patient is being provided services with the help of remote care in place of Covid-19, many health care providers were hesitant about it, but now that social distance has been mandated in many areas, doctors Interest is also increasing. And the need for its continuous development should be emphasized.
- iv. **Robot Dependency** - Robots are not at risk of virus infection. Robots can be used in the Covid-19 world, ranging from delivering groceries to performing important tasks in the health care system. And robots can play an important role during an epidemic. In the future, more and more governments will use surveillance. It will be a useful weapon to fight the virus. The retail business will be more and more online. When this crisis is over, new habits will develop and an epidemic will develop. The epidemic of the pre-world will be different from the world of the former, but the trend of relatively cheap

electronic medium will increase. Therefore, more and more attention is needed on its development.

## **7.0 CONCLUSION**

Technology has its own merits and demerits, but in the present day there can be no development without technology. Economic, social and human development depends on technological progress. Man can make his life easier and better with the help of technology, organizations can make maximum profit with technology and lead to economic prosperity. Finally, Arthur C. Clarke said-“No sufficiently advanced technology should be considered less than magic.”

## **REFERENCES**

[https://www.researchgate.net/publication/317308663\\_Marketing\\_and\\_Technology\\_Role\\_of\\_Technology\\_in\\_Modern\\_Marketing](https://www.researchgate.net/publication/317308663_Marketing_and_Technology_Role_of_Technology_in_Modern_Marketing)

[https://www.researchgate.net/publication/45883115\\_Managing\\_Innovation\\_and\\_Technology\\_in\\_Developing\\_Countries](https://www.researchgate.net/publication/45883115_Managing_Innovation_and_Technology_in_Developing_Countries)

<http://dsir.gov.in/dsirhindi/files/tpdup/TMP/TMP.html>

<https://hi.m.wikipedia.org/wiki/>

[https://www.researchgate.net/publication/312605323\\_Technology\\_Management\\_in\\_Manufacturing\\_Sector-](https://www.researchgate.net/publication/312605323_Technology_Management_in_Manufacturing_Sector-A_case_study_from_Indian_Manufacturing_Industry_and_Application_of_Gregory)

[A\\_case\\_study\\_from\\_Indian\\_Manufacturing\\_Industry\\_and\\_Application\\_of\\_Gregory](https://www.researchgate.net/publication/312605323_Technology_Management_in_Manufacturing_Sector-A_case_study_from_Indian_Manufacturing_Industry_and_Application_of_Gregory)

<https://hi.m.wikipedia.org/wiki/>

<https://india.mom-rsf.org/hi/context/technology/>

## CHAPTER 15

### A STUDY ON THE FUTURE OF E-WALLETS AFTER THE INTRODUCTION OF UNIFIED PAYMENT INTERFACE

**Dr Sreekumar M**

*Associate Professor*

*Dept.of Commerce*

*M.M.N.S.S. kottiyam, Kollam*

---

#### 1.0 INTRODUCTION

Cashless India is a mission launched by the government of India led by Prime Minister Narendra Modi to reduce dependency of Indian economy on cash and to bring hoards of stashed black money lying unused into the banking system. The country embarked upon this transition to a cashless economy when the government took the revolutionary step of demonetization of old currency notes of Rs 500 and Rs 1000 on November 08, 2016. The Indian economy has traditionally been dominated by cash. However the increased adoption of smartphones together with a favorable regulatory environment is pushing the economy to a less cash dependent state promoting the usage of digital payments.

The digital India Programme is a flagship programme of the government of India with a vision to transform India into a digitally empowered society and a knowledge economy. “Faceless, Paperless, Cashless “is one of the professed roles of digital India. Going cashless has helped in creating a positive impact on society as the paper based methodology in financial transactions has been reduced thereby economy in operations, time and cost. Cashless economy will boost consumption as people would not be attracted towards keeping money in banks. More consumption will lead to more production, more employment opportunities and hence the income of the people will increase. For making India cashless, there are various modes available in the form of digital transactions which are being considerably implemented and which clearly indicate that cashless transactions are being actively used by people in India. They include payment banks, electronic fund transfer systems, mobile wallets, internet banking, banking cards, point of sales, Unified Payment Interface etc.

The unified payment interface (UPI) a new open source platform developed by the National Payment corporation of India (NPCI), is a channel that powers multiple bank accounts into a single mobile application (of any bank) of a participating bank, merging several banking features, seamless fund routing and merchant payments into one hood and also empowers users to perform instant push and pull transactions easily.

Build on the country's existing IMPS (immediate payment system) where funds can be transferred from one account to another 24x 7, consumers will be able to send and receive money through smart phones without revealing their bank account details. Basic mobile users who do not have a smartphone may still check bank balance, view mini statements and initiate a fund transfer using the national unified USSD (unstructured supplementary service data) platform. While a mobile wallet is a way to carry cash in digital format. One can link your card information in mobile device to mobile wallet applications or one can transfer money online to mobile wallets. Instead of using ones physical plastic card to make purchases, one can pay using smartphone, tablet or smart watch. An individual's account is required to be linked to the digital wallets to load money in it. Most banks have their e wallets and some private companies like Paytm, freecharge, mobiwiki, oxigen, etc.

Wallet companies are diversifying their business into new format banking that is payment banks. RBI has issued license for some companies to start with these kind of banking system. Thus, big players changing their business into new system, this is threat for other wallet companies who have not adopted this change. Mobile wallets are growing day by day but payment banks and UPI are other payment system which will eat up the market share of wallets and more people will turn into such system soon.

Hence these mobile wallets needs to bring some changes in their apps so that it can be used more easily like UPI and should also give more focus on discounts, Offers and loyalty programs in order to attract existing and new customers.

### **1.1 Objectives of the Study**

- i.** To see the challenges faced by e-wallets after the introduction of unified payment interface.

### **1.2 Significance of the Study**

The government demonetization drive which commenced on November 8, 2016 gave an impetus to digital payments in India as the cash crunch forced users to use online payments.

The mobile wallets industry has been on a rapid growth trajectory as India moves to a less-cash dependent state. The value and volume of mobile wallet transactions more than doubled in the last year alone and as such the industry is leading the change to making India a cashless economy.

Introduction of Unified Payment Interface (UPI) has created greater competition for mobile wallets. The digital money transfer is at the cusp of another innovation with the coming of Unified Payment Interface (UPI) that is set to make transferring money as simple as sending text messages, which can make mobile wallets obsolete.

The study on the challenges faced by e wallets after the introduction of Unified Payment Interface (UPI) is important in the present scenario due to the popularity it gained in India in recent times and to see the challenges that e wallets will face against the banks in India due to the emergence of Unified Payment Interface.

### **1.3 Statement of the Problem**

Digital wallets started off with offering consumers a way to make retail payments, such as phone recharge and bill payments, but are now gearing up to usher in financial inclusion by providing reliable service to millions of unbanked and under banked. However a lot of things still need to fall in place for wallets to gain more widespread adoption. There is a large segment of people who want to use digital wallets but they do not know how to do it. There is a huge lack of awareness. So there is an enormous untapped market for digital wallet providers.

Some people have fear of losing money while some are not aware about how to use it. The use of e wallets largely depends on age group, accessibility to internet, area of residence, lack of proper guidance, etc. There are certain factors that influence the people to use e wallets as the digital payment mode. A better understanding about these factors throws light on the future of e wallets. The various factors include secured transactions, convenience, fast service, utility of innovation and new technologies, etc. Likewise there are various challenges that e wallets industry must face to survive and overcome competition. Some people are worried about the security of the transactions and the transaction costs. The rising transaction volumes can affect the performance capacity and degrade the customer experiences. The introduction of the unified payment interface has created greater competition for e wallets. These UPI based apps boast several advantage over conventional digital wallets.

Digital wallets have to explore new technologies to meet the challenges it face. There is a massive amount of mobile centric innovation occurring in the payment space, intensifying competition for consumers' wallets. They provide better user experience for making mobile payments, provide coupons and offers through wallets, earnings of rewards for transactions, new technologies are used to prevent fraudulent misuse of payments networks, etc.

The wallet companies are trying to tie up with multiple agencies to penetrate into different areas of digital payments. These wallets are spending huge funds on advertisements. Many apps provide QR based payment services, best offers, coupons and vouchers to attract customers. So this study focuses on the areas like the awareness and popularity of e wallets , the challenges it face and the efforts of these e wallet companies to overcome these challenges.

## **2.0 REVIEW OF LITERATURE**

**Shwetu Kumar, Vijay Yadav, Atiqu Rahman, Aditi Bansal (2014)** made a study on "Paytm", it studied about its achievements, technical architecture of payment, working and technologies of Paytm which include a study on supply chain management, web technologies , web based tool of Paytm and also described about electronic payment solutions.

**Salodkar, Morey, Shirbhate (2015)** in their research proposed the implementation, merits and future scope of e wallets. The research paper presented an interesting and detailed study on the characteristics, needs and risk of electronic payments covering a global survey on important initiatives of electronic payment from mobile environments in order to have efficient and secure electronic payments systems.

**Sanaz Zarrin Kafsh (2015)** made a study on "Developing consumer adoption model on e wallets in Canada", by taking a sample of 53 respondents through convenience sampling. The focus of the study was to identify the factors that influence the customers' adoption of mobile wallets. This study was based on technology acceptance model (TAM) and innovation diffusion theory (IDT). As per the analysis made by them, there is relationship among perceived wages, perceived ease of use and perceived security in predicting the adoption of mobile wallets.

**Sharma, Adeesh (2016)** is his article "Unified Payment Interface-Is it a Real threat to Digital Wallets?" discuss he challenges wallet face in terms of interoperability, insufficient infrastructure, high transaction cost, etc. whereas UPI value proposition includes

simplified two factor authentication, use of virtual address instead of bank account number, real time push and pull payments and is regulated by central bank.

**Kate (2016)** in her article discusses the advantages of UPI over e wallets. With the UPI there is no need or any other payment app at all. On the other hand if one wants to keep a particular mobile wallet UPI could enable interoperability of wallets allowing users to transfer funds from one wallet to another. Since RBI allowed banks to become PSP (payment service providers) mobile wallets represent any threat to proprietary solutions (banks), UPI comes as a boon for them.

**Rajiv, Anand (2016)** in his article analyzes the growth of smartphones and the adoption of data services and factors that helped the launch of UPI that will provide low cost acquisition infrastructure by allowing smartphones to substitute costlier point of sale (POS) devices.

**Singal, Nidh (2016)** in his article discuss about the mobile wallet that loads money for payment of bills which is hassle free and saves time. Topics mentioned include the high success rate on making payments with transactions in less than ten seconds, the loading of money which does not risk the credit card and bank account limit, and the offered services by electronic commerce company Paytm including buying tickets, institutions fees payments, and money transfers.

**Bhakta, Pratik (2017)** in his article “Story behind surge in UPI transactions and what make it truly transformational” analyzes the growth of UPI transactions and finds that UPI has outpaced other forms of digital payments in terms of growth, projecting a picture of India quickly jumping from cash to smartphone- based payments the article also include the reasons for the growth of UPI transaction like the curiosity of the users, peer to peer transactions rather than paying for goods and services so as to win cash back , scratch cards, etc.

**Merwyn D’ Souza, Kingshuk Bhadury (2017)** in the article “Potential risk of mobile wallet usage as compared to a physical wallet in India” steps in trying to uncover the major risks perceived by the potential customers of mobile wallets and the specific strategies that help the mobile wallet companies to increase their market share as well as keep their existing market well intact.

**Roshna Thomas, Abhijet Chatterjee (2017)** in the article “Unified Payment Interface (UPI): A catalyst tool supporting digitalization – Utility, Prospects and Issues”



explores and discusses various dimensions of UPI ranging from its concepts, formations, utility, challenges, factors, responsible for its adoption and its impact upon the stakeholders of its ecosystem. The study concludes that UPI is a tool with compatible features that can make monetary transactions easy and affordable to the customers though it is difficult to sideline the challenges.

Competitions from mobile wallets and possible cases of failure from banks to overcome technical errors especially relating to the front end platform designed by them may negatively impact the scope of this innovative payment tool.

### **3.0 RESEARCH METHODOLOGY**

The present study is descriptive and explanatory in nature. Both Primary and Secondary data was used for the study. The secondary data for the study were collected from books, journals, periodicals, RBI publications, Government publications and websites of various banks.

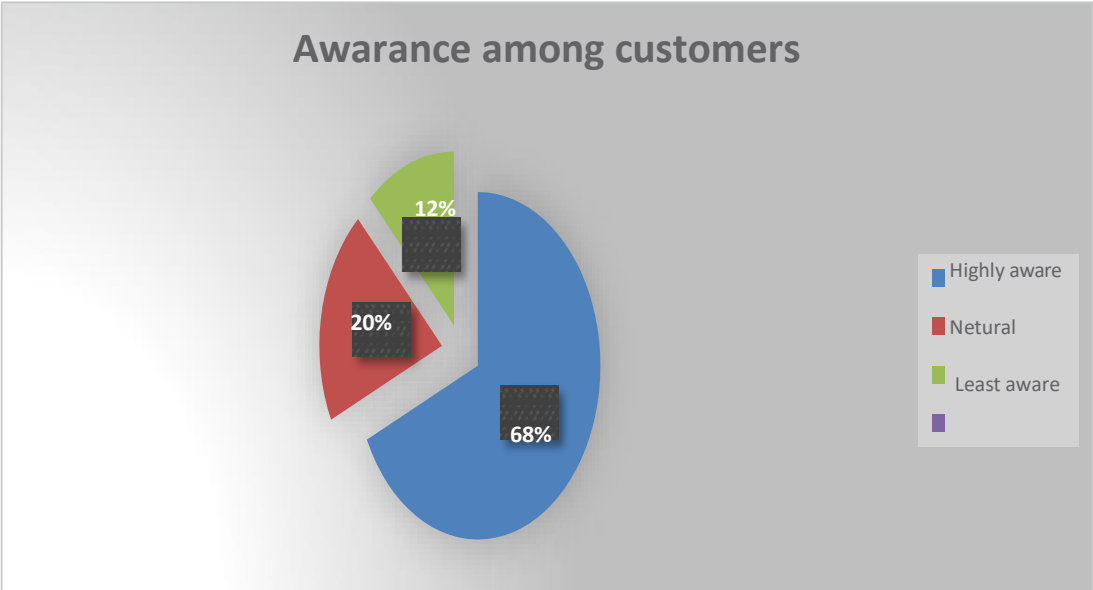
The sample size of the study includes 100 individuals in kollam using digital wallets for their deals. Convenience sampling was adopted for the selection of respondents for the study. Judgment sampling method adopted to select e-wallet users for the study facilitated to cover and include youth of various categories of digital wallet users having varied socio-economic profile such as gender, age, income level, occupation and area of residence so as to ensure representativeness of the society. A well-structured questionnaire is used for collecting the required data from the respondents and other information is collected through analyzing e-wallets companies and their strategies to attract customers.

### **4.0 TOOLS USED FOR ANALYSIS**

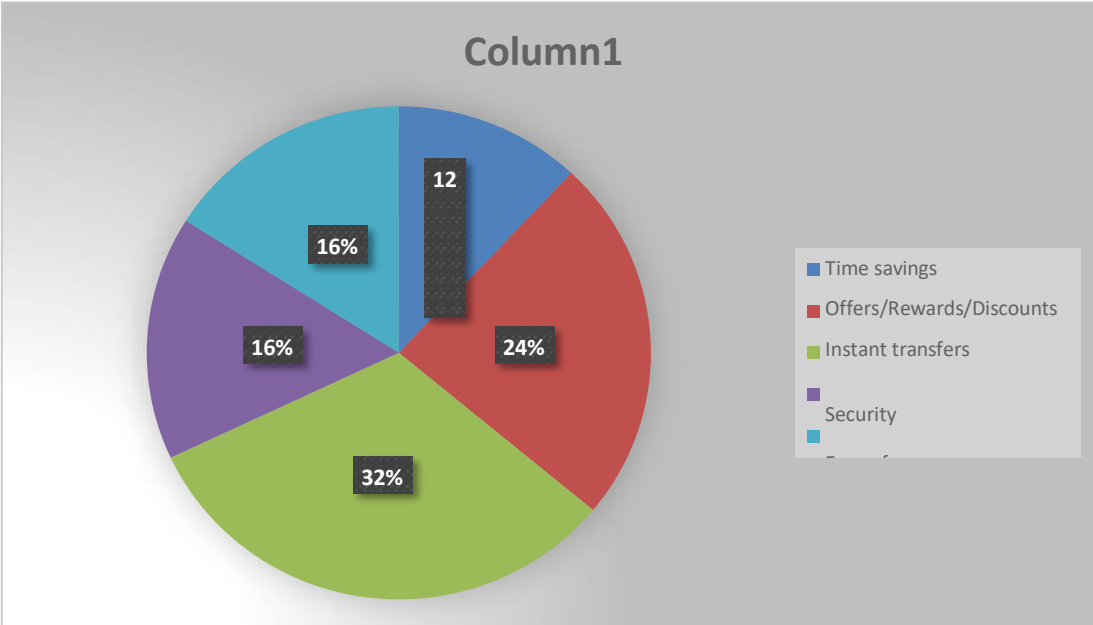
Various statistical tools are used for analyzing the data collected. The tools used under the study helped in finding out the relationship of variables, to derive the findings of the study and to make generalizations based on the findings. The tools used for the study are

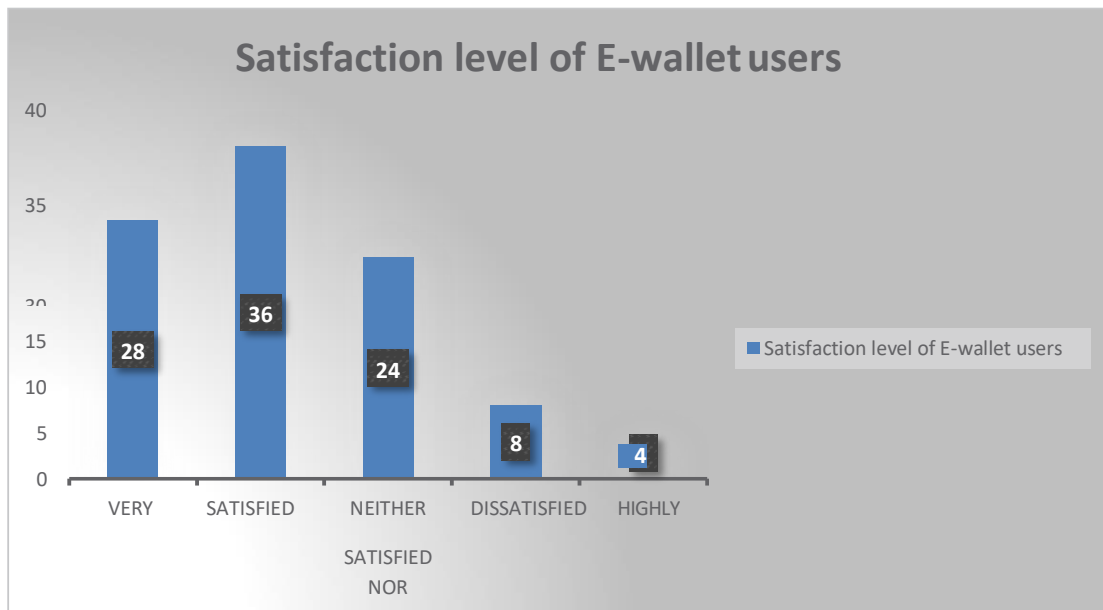
- Tabular analysis
- Percentage analysis
- Pie diagram
- Bar diagram

A survey has been conducted to understand the challenges faced by e-wallets after the introduction of unified payment interface. Study mainly focused on 100 respondents selected conveniently. Out of all the questions asked some major questions are listed below.



### Primary Reason to Use E-Wallets





**Table 1: Problems Faced by E-Wallets**

PROBLEMS	RANKS				
	I	II	III	IV	V
Failure of transactions	28	12	24	32	4
Amount deducted more than once for single Transaction	12	16	16	20	36
Connection lost while processing transactions	28	32	20	4	16
Service needed is not available	16	20	28	12	24
Refund amount received with delay	16	20	12	32	20

*Source: Primary Data*

**Table 2: Computation of Rank**

FACTORS	COMPUTATION	TOTAL	RANK
Failure of transactions	$(5*28)+(4*12)+(3*24)+(2*32)+(1*4)$	328	2
Amount deducted more than once for single transaction	$(5*12)+(4*16)+(3*16)+(2*20)+(1*36)$	248	5
Connection lost while processing transactions	$(5*28)+(4*32)+(3*20)+(2*4)+(1*16)$	352	1
Service needed is not available	$(5*16)+(4*20)+(3*28)+(2*12)+(1*24)$	292	3
Refund amount received with delay	$(5*16)+(4*20)+(3*12)+(2*32)+(1*20)$	280	4

*Source: Primary Data*

#### **4.1 Findings**

- i.** It is found that majority of the e-wallet users got information about it from social media. About 32 % of them agree to it while 24 % of the respondents got information from the friends
- ii.** Majority of the respondents i.e., 32 % find instant transfers as the primary reason to use e-wallets. 24 % of them find offers and discounts as a reason to use e-wallets.
- iii.** Only 20 % of the respondents are fully aware about UPI while a majority of the respondents are partially aware about it. There are still 32 % of them who are unaware about it.
- iv.** The study reveals that incentives and promotions is a major factor that influences the adoption of e-wallets, followed by bank to bank transfers.
- v.** Majority of the respondents are of the opinion that e-wallet provides better user experience and there is no need to reveal the bank account details to do UPI transactions. They also agree that discounts offered on UPI apps are more than ordinary e-wallets.
- vi.** The study reveals that majority of the respondents i.e. 36 % are satisfied with the use of e-wallets and only 28 % of the respondents are very satisfied.
- vii.** Based on the experience of e-wallet users the major problem they face is connection lost while processing transactions followed by failure of transactions. Respondents also find that the service which they need is not available in e-wallets.
- viii.** The study reveals that majority of the respondents are attracted towards the e-wallets and UPI due to the cash back offers the e-wallet companies provide for making transactions.
- ix.** 28 % of the respondents prefer to make the transactions through e-wallets for scratch cards and rewards. While 24 % of them prefer to avail refer and earn offer. Thus the incentives and offers provided by e-wallet companies act as an important factor determining the usage of e-wallets.

#### **4.2 Suggestions**

- i.** The awareness and practical usability of e-wallets and UPI is low so enhance consumer and merchant education on it.

- ii. To provide effective education to customers and merchants, education should address: How to use e-wallet to make a payment. How to provide consistent information regarding their convenience and security strength. Information about problem resolution. Guidelines on how the consumers can protect their mobile phones.
- iii. The e-wallet apps must attain perfection to retain customers because most of the applications are often ridden with bugs and face severe performance issues.
- iv. The e-wallet companies must improve the payment gateway and improve the customer care services. The problems with the server have to be fixed to improve customer experience. They must offer innovative services, attracting cash back offers and rewards to stay ahead of the competitors and attract a wide customer base.
- v. Merchants and e-wallet service providers should increase their marketing with the help of internet and social media to improve consumer adoption.
- vi. Youngsters are aggressive in adopting e-wallets and in the same way people belonging to other age group can also be attracted towards e-wallets through carefully planned marketing campaigns.

## **5.0 CONCLUSION**

E-wallets and UPI gained popularity in India due to the government policy of demonetization. The objective of this study was to find out the future scope of e-wallets and UPI with special reference to the youth. It is analyzed that youngsters are becoming more aware and responsible towards digital payments and are contributing in some or the other way towards success of making India digital. In spite of many security issues, people are inclined towards e-payment because of its convenience, ease of use, quick service and availability. A lot of security aspects are still left unexplored. Information technology has to work hard towards making transactions secured and complete as this is one of the major hindrance in the success of digital payments. Also there should be consistency in transactions. Either transactions should be completely executed or should not be executed at all to avoid reconciliation issues.

From this study it is concluded that UPI will definitely change the way we are transacting now and transforming into digital payments where each person's smartphone will be primary device for all payments and there will be tremendous growth in the adoption of e-wallets in the forthcoming years.

## **BIBLIOGRAPHY**

### **BOOKS**

- Joseph P T, S T (2008), "E-commerce –An Indian perspective" 3rd edition, P H Learning Private Limited.
- Roy, Ajith (2017), "Cashless Economy in India- Present scenario, potential prospect and challenges ahead: Post demonetization India."
- Cooper, Donald. R and Pamela. S. Schindler (2007), "Business Research Methods", 9th edition, Tata Mc Graw Hill Publishing Ltd, New Delhi.
- Kothari, C R (2004) "Research Methodology- Methods and techniques", New Delhi, New age international publishers.
- Lerner, Thomas (2008) "Mobile Payments", Springer Fachmedian Wiesbaden.
- Schropfer, David W (2010),"The smartphone Wallet", create space independent publishing platform.

### **JOURNALS**

- Poonam Paonuly and Shalu Rathi (2016), "Mobile wallet : An upcoming mode of business transactions", International journal in management and social science, volume 4, pp. 356-363.
- Dr. Hema Shweta Rathore (2016), "Adoption of digital wallet by consumers", BVIMSR"s journal of management research, volume 8, issue 1, pp. 69-75.
- Ambarish Salodkar, Karan Morey and Prof Mrs. Monali Shirbhate (2015),"Electronic wallet", International research journal of engineering and technology (IRJET), volume 2, issue- 9, December.
- Pawan Kalyani (2016), "An empirical study about the awareness of paperless currency transactions like e-wallets using ICT in the youth of India", Journal of management engineering and information Technology (JMEIT), volume 3, Issue - 3 June.
- Pinal Chauhan (2013), "E-wallet: The Trusted Partner in our Pocket", International Journal for Research in Management and Pharmacy, volume 2, Issue-4, April.
- Roopah Batra, Neha Kalra (2016), "Are Digital Wallets The New Currency?", Apeejay Journal of Management and Technology, Volume 11, No. 1, January.
- Trilok Nath shukla (2016), Mobile Wallets: Present and future", International Journal in Multidisciplinary and academic research (SSIJMAR), Volume 5, No.3, June.

Vidhya Shree DV, Yamuna N , Nithya Shree G (2015),” a study on New Dynamics in Digital Payment System- with special reference to Paytm and Pay U Money”, International Journal of Applied Research.

Ramesh Sardar (2016), “Preference towards Mobile Wallets among Urban Population of Jalgaon city”, Journal of Management (JOM), volume 3, Issue-2, July-December.

Ngoc Doan (2014), “Adoption of Digital Wallets by customers”, Turku University of Applied Science.

Sahut J (2008), “The adoption and diffusion of electronic wallets”, Journal of Internet banking and commerce , Volume 13, issue 1, April.

## CHAPTER 16

### UTILITY OF ICT IN DISTANCE EDUCATION

**Indrajit Halder**

*Assistant Professor*

*Department of Mathematics*

*Kanchrapara College, Kanchrapara*

*N 24 Parganas, W.B*

---

#### **ABSTRACT**

*The Communication and Information Technologies (ICTs) revolution has changed the nature of Distance Education. In past, Distance Learning preferred a group of instructional methods by which note books, study materials, assignments were provided to the students. Students generally used to face several problems to pursue their study and they did not have any option for clearing doubts due to insufficient study materials. That apart, there was no facility for face to face teacher-student interaction, rather students had to confine to the limited study materials received from Distance Learning Institution. Development of new technology nowadays reduces several difficulties in distance learning education system. Even, in the present situation when Covid-19 spread out around the world, all institutions or universities will continue to remain closed till situation is under control, and then formal institutional education process has turned to the distance learning mode. In this situation, Universities, Colleges, Schools have no other option than use of ICTs to continue the studies. This paper focuses on the different applications of ICTs in distance learning education to overcome several difficulties.*

*Keywords: Information, technology, distance, education*

---

#### **1.0 INTRODUCTION**

Earliest courses of Distance Education were printed materials that would be sent to the learners by post and these courses were termed as Correspondence Course. Corresponding Course was too much effective for those who were not able to continue their studies for different



reasons. Student did not get a chance of face to face interaction with teacher, rather they had to review printed study materials and thereafter they had to prepare their assignments and sent these by post for getting grade. At the end of the course, an examination was taken and returns their award by post. Mode of distance education is being developed day by day. Introduction of ICTs in the distance education has created a new horizon for students. Nowadays, online distance learning system has become more popular. Online Courses are very much cost effective as compared to formal education; as such economically weaker section may able to pursue this course. Globally, number of pursuance in distance education is increasing rapidly. Distance mode education is familiar in different names in different countries. In New Zealand, distance mode education is known as Extra-mural system. Similarly, distance education is found as 'Independent study' in North America, 'Home Study' in few places of Canada & USA, 'Off-Campus studies' in Australia and South-East Asian Countries. There is a great impact of distance education in our society, as to why adoption of new technologies is necessary in the distance education. Even, in the present situation when Covid-19 spread out around the world, all institutions or universities will continue to remain closed till situation is under control, and then formal institutional education process has turned to the distance learning mode. This paper focuses on the use of different applications of ICTs in distance education to improve quality of teaching learning process.

### **1.1 Distance Education in view of Educationists**

According to Professor Moore, distance education is psychological construct as well as a geographical one. Moore stated that distance education, or transactional distance, is a psychological construct that depends on three variables of dialog, structure and autonomy.

**Nipper (1989)** first developed concept of third generation in distance learning. Prime actors in all three generation be teacher, student, and content. As per Nipper, development of relationships among these three increases from the critical role of student. Third generation of distance education can be called as interactive, multimedia distance education which is followed by computer mediated communications, audio graphics, and video conferencing.

As per **Pelton (1991)** and **Taylor (1992)**, Third generation distance education is completely Information Technology oriented. Later on, **Taylor (1995)** developed Nipper's view and referred use of internet & computer conferencing as Fourth Generation.

Fourth Generation distance education must be careful about the use of proper e-Learning (electronic learning), m-learning (mobile learning) and u-learning (ubiquitous learning). ICTs help teachers to enhance their skill and knowledge. In fourth generation distance education, both students and teachers get more facility to share prior knowledge, skills and contextualizing with the course materials.

**Librero (2006)** noticed that formal educational institutes use ICTs to accept blended learning environment which allow both face to face teaching and distance delivery. Blended must be increased the source of learning materials.

## **1.2 Distance Education in India**

In 1984, NCERT started a unit namely ‘Centre for Education Technology (CET)’ to promote utilization of educational technology. Later on, this centre was merged with Central Institute of Educational Technology (CIET). Mission of CIET is to prepare the necessary software for educational purpose.

- i. Contribute to teacher education through the convergence of appropriate technologies.
- ii. Build capacities of teachers or educators for quality improvement roles in school education.
- iii. Make educational policy and to critically appraise educational technology (ICT related) policy in India.

Formal education refers to campus based education at institutions wherein face to face teacher –student interactions can be facilitated, but non-formal education or distance education refers to such mode which does not facilitate any physical contiguity of teacher and learner at all times. As per report of Human Resource Development Ministry, India’s student population in higher education grew by 800,000 in 2018-19 as against previous year. Rapid increase of pursuance in higher education is a reality in the present situation. There is no way other than developing the distance education system. To get develop education system; Government should adopt new developed technology in distance education system.

## **1.3 ICTs in Distance Education**

Information and Communication Technology tools be used in both formal and non-formal education to find, explore, analyze, exchange and present information. ICTs help us to access experts, resource persons, researchers, professionals, mentors etc all over the globe. As

open source tool, Internet is most important for each learner in the present situation. ICTs used to support Distance Education can be divided into two categories:

- i. **Hardware**
- ii. **Software**

### **Hardware**

Radio, Television, Telephone, Mobile, Computer, Modems or WiFi for internet facility, Projectors etc are being widely used to support distance education to meet student's needs.

### **Software**

Distance Learning Software is such tool which acts as bridge between students and teachers. By these tools, teachers may give lessons; assign tasks and grade to students. Video streaming platforms, Assignment apps, Visual Classroom, Feedback tools, Learning Management System (LMS).

## **2.0 DIGITAL LEARNING MANAGEMENT SYSTEMS IN REMOTE TEACHING**

- i. **Google Classroom:** This is free distance learning software that can be used as private classroom for assessment, grading, group projects etc.
- ii. **Moodle:** This is free distance learning software or platform.
- iii. **Skooler :** This is a tool that turn Microsoft Office Software into an education Platform.
- iv. **Schoology:** This tool is useful to support instruction, learning, grading, collaboration and assessment.
- v. **CenturyTech:** This is personal learning pathways with micro-lessons to address gaps in knowledge, Challenge Students and promote long-term memory retention.

## **3.0 MASSIVE OPEN ONLINE COURSE (MOOC) PLATFORMS**

Canvas Network: It provides the platform for open innovation and experimentation. It is free for teachers to support lifelong learning and professional development.

Coursera: It is name of online courses that are taught by instructors from well-recognized universities and companies.

## **4.0 SWAYAM PLATFORM**

Government of India launched SWAYAM platform for those students who have hitherto remained untouched by the digital revolution and have not been able to join the mainstream of the knowledge economy. All courses for the students of class 9 to post-graduation are available in SWAYAM platform with free of cost. Each course is of four quadrants:

- i. Video Lecture
- ii. Study Materials that can be downloaded or printed
- iii. Self assessment tests through quizzes & Assignments
- iv. Online discussion form for clearing doubts.

## 5.0 NATIONAL MISSION ON EDUCATION THROUGH ICTs

Realising the importance of ICTs, Ministry of Human Resource Development launched a web portal named ‘SAKSHAT’ a ‘One Stop Education Portal’. Aim of this project is to develop pedagogical methods for various classes, intellectual calibres and research in e-learning.

National Mission on Education through ICT is to create Virtual Labs, Open Source and Access Tools, Virtual Conference Tools, Talk to Teacher programs, and also for simulated lab experiments. In this mission, ICT can also be used to provide high quality personalized and interactive knowledge modules over the internet for all students in Higher Education Institutions in any time anywhere in any mode. That apart, this mission plans to experiment through virtual laboratories, on-line testing and certification, online availability of teachers to guide and mentor learners , utilization of available Education Satellite ( EduSAT ) and DTH platforms.

## 6.0 CONCLUSION

In the 21<sup>st</sup> Century, Education plays a significant role in all aspects of human being, as such education is not only one of the basic needs of human beings, but also education provides us better job opportunities and a comfortable lifestyle. Distance Education is open door for such people who are not able to continue their study in formal education system; as such distance education institutions should be upgraded periodically with proper use of technologies and media.

## REFERENCES

*Information retrieved from the following portal on 28/09/2020:*

<https://ciet.nic.in/pages.php?id=mission&ln=en>

[https://www.researchgate.net/publication/273898911\\_The\\_Role\\_Of\\_Ict\\_In\\_Open\\_And\\_Distance\\_Educatio\\_n](https://www.researchgate.net/publication/273898911_The_Role_Of_Ict_In_Open_And_Distance_Educatio_n)

<https://www.livemint.com/education/news/india-s-higher-education-student-population-grows-by-8-lakh-hrd-ministry-1569081600712.html>

<http://egyankosh.ac.in/bitstream/123456789/7934/1/Unit-1.pdf>

<http://egyankosh.ac.in/bitstream/123456789/7934/1/Unit-1.pdf>

<https://distance-educator.com/introduction-to-distance-education-theorists-and-theories-michael-g-moore/>

<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.1027.1848&rep=rep1&type=pdf>

[https://commons.wmu.se/cgi/viewcontent.cgi?article=1373&context=all\\_dissertations](https://commons.wmu.se/cgi/viewcontent.cgi?article=1373&context=all_dissertations)

<https://www.aicte-india.org/education/IT-and-ICT>

[https://www.researchgate.net/publication/26455217\\_Impact\\_of ICTs\\_on\\_Open\\_and\\_Distance\\_Learning\\_in\\_a\\_Developing\\_Country\\_Setting\\_The\\_Philippine](https://www.researchgate.net/publication/26455217_Impact_of ICTs_on_Open_and_Distance_Learning_in_a_Developing_Country_Setting_The_Philippine)

<https://en.unesco.org/covid19/educationresponse/solutions>

## CHAPTER 17

### APPLICATION AND IMPLICATION OF INFORMATION TECHNOLOGY IN RURAL MARKETING

**Dr. Poonam Madan**

*Associate Professor I.B.*

*(PG) College, Panipat*

---

#### **ABSTRACT**

*Rural India is the heart of India. Rural India has shown tremendous change from last few years due to various factors like increase in purchasing power and literacy rate, exposure to media, IT initiatives in rural areas, etc. Rural India has shown potential not only for Indian companies but also for MNCs too. No doubt various factors have contributed in increasing the potential of Rural India but entering of IT in rural areas is major path breaking initiative. Information technology (IT) means all activities like buying, selling, communicating, fund transferring etc. in electronic format. IT has changed the face of Rural India. It has made life easier for rural people in various aspects and easy marketing for companies. Due to this, companies have made Information technology as a part of their marketing strategy. E- Choupal by ITC is an important example of information technology in rural India. Government of India is also taking initiatives a lot in area of IT in rural india by seeing their positive impact in rural areas. E-Kisan mandi is a latest example in these initiatives.*

*The purpose of this research paper is to highlight the role of information technology in rural marketing. This paper shows how IT has changed the marketing strategy of the companies for rural India. This paper also includes the e-initiatives taken by companies and Government for implementing IT in rural India.*

*Keywords: Rural India, information technology, e-initiatives, e-commerce*

---

## **1.0 INTRODUCTION**

Information Technology has become an integral part not for common people but also for business and professionals. Information Technology demands cost and offers opportunities for marketers or businessmen. Information Technology in simple terms means application of computers, use of networking and storage and other hardware and software devices, systematic processes for processing, exchanging and securing all forms of electronic data. When this concept is applied to rural areas, it becomes the concept of IT in Rural India. So, IT in Rural India means application of computers, computing, application software, telecommunication hardware etc. while communicating and marketing or dealing with Rural India. Rural India has shown so much progress as comparison to last few years. The purchasing power of Rural People has increased. The Rural People have become more knowledgeable and conscious while purchasing the products due to increase in literacy level. Infrastructure has been improved and media has reached to the doors of rural areas.

Sales have reached at saturation point in urban areas due to stiff competition. All these developments and factors have shifted the focus of companies from urban areas to Rural areas. Due to all these progress in Rural India, it is important that latest means of communication and updated information related to latest crop prices, inputs, fertilizers, health, products etc. should be available to the rural areas. This will be possible with help of information communication technology to be applied in rural India. Access to information is key element for getting success in markets especially in rural markets. It helps in providing and making smooth flow of information and technologies to rural consumers. Information and communication Technology directly links the Rural India with the marketers. IT adopts various communication strategies which should be adopted by marketer for tapping the potential of Rural India. Information Communication Technology bridges the gap of communication and services in Rural India which provides opportunities to the marketers.

## **2.0 OBJECTIVES OF RESEARCH**

The main objective of research is to study the importance of Information Technology in Rural India. Along this main objective other objectives of research are:

- i.** To know the e-initiatives taken by Government in the field of IT in Rural areas.
- ii.** To know why companies have made IT as a major part of their marketing strategy in Rural India.

- iii. To know the purpose of IT in Rural areas.
- iv. To provide suggestions for successful implementation of technology in rural India

### **3.0 RESEARCH METHODOLOGY**

The research paper is an attempt of exploratory research, based on the secondary data. Different news, journals, articles, Books and ministry, other organisational websites have used to procure the required data. The research is basically descriptive in nature.

### **4.0 OBJECTIVES OF INFORMATION AND COMMUNICATION TECHNOLOGY IN RURAL MARKETING**

Some of the reasons for induction of information and communication Technology in rural marketing are as follows:

#### **i. To enhance efficiency of rural marketer**

Information and Communication Technology helps the rural marketer in doing the greater level of work in short period of time. It helps in automating routine tasks to manage rural data analysis easier and store data in a manner that can easily be used for future use.

#### **ii. To make communication effective and in better way**

Information and communication technology helps the rural marketer to communicate with the rural people in quick and efficient manner. E-mail and chat services can prove as a backbone of communication. These electronically based communication system can help in increasing productivity, allow better decision making and easy expansion into rural territories.

#### **iii. To get competitive edge**

By adopting ICTs in Rural areas, a marketer can take competitive advantage over their rivals. If a company succeeds in integrating technology in rural areas, then it will its products and services to rural consumers in a speedy manner which in turn help in making rural customers happy.

#### **iv. To minimize cost**

Information and communication technology has also minimize the cost by making the business processes computerized and replacing the paper work communication. By using technology a marketer can perform multiple functions on the same time which saves time and reduce cost.



**v. To get up-to date information**

In today competitive era, every marketer needs updated information time to time. Technology provides latest information to the rural marketer about current trends, techniques, rural consumers and conditions prevailing in rural areas. Integrating business with latest information and technology makes the rural marketer knowledgeable and provide competitive

**5.0 ROLE OF INFORMATION COMMUNICATION TECHNOLOGY IN RURAL MARKETING**

**i. Help in making agriculture modernized**

Information Technology has made the agriculture sector a modernized sector. Farmers get latest information about market price, land records, scientific methods of doing farming etc. from internet. With the help of internet, farmers can directly sell their products directly to the marketers. This helps in minimizing middlemen who tends to increase price of agriculture products for earning more profit. So, due to Information Technology farmers earns more money and consumers get products at cheap price.

**ii. Help in management of Inventory in a systematic way**

An inventory management system integrated with technology helps in tracking the quantity of each item which a company wants to maintain. This system provides a signal when a quantity of stock falls below a predetermined amount.

**iii. Provide management information system**

Rural market in India is diverse and scattered into various regions. To have success in rural areas, a rural marketer needs to study the behavior of rural consumers. For this purpose, rural marketer requires all information related to rural consumers, rural sales data etc. Management Information system helps the rural marketer in creating and storing database related to rural consumers and sales and expenses. This information helps the rural marketer to track profitability, maximize return on investment and identify the areas of improvement.

**iv. Provide a link between farmers, marketers and government**

Information Technology brings businessmen, Government and farmers close to each other. Farmers can take any type of assistance regarding latest methods of rowing and harvesting the crop by using IT tools like E-call centers, web portals etc. Businessmen or marketers can directly sale and communicate with rural people with the help of technology. At

the same time Government can also approach directly with farmers and marketers with mobile and E- technologies.

**v. Help in fulfillment of cultural gap**

Information and communication Technology has helped to bridge the cultural gap. It help people from different cultures to communicate with one another and exchange their thoughts which increase awareness and reduce biasness.

**vi. Flexible timings**

Flexible timings means a business can be open anywhere, anytime which makes purchasing and communication easier and convenient from different countries. Technology has made possible for a marketer to be open 24\*7 all over the world. This feature of technology has attracted the rural consumers a lot.

## **6.0 E-INITIATIVES IN RURAL INDIA TAKEN BY GOVERNMENT**

Information Technology has made a revolution in Rural area. Both Government and non Government organizations are taking various steps in the form of initiatives for integrating technology in rural areas for the betterment of rural life. Some of the initiatives are as follows:

**i. E-kisan Mandi**

E-Kisan Mandi provides a e-platform to large buyers like exporters, caterers, hotels, offline and online retail chains like Big Bazaar etc. to procure vegetables and fruits directly from farm producer organizations. It has eliminated the services of middlemen between farmers and marketers.

**ii. E-Choupal**

E-Choupal is an initiative taken by ITC Limited which has helped thje rural farmers to a great extent. It helps the farmers by giving the latest information relataed to market price, weather, risk management and latest scientific farm practices. Farmers in the role of Sanchalaks manage the village internet kiosks of E-Choupal.

**iii. Bhoomi**

Bhoomi is a project launched by Karnataka Government. This online project has made delivery and management of land records easy. This project provides mainly two services like procurement of land records and requesting changes to land title.

#### **iv. E-Seva**

E-Seva is an efficient, flexible and transparent technology based service launched by Andhra Pradesh Government for Rural areas. Farmers and Rural People can make the payment of utility bills, tax filing, check the transport department services, can take certificates and many more electronically.

#### **v. Tarahaat**

This project is a joint initiative by NGO, Development Alternatives and its partnership with Technology and Action for Rural Advancement (TARA). All relevant information about product and services is brought to be served to rural people of India through this project.

#### **vi. Drishtee**

It is an e-project which helps the farmers to access to Government programs and benefits, latest information on market, private information exchanges and transactions.

#### **vii. E-Panchayat**

Panchayats play an important role in rural areas. Various issues related to rural people and some legal issues are sought out in Panchayat. E-Panchayat deals with matters related with house related services, issue of license and NOC, issue of birth and death certificates, providing BPL data electronically.

### **7.0 CONCLUSION**

Rural India is an important part of India because majority of people live there. Rural markets have a huge potential as it is an untapped market. Technology has played a great role in making the life of rural people better. It has brought the rural marketers and government close to the rural people. It has benefitted both to the rural people and rural marketers. Rural people directly sell their products to the markets due to technology and E-portals. They can easily get information regarding current prices of their products, climatic conditions, land records etc. On the other hand the Rural marketer communicates in an effective manner and take competitive advantage due to integration of ICTs in Rural Marketing.

### **8.0 LIMITATION**

The study is based on secondary data collected from various journals and websites of ministry and organisations.

## 9.0 SUGGESTIONS

To make successful implementation of Technology in Rural marketing, some factors to be considered in the form of suggestions which are as follows:

- ✓ The issue of power supply should be considered. Use of battery backups and solar energy is a great solution for this.
- ✓ Literacy rate in rural areas is low. So before implementing technology in rural areas, the marketer should provide the knowledge and training of ICTs tools to the farmers and rural consumers.
- ✓ Rural people have their own traditions and culture. Sometimes they do not easily accept the technology. So, marketers should make technology user friendly for rural people.
- ✓ Another factor is access to internet in the rural areas which is a prerequisite for an effective information and communication technology in Rural areas. Most of the rural areas do not have internet access.

## REFERENCES

Singh Vishwadeep, Role of ICT in Rural India, Kurukshetra (A Journal on Rural Development).

Sharma, Parveen, Impact of information technology on the development of rural economy of India, International Journal of Information Technology and Knowledge Management.

Rao JS Giri, Pattnaik SN, Technology for Rural Development Role of Telecommunication Media in India, Indian Media Studies Journal.

Gupta SP. (Prof.). Research Introductory concepts, Methods and Techniques Information and Communication Technologies for Development. (n.d.). Retrieved from <http://www.undp.org/info21/index5.html>.

## Websites Visited

[https://www.researchgate.net/publication/260250212\\_Changes\\_in\\_Rural\\_Marketing\\_through\\_Information\\_and\\_Communication\\_Technology](https://www.researchgate.net/publication/260250212_Changes_in_Rural_Marketing_through_Information_and_Communication_Technology)

## CHAPTER 18

### EMERGING TRENDS OF DIGITAL MARKETING IN INDIA

**Dr. Kausar Unnisa**

*Assistant professor*

*Department of Commerce and Management,*

*Government First Grade College*

*Kolar Gold Fields, Karnataka -563122*

---

#### **ABSTRACT**

*The massive Indian market is changing fast. Internet access is mainstreaming among professionals and the use of mobile is intensifying. The pace of change continues to be rapid with digital channels constantly growing in volume and strength. More people spend more time online in India every year, and the digital tools and sites they use play an ever-growing role in their lives. Smart marketers keep on top of the scale of change and ensure their marketing strategies and touch points mirror where the consumer is spending their time.*

*Keywords: Digital media, electronic communication, industry, product, innovation*

---

#### **1.0 INTRODUCTION**

Digital Marketing is a part of a Digital Economy. India is a fast moving nation towards digital economy and this movement has been accelerated with the demonetization of the Indian Currency in the last quarter of year 2016. With it various government digital payment promotion schemes has been launched. Digital market requires digital promotion and marketing strategies. The telecom sector is also playing an important role in the digitalization movement. Recent launch of reliance telecom Jio with the free & unlimited internet facilities has played a revolutionary roll. The other prominent companies like Airtel, Idea, Vodaphone & BSNL are also offering attractive internet plans. Indian banks are also providing more customer friendly & secure money transaction services. Now Indian consumer is spending more time on social media and internet surfing. Thus the visibility of any product is more through digital medium than

traditional marketing techniques. Digital marketing techniques include Content Marketing, Marketing Automation, AdWords, SEO, Social Media, Email Marketing and Website Design. The key players role players and infrastructure providers in Digitization of an Economy are government, banking system, Shopping Portal in India, Internet Service Providers and Software Service Providers.

Digital Marketing is the term most frequently used today, so that is the term we focus on. In simple words we define digital marketing is “Achieving marketing objectives through applying digital technologies and media”. So, digital marketing is about utilising digital technology to achieve marketing objectives. There is no essential need for digital marketing to always be separate from the marketing department as a whole, as the objectives of both are the same. However for now it remains a useful term because digital marketing requires a certain skill set to utilise the digital technology effectively. As the recent Developing Digital Skills 2018 report showed, many marketers are now spending > 50% of their time on digital marketing activities and two of the three top job roles in marketing are digital, so clearly digital skills are needed for the marketers & managers.

***Effective Ways of Digital Marketing In order to achieve success one suppose to move in the following manner***

- i. Plan** - Create a structured plan and roadmap by reviewing your current weaknesses and the opportunities to boost online leads and sales.
- ii. Manage** - Review your marketing activities, so that you know where to focus to get the Quick Wins which will make the biggest difference
- iii. Optimise** - Learn the best practices and success factors to help you compete to get better results It is no exaggeration that you live in a digital world and from that perspective it is imperative that your business has an impressive presence in the digital space. In essence, digital marketing is the future of marketing in the world with the added advantages that it is cheaper than traditional marketing and is measurable. Let’s list the different ways you can use the digital medium to popularize and drive conversions for any startup or business.

### **1.1 Search Engine Optimization (SEO)**

In layman’s terms, Search Engine Optimization or SEO is essentially tweaking your website so that it comes up naturally or organically for search results in Google, Yahoo Bing or

any other search engine. Google updates its algorithms regularly so that only the relevant results come up. From that perspective, many experts say that SEO is dead and the effort is futile. However, the truth is that Google tries to prevent algorithm manipulation and filters sites that don't deserve to be on the top of SERPs (Search Engine Result Pages). So there is no doubt you should invest in SEO work. Your website should address the technicalities related to content and query matching, spidering, indexing, and interpreting non-text content.

## **1.2 Search Engine Marketing (SEM)**

Search Engine Marketing or SEM is the comprehensive strategy to drive traffic to your business, primarily through paid efforts. Hence it is also called Paid Search Marketing. The universe of SEM is diverse and complicated. Based on your business structure, you may choose PPC (payper-click) or CPC (cost-per-click) model, or CPM (cost-per-thousand impressions) model. There are different platforms for SEM. By far, Google AdWords (on Google Network) and Bing Ads (on Yahoo Bing Network) are the most popular. SEM also includes Display Advertising, Search Retargeting & Site Remarketing, Mobile Marketing and Paid Social Advertising.

## **1.3 Content Creation**

Content can be presented in different formats, including blogs, white papers, e-books, case studies, how-to guides, question and answer articles, forums, news and updates, images, banners, info graphics, podcasts, webinars, videos, or content for micro blogging and social media sites. All recent changes to Google's algorithm - be it Panda, Penguin or Hummingbird - point to the fact that content is the most important metric while filtering search results. You can be creative and create content on any topic and then skillfully link it indirectly to your business. You may like to read our article on how to include content and market your startup or business free of cost. Also, you need to customise your content for different platforms. For example, the content for mobile phones should be crisp and short.

## **1.4 Social Media Marketing (SMM)**

Social Media Marketing or SMM is an offshoot of your SEM efforts. It involves driving traffic to your sites or business through social sites like Facebook, Instagram, Twitter, Pinterest, Google+, LinkedIn, etc. As we mentioned above, good content is shared and liked. So create and customize content for different social media platforms. Remember to be prolific and original; you need to engage with users on a daily basis, at least four to five times a day

## **1.5 Digital Display Advertising**

This again is a subset of your SEM efforts. You may use a variety of display advertising formats to target potential audience - be it text, image, banner, rich-media, interactive or video ads. You can customise your message based on interests, content topics, or the position of the customer in the buying cycle

## **1.6 Retargeting and Remarketing**

Essentially, Retargeting or Remarketing is a strategy to target customers who have already visited your website. It is based on cookie technology. Retargeting has emerged as a preferred strategy as you target customers who have already shown interest in your business; and hence the conversion rate is high. You may engage in Retargeting on your site, or on social network or on the mobile. Visualise your strategies based on the customers' buying cycle

## **1.7 Viral Marketing**

Viral Marketing is a strategy where a unique content spreads exponentially online, because the content is appreciated, shared and liked immensely. This is a great way to brand and drive traffic to your website. The content can take any format; all you need is to be creative.

## **1.8 Email Marketing**

When you send a commercial message through email to a list of potential customers, the strategy is called Email Marketing. With an effective email marketing software, you can maintain email lists that are segregated based on several factors, including customers' likes and dislikes, and spending habits. Remember to send personalized emails; this helps to develop trust.

## **1.9 Affiliate Marketing**

Affiliate Marketing is a performance-based marketing program, where you pay publishers who bring you customers. The performance may be based on conversions - promotions, leads or simply sales. You may like to be part of the affiliate programs of different publishers. Essentially, the publishers will give you space in their pages to advertise your business and help you drive conversions; and you will pay them based on the compensation model. You may avail the help from an Affiliate Network, which will give you a large base of publishers, and other benefits like tracking and reporting technology. Affiliate Marketing is especially useful for startups, as it will bring in more traffic to their business through high-



traffic sites. In essence, Affiliate Marketing is a win-win situation for both the merchants and publishers. Sites like Amazon, eBay, LinkShare and Flipkart run Affiliate Programs.

### **1.10 Digital Media Planning and Buying**

When a media agency researches and makes a comprehensive strategy framework, we call it Digital Media Planning. Be it in driving sales or conversions, launching a new brand or promoting an established brand, or changing customer behaviour, the media agency plans different platforms and formats to reach the desired audience. It studies reach and frequency of different web-based and mobile applications. The agency works with different partners and buys relevant space and ideas.

## **2.0 FUTURE OF DIGITAL MARKETING IN INDIA**

Day by day growing Digital Market in India is an evident that the Digitization is taking place with a high speed. E-commerce website are providing all the goods and services through online portals online today. The increasing number of ecommerce websites. WARC Survey shows that 35% of advertisers would increase their mobile advertising spend by 50% or more by 2020 in India.

According to the Group M report, consumer product makers will remain the most dominant sector in terms of ad spending with a 28% share of the total expenditure. Many advertisers will increase their ad spending to spur demand, helped by the buffer provided by low commodity prices, which have reduced their input costs. Thus, all reports and surveys conducted around the globe are showing that the digital marketing will grow more in coming years. Youth of India is very much technology friendly. By 2018, mobile devices are expected to reach around 3 billion units worldwide. So as more people use smart phones, tablets and other mobile devices, the potential of mobile market continues to grow.

## **3.0 CONCLUSION**

As we all are experience a radical change in India towards the digitalization. The consumer are looking and searching more on internet to find the best deal form the sellers around India. Digital marketing such as search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, e-commerce marketing, campaign marketing, and social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books, optical disks and games, are becoming more and more common in our advancing technology. Today we all are connected through whats app

and facebook and the increasing use of social media is creating new opportunities for digital marketers to attract the customers through digital platform. Digital marketing is cost effective and having a great commercial impact on the business.

### **BIBLIOGRAPHY**

Pratik Dholakiya (14 April 2015). "Digital Marketing Channels That Work for Every Advertiser"

Mohammed R., —Internet Marketingll, McGraw Hill, New York, Vol. 4, 2001.

Devi .C.S and Anita.M ( 2013) : —E marketing challenges and opportunitiesll pg. 96 – 105  
retrieved from [www.ijssrm.in](http://www.ijssrm.in)

## CHAPTER 19

### CLOUD COMPUTING IN BANKING SERVICES

**Kirandeep Kaur**

*Assistant Professor*

*Department of Commerce*

*Guru Gobind Singh Khalsa College for Women,*

*Jharsahib, Ludhiana, Punjab, India*

---

#### **I.0 INTRODUCTION**

With the rise of existing and new, non-traditional competition, banking faces a changing business landscape. Satisfying customer demands has become more complex as customers demand more convenience and control over their banking services. At the same time, regulators are ushering in a new era of government over-sight. Banks currently face challenges in a number of key areas:

##### **1.1 Capital Inadequacy that Depresses Profit Margins**

Emboldened customers who expect rapidly evolving new services and offerings fierce competition for customers has spawned industry consolidation and the entrance of nontraditional firms changing business models have shifted from productcentric to customer-centric. Enhanced regulation increases government oversight and intervention. Increasing social and government pressure for financial inclusion.

To drive growth and innovation in banking, it is increasingly necessary to dramatically leapfrog the competition using IT and business model transformation. Cloud computing can offer financial institutions a number of advantages, including:

- i.** Cost savings
- ii.** Usage-based billing
- iii.** Business continuity
- iv.** Business agility
- v.** Green IT But before moving to the cloud, banks must consider issues around data confidentiality, security, regulatory compliance, interoperability of standards, and quality

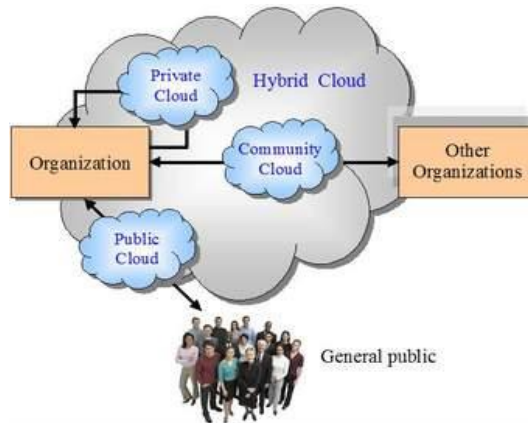
of services. Why Cloud Computing for Banks? Cloud computing can help financial institutions improve performance in a number of ways.

- i. Cost Savings and Usage:** Cost Savings and Usage based Billing with cloud computing, financial institutions can turn a large up-front capital expenditure into a smaller, ongoing operational cost. There is no need for heavy investments in new hardware and software. In addition, the unique nature of cloud computing allows financial institutions to pick and choose the services required on a pay-as-you-go basis.
- ii. Business Continuity:** With cloud computing, the provider is responsible for managing the technology. Financial firms can gain a higher level of data protection, fault tolerance, and disaster recovery. Cloud computing also provides a high level of redundancy and back-up at lower price than traditional managed solutions.
- iii. Business Agility and Focus:** The flexibility of cloud-based operating models lets financial institutions experience shorter development cycles for new products. This supports a faster and more efficient response to the needs of banking customers. Since the cloud is available on demand, less infrastructure investments are required, saving initial set-up time. Cloud computing also allows new product development to move forward without capital investment. Cloud computing also allows businesses to move non-critical services to the cloud, including software patches, maintenance, and other computing issues. As a result, firms can focus more on the business of financial services, not IT.
- iv. Green IT Organizations:** can use cloud computing to transfer their services to a virtual environment that reduces the energy consumption and carbon footprint that comes from setting up a physical infrastructure. It also leads to more efficient utilization of computing power and less idle time.

## 2.0 WHAT IS CLOUD COMPUTING?

The cloud is a paradigm shift in computing, by which infinite computing capabilities and resources (servers, storage, networks, applications and services) are delivered as a service to customers using internet technologies. The Microsoft Windows Azure platform, which serves as the foundation for developing and running applications in the cloud (and offers all the required development tools, management and services from Microsoft), is built to be flexible and give customers the ability to run the technologies they choose and scale as necessary – paying only for what they consume. For banks, running their applications in Windows Azure means they

don't have to deal with the basics of the operating system. They have automatic scalability and automatic failover as well as disaster recovery, without having to actively manage and maintain the technology themselves. For smaller banks in particular, cloud computing is the most cost effective IT solution available on the market today, as it allows them to benefit from the consumption-based pricing model, as well as the scalability of Windows Azure as they grow. Cloud computing has the capacity to change completely the financial services landscape.



**Figure 1: Deployment View of Cloud Banking Model**

By making enterprise-level banking systems and associated technologies available in the cloud on a pay-per-use basis, now anyone, anywhere can have access to modern core banking systems without the cost and other barriers usually associated with this technology. Cloud computing is a model, not a specific technology. Today, cloud technology is not just a tool being used in IT, but a paradigm shift to an entirely new business model. Cloud computing, allows companies to access IT-based services via the internet.

A cloud-based model provides rapid acquisition, low capital investment, relatively low operating costs and variable pricing tied directly to use. Cloud computing services operate at several levels: infrastructure as a service, software as a service, platform as a service and business process as a service. There are several different “flavors” of cloud, each bringing its own specific implications for banks.

The main variants are:

## 2.1 Public Clouds

Public clouds extend the data center’s capabilities by enabling the provisioning of IT services from third-party providers over a network. The data and processing may be located

anywhere in the world on infrastructure that is shared with the cloud provider's other customers, or "tenants".

## **2.2 Private Clouds**

Private clouds are built by applying virtualization within a bank's own data centers. Because private clouds are not exposed to external "tenants," banks tend to regard them as a more secure environment for customer data.

## **2.3 Hybrid Clouds**

Hybrid clouds blend public and private clouds depending on the sensitivity of the data and applications in each process, and the degree of business criticality and differentiation. Most banks will follow a "hybrid" cloud strategy which can also be a cloud owned by and located within the bank, but operated by a thirdparty.

## **2.4 Public "Sovereign" Cloud**

Public "sovereign" cloud is an emerging variant, under which a public cloud provider commits to keeping the cloud data and processing within a specific jurisdiction. This facilitates compliance with data protection regulations forbidding personal data from passing beyond national borders. The all service layers, regardless of deployment model (private, hybrid, and public), a banking sector must implement a consistent model to govern, provision, and operate activities across all layers. This encompasses provisioning not just the infrastructure, but all components and services required to deploy the bank service, for example, hardware, network services, operating system, database, middleware, application, and third party service provisioning.

## **2.5 Infrastructure Services**

Includes servers, storage, and networking, both inside and outside a banking services for data center. Many banks are currently building an internal cloud IT infrastructure. This layer is often called IaaS.

## **2.6 Platforms Service**

A broad technology array, including application hosting environments and tools, middleware technology, development frameworks and tools, and standards applied to specific business services. Even a core banking product includes a development environment such as frameworks, scripts, languages, tools and deployment environment such as deployment scripts, monitoring, and control environment.

## **2.7 Business Services**

Core bank services such as corporate and retail banking, wealth management, treasury management, risk management and compliance, trading. Banks have built these services in-house, the market is replacing these systems with commercial off-the-shelf packages that embrace an SOA. Some business services, such as loan origination and payments, are consumed through an external service provider.

## **2.8 Channel Services**

Support diverse channels such as ATM, branch, call center, mail, mobile, online, telephone, video, etc. The services are tailored per channel, built on a channel-specific technology stack with some sharing across channels via bridging technology. As the number of channels, devices, and users explode, banks evolve toward single architecture that supports all channels, delivering a consistent customer experience, services, and information across all channels. Security (Authentication, Authorization and Access Control) —the critical need for security, privacy, and control in a cloud environment. For applications that need lower levels of security and control, a public cloud may suffice. Where more stringent levels of security and control are called for, a private cloud is the logical choice. For more sensitive banking sector services applications, which call for higher levels of privacy and control, retain them on their existing environment, or consider a utility services solution, or traditional managed hosting services approach.

## **2.9 Scalability**

The Cloud service that provides real-time visibility into resource utilization, operation performance, patterns for CPU utilization, disk I/O, and network traffic. Enabling employees across distributed branches to access trading and banking systems through a security-rich cloud infrastructure Benefits of Cloud Computing in various banking IT service areas: Analytics: Integrating customer data across banking platforms to enable near real-time insights.

## **2.10 Collaboration**

Enabling employees across distributed branches to access trading and banking systems through a security-rich cloud infrastructure.

## **2.11 Cost Savings and Usage-based Billing**

With cloud computing, financial institutions can turn a large up-front capital expenditure into a smaller, ongoing operational cost. There is no need for heavy investments in new hardware

and software. In addition, the unique nature of cloud computing allows financial institutions to pick and choose the services required on a pay-asyou-go basis.

#### **2.12 Desktops and Devices**

Deploying a private cloud to centralize management of desktops allows for greater remote flexibility without sacrificing control, while enabling banking employees to access the applications and data they need.

#### **2.13 Development and Testing**

Enabling a bank's development teams to quickly and easily create virtual environments thus increasing the agility of development and testing.

#### **2.14 Industry Applications**

Enabling payment providers to standardize and modernize transaction processing.

#### **2.15 Infrastructure Compute**

Allowing capacity to be allocated, expanded and reallocated efficiently gives banks flexibility and agility while resolving the issues of complexity and cost increases related to scaling up traditional network models to accommodate future growth.

#### **2.16 Infrastructure Storage**

Providing scalable storage solutions to ensure that the real-time demands of today's trading and analytics processes are maintainable.

#### **2.17 Managed Backup**

Backing up a bank's critical business data to ensure that in the event of a disaster a bank can bounce back rapidly and easily.

#### **2.18 Security**

Enforcing active security and endpoint management to ensure corporate governance and banking IT policies are maintained

### **3.0 CONCLUSION**

While banks will benefit in a similar way to other cloud users from this particular offering, especially in terms of lower total cost of ownership, enhance their operations and help them develop new offerings with flexibility and a rapid time to market. Cloud computing may soon prove indispensable as an answer to the daunting new demands for agility, transparency, and efficiency. Shrinking markets and global competition pose numerous challenges for banks – the Cloud offers the speed, flexibility and real-time information needed to meet those challenges



on a cost-effective basis. Global economic situation to more stringent regulatory controls, nimble new competitors, and shifting Customer expectations—bankers and others now face a dramatically different market reality. Banks must collaborate and technology must be part of that collaboration. We successfully integrated on promise and cloud-deployed bank sector for web service. The benefits can include not only lower costs, but increased revenue and optimized customer relationships. Cloud computing represents game-changing shifts in how banking services organizations acquire and leverage IT resources. Cloud computing also provides a high level of redundancy and back-up at lower price than traditional managed solutions. The Cloud vendor provided infrastructure services are used to address scalability, performance, security, availability, disaster recovery, monitoring requirements of the systems.

## **REFERENCES**

Buyya, R., Chee Shin Yeo, Venugopal, S., 25-27 Sept. 2008, “MarketOriented Cloud Computing: Vision, Hype, and Reality for Delivering IT Services as Computing Utilities”, High Performance Computing and Communications, 2008. HPCC 08. 10th IEEE International Conference.

David C., Javier E., David R. and Arturo M., The e-HUB evolution: From a Custom Software Architecture to a Software-as-a-Service implementation, Computers in Industry 2010; 61(2): 145-151.

Deepak Kumar Bora , “An Overview of Cloud Computing with special reference to financial sector”, Oct. 2011.

Douglas K. B., Starting to Adopt a Service-Oriented Architecture, Web Services and Service-Oriented Architectures 2003; 87-92.

Rao, Leena, —AWS Rolls Out Cloud Management And Scalability Features For EC2, TechCrunchIT, 18 May 2009, <http://www.techcrunchit.com/2009/05/18/aws-rolls-out-cloud-managementand-scalability-features-for-ec2/>

## **Websites**

<http://www.ijetae.com>

<http://www.nist.gov/itl/cloud/refarch.cfm>

[ibm.com/services/cloud](http://ibm.com/services/cloud)

## CHAPTER 20

### CUSTOMERS' PERCEPTION TOWARDS CELEBRITY ENDORSEMENT

**Dr. Lalita K. Sharma**

*Assistant Professor*

*Department of Commerce*

*Guru Nanak Khalsa Girls College*

*Sang Dhesian, Goraya, Jalandhar, Punjab*

**Sourav Chhibber**

*Commerce Lecturer*

*St.Mother Teresa Public Senior Secondary School*

*Khanna, Punjab*

---

#### **ABSTRACT**

*Celebrity endorsement has become very popular element in the advertisement nowadays. Corporate uses this opportunity to grab the market and for expand their operation and promotion of their brand and product. More than ten percent of television advertising includes celebrity endorsements. The purpose of this research paper is to explore customer perception towards celebrity endorsement. Nine factors were manipulated in this research paper which is attractiveness, trustworthiness, physical appearance, popularity, and image/Goodwill, and reliability, negative role of celebrity, aspiration, and brand for result. For that 100 graduates and post graduate students from Amritsar (Punjab) were taken. Result shows that attractiveness of a celebrity endorsing a particular product/brand strongly influence a customer perception and impact of product and brand are more positive on the customer buying decision compare to celebrity endorsement. So celebrities' professional accomplishments and expertise may serve as a logical connection with the products, and consequently make the endorsement more believable to consumers.*

*Keywords: Celebrity endorsement, attractiveness, brand value, factor analysis*

---

## 1.0 INTRODUCTION

Nowadays marketing communication has become multicolored and inundated with advertisements but it is hard to get noticed. It is not an easy task for the designer of an advertisement campaign to frame unique, eye catching and ground breaking advertisements. Technique of brand endorsement by a Celebrity in an advertisement and its overall impact on the brand is of great importance (Qurat-Ul-Ain Zafar, 2012). Any individual who enjoys public recognition is Celerity and when he uses this recognition on behalf of a consumer good by appearing with it in an advertisement he becomes celebrity endorser (McCracken, 1989) and appealingly the prospective buyer of the particular product or brand. Endorser's credibility is a frequently used approach in an advertising to influence consumers' approach towards the advertisement, product evaluation, and procure intentions (Lafferty & Goldsmith, 1999).

Celebrities are people who enjoy public recognition by a large share of a certain group of people whereas attributes like attractiveness and their lifestyle are just examples and specific common characteristics cannot be observed though it can be said that within a corresponding social group celebrities generally differ from the social norm and enjoy a high degree of public awareness (Schlecht, 2003). According to Business Standard, 2003 this is actual for classic forms of celebrities like actors (for example. Sharukh khan, Salman Khan, Amitabh Bachhan), models (Kangana Ranaut, John Abraham) Sports persons (for example. Sachin Tendulkar, M.S Dhoni) entertainers (Barkha Dutt, Shekhar Suman) and pop stars (Mika, Dailer Mehndi) but also for less obvious groups like businessmen (Dirubhai Ambani) or politicians (Laloo Prasad Yadav) Besides these there are fictional celebrities like Fido dido, Pillsbury doughboy, Gattu, Amul Girl. Celebrities appear in public in different ways and they appear in public when fulfilling their profession e.g. celebrities act as spokes people in advertising to promote products and product brand (Kambitsis et al, 2002).

In the present picture, it is vital to understand that whether there exist any significant cross cultural differences or similarities in perceptions of consumers across different countries along with consumers perception for celebrity endorsement. Furthermore, as celebrities symbolize the symbolic meanings and values that are closely attached to the culture in which they have attained their recognition (McCracken, 1989). Advertisers believe that messages delivered by famous personalities achieve a high scale of interest and recall (Ohanian, 1991). It

has also found that more than ten percent of television ads include celebrity endorsements, (Walker et al, 1992).

Celebrity can endorse any brand and product. But the challenge is to choose a right celebrity for an exact brand/product and also for a correct purpose. So, the multinational companies keep altering their advertisement strategies periodically. Due to vast competition in the market it is very hard to get market share for capturing the consumer’s attention. Celebrity endorsement gives an extra benefit to the companies for holding attention of audience towards brand and the product (Mahira Rafique, 2012). McCracken (1989) also suggests that to make celebrity endorsement effectual a symbolic “match” should exist between the celebrity image and the brand image. Studies have proved that celebrities endorsing a company or a brand can significantly enhance consumers' awareness. In addition when a celebrity endorses a company it gives a message to the consumer that the company is having good reputation and a high-quality product/service.

## 2.0 REVIEW OF LITERATURE

Twelve studies have been reviewed and formulated in tabular form which enumerates major objectives and findings.

**Table 1: Review of Literature**

S.No	Title	Author Name	Year	Conclusion
1	Effects of Expertise and Physical Attractiveness upon Opinion Agreement and Liking	Horai et al.	1974	The endorser's perceived expertise has a positive impact on attitude change of the customer. Endorsers will be perceived as having the most expertise when they endorse products or services related to them.
2	Physical attractiveness of the celebrity endorser: A social adaptation perspective	Kahle L. R. & Homer P.	1985	The physical attractiveness of the endorser puts positive impact on the product, enhancing the product's image and resulting in positive attitude change.
3	Who Is the Celebrity Endorser? Cultural Foundations of the Endorsement Process	McCracken Grant	1989	Celebrities echo the symbolic meanings and values that are closely tied to the culture in which they have attained their eminence.

4	The Effects of Multiple Product Endorsements by Celebrities on Consumers' Attitudes and Intentions	Carolyn Trippet et al.	1994	The impact of multiple product endorsements on consumers' perceptions of expertise and liking for the celebrity may be indirectly and unknowingly tied to the number of products endorsed by the celebrity via attributions of trust.
5	Perceptions of Advertising and Celebrity Endorsement in Malaysia	Md. Zabid & Abdul Rashid et al.	2002	Concluded that Overall, the respondents agreed that advertising by celebrities influenced them in making decisions to purchase a product/brand.
6	Celebrity Entrepreneurship: The Effect of Negative Celebrity Information on the New Venture	Erik hunter & Davidson	2008	Negative information about the celebrity might leads to negative attitude towards the new venture and promotion, new ventures can potentially reduce damage to their brand by distancing themselves from the celebrity
7	Celebrity Endorsements in Advertisements and Consumer Perceptions: A Cross-Cultural Study	Somdutta Biswas et al.	2009	The research demonstrated that there is a positive, although moderate, impact of celebrity endorsements on attention and exposure of consumers.
8	Customer Perception About Celebrity Endorsement in Television Advertising for Retail Brands	Varsha Jain et al.	2009	Concluded in a study that customers prefer film actors as well as sportspersons for retail advertising.
9	Celebrity endorsement- Review of literature	N. Muthu Kumar	2011	The consumer has an overall positive attitude towards celebrity endorsement such endorsement were perceived to be attention gaining, likeable and impactful.
10	Effective advertising and its influence on consumer buying Behavior	Zain-Ul-Abideen, & Salman Saleem	2011	Usually People buy only those brands with whom they emotionally attached. These attachments are created through advertisement as audio, video and text form, which appeals the potential buyer.
11	A study of	A.	2012	The attitudes toward advertisements,

	effectiveness of multiple and single and single celebrity endorsement in Chennai perceptively, India	Pughazhendi et al.		attitude toward brand and purchase intentions are more positive for multiple celebrities ad which belong to low involvement category while for high involvement product category, attitude toward advertisements, attitude toward brand and purchase intention showed no significant difference for multiple and single celebrity advertisements.
12	Impact of Celebrity Advertisement on Customers' Brand Perception and Purchase Intention	Qurat-Ul-Ain Zafar & Mahira Rafique	2012	Physical attractiveness, credibility and congruence of celebrity with reference to the endorsed advertisement have impact on the customer's perception about the advertised product.

*Source: Literature Review*

### **3.0 RESEARCH METHODOLOGY**

#### **3.1 Objective of the Study**

- i. To study the customer perception and attitude towards celebrity endorsement and factors that influence purchase behavior of customer.

#### **3.2 Sampling Design**

These respondents were interviewed through a pretested, well structured questionnaire which was administered personally.

#### **3.3 Methods of Data Collection**

The present study is mainly based on primary data collected from 100 students from Guru Nanak Dev University. The survey was conducted during the period of March 2015 to April 2015.

#### **3.4 Research Tools**

Five point likert scale has been used for the said purpose ranging from strongly agree to strongly disagree. To find out the customer perception and attitude towards celebrity endorsement and factors that influence purchase behavior of customer, Factor Analysis used for analyzing correlations between variables factor analysis, which reduces their number into fewer factors which explains much original data more economically (Nargundkar, 2010).

### 3.5 Scope of the Study & Limitation

From the literature review, it can be summarized that not much work has been done on celebrity endorsement in Amritsar, Punjab. This study is a comprehensive because there not much work has been done on this topic in Punjab region. More than ten percent of television advertising includes celebrity endorsements.

### 3.6 Limitations of the Study

- i. The biasness of the respondents may affect the result of the study so for as primary data is concerned. Because of the biases of the respondents the result of the study may not be the same for all the cities and at all places.
- ii. The survey has been conducted in Punjab region only. It may not reflect the public opinion at large.
- iii. The sample size has been small  $n = 100$  which may not reflect the broader picture.
- iv. Time and cost constraints.

### 4.0 ANALYSIS OF FACTOR ANALYSIS

Explanatory factor analysis is used to identify the underlying constructs and investigate relationships among the key survey interval-scaled questions regarding perception towards celebrity endorsement. To test the suitability of data, reliability test has been conducted and value of Cronbach's alpha comes out to be 0.725 which is significant. The following steps have been conducted to analyze the data. The correlation matrix is computed and examined. It discloses that there are enough correlations to go ahead with factor analysis.

- Kaiser-Meyer-Olkin Measure of Sampling Adequacy is computed which is found to be 0.630. It is indicated that the sample is good enough for sampling.
- The overall significance of correlation matrices is tested with Bartlett Test of Sphericity (approx chi square = 663.083 and significant at 0.000) provided as well as support for validity of the factor analysis of the data set.

**Table 2: KMO & Barlett's Test**

<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		<b>0.630</b>
Bartlett's Test of Sphericity	Approx. Chi-Square	663.083
	df	351
	<b>Sig.</b>	<b>0.000</b>

*Source IBM SPSS statistics 19 version*

Hence, all these three standards indicate that the data is suitable for factor analysis.

Principal components analysis is employed for extracting factors.

#### 4.1 Rotation Method

Orthogonal rotation with Varimax was applied. The latent root criterion is used for extraction of factors. As per it, only the factors having latent roots or Eigen values greater than one are considered significant.

**Table 3: Rotated Component Matrix**

Statement	1	2	3	4	5	6	7	8	9	Communalities'
S-1	-.016	-.156	.304	.091	<b>.656</b>	.014	-.167	.285	-.009	.665
S-2	.210	.180	.343	<b>.503</b>	.000	.226	.140	.193	-.202	.596
S-3	.013	-.013	-.078	<b>.831</b>	.124	.117	-.003	.115	.001	.740
S-4	.081	-.138	-.117	.017	.019	<b>.750</b>	.097	.157	-.069	.641
S-5	.423	.211	.050	<b>.469</b>	-.200	-.402	-.141	-.173	-.043	.700
S-6	-.005	.043	.350	-.450	.246	-.107	<b>.521</b>	-.145	.068	.696
S-7	.385	.236	-.016	.181	-.027	<b>.572</b>	-.099	.065	.138	.598
S-8	<b>.627</b>	.186	-.202	.253	.135	-.003	.097	.221	.036	.611
S-9	<b>.684</b>	.191	-.049	-.098	.002	.336	-.077	.059	.099	.648
S-10	.303	<b>.369</b>	.289	.268	.026	.015	.138	.342	-.022	.521
S-11	.105	-.118	<b>.790</b>	.010	.094	.036	.122	-.182	.096	.717
S-12	.004	.055	.406	.104	.004	<b>.590</b>	-.037	-.058	.040	.533
S-13	<b>.629</b>	.026	.224	.073	-.021	.130	.035	.104	-.328	.588
S-14	-.093	.146	<b>.358</b>	.217	.128	-.103	-.613	.029	.132	.627
S-15	-.068	<b>.688</b>	-.062	.023	.215	.091	.044	.124	.023	.555
S-16	-.111	.416	<b>.648</b>	-.180	-.101	-.033	-.040	.062	.054	.658
S-17	.007	.095	.251	.166	-.090	.028	<b>.726</b>	.130	.082	.659
S-18	.192	<b>.732</b>	.128	.132	-.103	-.090	-.004	-.074	-.017	.632
S-19	.092	.027	-.112	.064	.064	.068	-.057	<b>.819</b>	-.028	.710
S-20	.195	.108	-.036	.109	-.180	.161	.140	<b>.508</b>	-.258	.465
S-21	<b>.486</b>	-.054	.219	-.023	-.126	-.269	.194	.241	.345	.591
S-22	.406	<b>.542</b>	.009	-.243	.011	.035	-.077	-.087	-.167	.561
S-23	-.031	.049	.083	.004	.038	.047	.030	-.153	<b>.854</b>	.768
S-24	.304	-.119	-.173	.071	<b>.649</b>	.195	-.234	-.115	.144	.690
S-25	-.124	.213	-.013	-.039	<b>.778</b>	-.085	.098	-.129	.002	.702
S-26	.318	<b>.539</b>	.050	.155	-.234	-.035	.089	.328	.148	.612
S-27	.067	-.099	.098	-.315	.110	.083	-.419	.057	<b>.443</b>	.517
<b>Measures</b>	4.181	2.392	2.177	1.781	1.597	1.402	1.277	1.124	1.064	<b>Eigen values</b>
	15.485	24.345	32.409	39.004	44.920	50.113	54.844	59.008	62.949	<b>% age of Variance</b>
<i>Source: SPSS Output; Rotated Component Matrix</i>										
<i>Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization; Rotation converged in 12 iterations.</i>										



All the factors with latent roots less than one are considered insignificant and disregarded. There are only nine factors having Eigen values exceeding one in our study. The percentage of total variance is used as an index to determine how well the total factor solution accounts for what the variables represent together. The index for present solution equals 62.949 % of the total variation. It is pretty good figure and we lost only 37 % of the information content in our study.

#### 4.2 Criteria for the Significance of Factor Loadings

A factor loading represents the correlation between an original variable and its factor. The criterion given by (Hair, 1995), where factor loading based on sample size is taken as the basis for decision about significant factor loading, was adopted. For our sample 100 respondents, a factor loading of 0.3 and above has been considered significant. All the 9 factors have been given appropriate names on the basis of variables represented in each case.

**Table 4: Representation of Factor Naming**

<b>Factor Number</b>	<b>Name of Dimension (%)</b>	<b>Statement</b>	<b>Factor Loading</b>
Factor 1	Attractiveness	• Highly attractive celebrities force me to buy the product which they advertise.	0.684
		• Attractive of Celebrity motivates me to purchase a product.	0.629
		• I am interested in those brands which are advertised by celebrities.	0.627
		• Pleasant celebrity endorser motivates me to purchase a product.	0.486
Factor 2	Trustworthiness	• Credibility of celebrity motivates me to purchase a product.	0.732
		• Trustworthiness of Celebrity motivates me to purchase a product.	0.688
		• When I am confused about product, I believe celebrity endorsement	0.542
		• I am willing to pay higher prices for products in which I see famous celebrities	0.539
		• I am willing to pay higher price for the product which is advertised by a celebrity.	0.369
Factor 3	Physical Appearance	• Beauty of celebrity motivates me to purchase a product.	0.790
		• Modern celebrity endorser motivates me to purchase a product.	0.648
		• Good-looking celebrity has great ability to	0.358

		promote the product.	
Factor 4	Popularity	<ul style="list-style-type: none"> <li>Brands specifically advertised by celebrities are of good quality.</li> <li>The price of product does not matter to me if my favorite celebrity endorses the product</li> <li>Recognizable of celebrity endorser motivates me to purchase a product</li> </ul>	0.831 0.503 0.469
Factor 5	Image/ Goodwill	<ul style="list-style-type: none"> <li>Social acceptance of the celebrity increases product value</li> <li>Advertising through celebrities is the most effective medium of promotion.</li> <li>Celebrity increases the awareness of the brand.</li> </ul>	0.778 0.656 0.649
Factor-6	Reliability	<ul style="list-style-type: none"> <li>Reliable Celebrity portrays good image of the brand.</li> <li>Woman celebrities are more attractive in advertisements</li> <li>An advertisement by celebrity motivates me to buy a product.</li> </ul>	0.750 0.590 0.572
Factor-7	Negative role of celebrity	<ul style="list-style-type: none"> <li>I do not buy the products which are promoted by film stars.</li> <li>Advertisements by celebrities fail to present actual value of product.</li> </ul>	0.726 0.521
Factor-8	Aspiration	<ul style="list-style-type: none"> <li>An advertisement by a celebrity increases my curiosity for the brand</li> <li>Celebrity endorsements affect my selection of alternative brands.</li> </ul>	0.819 0.508
Factor-9	Brand value	<ul style="list-style-type: none"> <li>I am not affected by the fact that who advertises the product.</li> <li>Celebrity advertisement doesn't affect my purchase decision.</li> </ul>	0.854 0.443

*Source: Compiled from SPSS Output*

## 5.0 DISCUSSION

The present paper makes an attempt to discuss the role of celebrity endorsement in the promotion of product/service. Celebrity endorsement has become very famous in present scenario. Study contains discussion on certain specific factors which are attractiveness 15.485 % the value of significance indicates that attractiveness of a celebrity endorsing a particular product/brand strongly influence a consumer's buying decision. Trustworthiness is 8.859 % Physical appearance 8.064 % does matter considerably as every consumer get positively influenced towards external presentation of any product/brand. Popularity 6.595 % factor is an equally important factor reflecting customer's buying actions as fame of a celebrity is certainly

correlated with brand/product recognition. Image/goodwill 5.916 % of a celebrity endorsing a product appreciably relates to product's image as any celebrity having positive image in the society positively affects consumer's decision of buying the same product and vice versa. Reliability 5.192 % is generally measured as the most important dimension underlying brand/product credibility and trustworthiness of celebrity certainly brings retention of the product/brand. Negative role of celebrity 4.731 % factor indicates impact of mismatch between theme of a particular add and celebrity as wrong combination brings lower sales and decreased brand value. Aspiration 4.164 % factor reflects inspirational impact on consumer's buying behavior of those celebrities who have done remarkable and aspiring work for any section of the society. Brand value 3.941 % factor reflects products' falling under recognized and established brands does not get influenced by celebrity endorsement to a great extent. By considering the above mentioned factors the researcher tried to reflect an overall impact of celebrity endorsement on consumer buying behavior.

## **6.0 CONCLUSION**

The purpose of this research paper was to study customer perception towards celebrity endorsement and influence of celebrity endorsement on customer buying behavior. Nine factors emerged in the study were attractiveness, trustworthiness, physical appearance, popularity, image/goodwill, reliability, negative role of celebrity, aspiration, and brand. As such, Celebrity Endorsement has become a trend and perceived as a winning formula for product marketing and brand building. Organizations use this tool for grabbing the market or to expand their operation or promotion of their brand and product. In India, advertisers incur crores of rupees every year into celebrity advertising. The research results match with the findings of (Speck et al, 1988) found that expert celebrities produced higher recall of product information in comparison to non-expert and less popular celebrities, even though the difference was not statistically significant. Moreover, it has also been found that celebrities' professional accomplishments and expertise may serve as a logical connection with the products and accordingly make the endorsement more believable to consumers (Till & Busler, 2000). The research results confirmed the dimension of celebrity endorsement. Findings shows that consumer buying behavior is positively affected by brand/ Product as compare to celebrity endorsement. Result shows that attractiveness of a celebrity endorsing a particular product/brand strongly influence a customer perception and impact of product and brand are more positive on the customer buying decision compare to

celebrity endorsement. So celebrities' professional accomplishments and expertise may serve as a logical connection with the products, and consequently make the endorsement more believable to consumers.

## **REFERENCES**

### **Books**

Hair, J F., Ralph, E A., Ronald L T., & William, C B., (1995). *Multivariate Data Analysis*. 4<sup>th</sup> Edition: Prentice Hall, New Jersey.

Nargundkar, R. (2010). *Marketing Research: Text and Cases*. Tata McGraw-Hill Publishing Company, New Delhi.

### **Journals**

Abideen, Z., Saleem, S., (2011). Effective advertising and its influence on consumer buying Behavior. *European Journal of Business and Management*, 3(3), 55-65.

Barbara, L. A., Goldsmith, R., (1999). Corporate Credibility's Role in Consumers' Attitudes and Purchase Intentions When a High versus a Low Credibility Endorser Is Used in the Ad. *Journal of Business Research*, 44, 109-116.

Biswas, S., Hussain, M. O'Donnell, K., (2009). Celebrity Endorsements in Advertisements and Consumer Perceptions: A Cross-Cultural Study. *Journal of global marketing*, 121-137.

Chris, K., (2002). Sports advertising in print media: The case of 2000 Olympic Games, *Corporate communication. An International Journal*, 7(3), 155-161.

Christina, Schlecht, New York Jun 17, 2003 [www.global http://www.global brands.org/research/working/celebrity-brarely.pdf](http://www.globalbrands.org/research/working/celebrity-brarely.pdf)

Horai, N., Horai, F., Naccari, N., Fatoullah, E., (1974). Effects of Expertise and Physical Attractiveness upon Opinion Agreement and Liking. *Journal of Sociometry*, 37(4), 601-606.

Hunter, E., Davidsson, P., (2008). Celebrity Entrepreneurship: The Effect of Negative Celebrity Information on the New Venture. In Babson College Entrepreneurship Research Conference, The University of North Carolina: Chapel Hill.

Jain, V., Sudha, M., Daswani, A., (2009). Customer Perception about Celebrity Endorsement in Television Advertising for Retail Brands. *The IUP Journal of Brand Management*, 4 (3&4).

- Kahle, L. R., Homer, P., (1985). Physical attractiveness of the celebrity endorser: A social adaptation perspective. *Journal of Communication Research*, 11(4), 954–961.
- McCracken, G., (1989). Who is the celebrity endorser? Cultural foundations of the celebrity endorsement process. *Journal of Consumer Research*, 16, 10–12.
- Muthu, N. K., (2011). Celebrity endorsement- Review of literature. *International Referred Research Journal*. 2 (20).
- Ohanian, R., (1991). Impact of Celebrity Spokespersons' Perceived Image on Consumers' Intention to Purchase. *Journal of Advertising Research*, 46-53.
- Pughazhendi, K., Baskaran, A., Prakash, M. R., Balamurugan, R. N., (2012). A study of effectiveness of multiple and single and single celebrity endorsement in Chennai perceptive, India. *Far East Journal of Psychology and Business*, 6, 11-18.
- Speck, P.S., Schumann, D.W., Thompson, C., (1988). Celebrity endorsements-scripts, schema and roles: theoretical framework and preliminary tests. In: *Advances in Consumer Research* (Ed) Michael, 15, 68-76.
- Till, D., Busler, M., (2000). The match-up hypothesis: physical attractiveness, expertise, and the role of fit on brand attitude, purchase intent and brand beliefs. *Journal of Advertising*, 29 (3), 1-13.
- Carolyn, T., Thomas, D., Jensen, L. C., (1994). The Effects of Multiple Product Endorsements by Celebrities on Consumers' Attitudes and Intentions. *Journal of Consumer Research*, 20(4), 535-547.
- Walker, M., Langmeyer, L., Langmeyer, D., (1992). Celebrity Endorsers: Do You Get What You Pay For? *Journal of Services Marketing*, 3 (6), 5-45.
- Zabid, M., Rashid, A., Nallamuthu, J., Samsinar, M., (2002). Perceptions of Advertising and Celebrity Endorsement in Malaysia. *Asia Pacific Management Review*, 7 (4), 535-554.
- Zafar, Q., Rafique, M., (2012). Impact of Celebrity Advertisement on Customers' Brand Perception and Purchase Intention. *Asian Journal of Business and Management Sciences*, 1 (11), 53-67.

## CHAPTER 21

### THE PSYCHOLOGY OF COLOUR IN INDIAN TELEVISION NEWS CHANNELS

**Dr. Pooja Basnett**

*Assistant Professor*

*Dept. of Mass Communication*

*Sikkim University*

---

#### **ABSTRACT**

*India is a colourful country, with its diversity in ethnicity, culture and religion the people associate varied meanings with different shades of colours. Colours have meaning and are interpreted as per cultural experiences. For instance in one culture white is a representation of mourning whereas for another culture it is a representation of purity, innocence, happiness and goodness. Thus, the meaning of colours may differ. With varied connotation associated with colours, it becomes difficult for marketers to package their products. Indian News Channels too project emotions through the use of colours and try to get their audience hooked by colours packaging their news content. This chapter thus deliberates on the colour psychology of these news channels and how they try to position themselves with the help of wide-ranging colours.*

**Keyword:** *Colour psychology, India, news channels, logo, news presentation*

---

#### **1.0 ADVANCEMENT OF TELEVISION IN INDIAN**

In India media is considered as the fourth pillar of democracy, thus, the press enjoys substantial freedom both in terms of content and as well as being creative in placing the content. This freedom has further led to an increased no of media houses in India, thereby adding to a competitive environment. In less than a decade between 1998 and 2006, India saw a major increase in the number of news channels, there were more than 50 news channel which operated in 11 languages and were available 24 hours (Mehta, 2009). People then had

the choice for their source of information. Even though the media houses today try and get exclusive stories, they are soon picked up by all the other media houses thus there is a need to being creative in placing information to keep their audience or readers hooked to them.

With a humble beginning in 1959 in New Delhi, television has grown leaps and bounds. 1975 was when the importance of television was well recognized with the introduction of Satellite Instructional Television Experiment (SITE) project that aimed to use television for the development of the rural sector. It aimed to provide information to the villagers and thereby inducing change and development (Agrawal, 1985). The next iconic change was the introduction of colour in Indian television in the year 1982. It was the year when India was to host Asian Games.

***“As Bhaskar Ghose, former director general of Doordarshan told India Today in 1999, "Colour was just a metaphor for a switchover to high technology." It was followed by Doordarshan's networking phase. In 1982, television transmitters jumped from 35 to 100, by 1990, the figure was getting ready to cross the 400 mark. Critics called it India's taste for modern consumerism, a hand-maiden of the commercial film industry. But for the Indian consumer, it was much more than that. It was an opportunity to see the world in all colour” (Subramanya, 2009)***

Thus, colour was a change that television experimented profoundly. There was an increase in consumption of colour television in India, the demand of the public made the television set production very competitive and there was a splurge of television brands in India. (Gajulapally, et al., 2003). As the sale of television sets increased so was the increase in demand for television programs and channels. This further led to an increase in television program production. With the opening up of the markets in 1990s, private news channels made its beginning in India. Until then it was Doordarshan that people relied on for news and information, however, Public demand on continuous news and information increased and was met by the 24 hours private news channels. The pioneers were Zee News, STAR News, NDTV, Aaj Tak etc.

As of 2016, there were a total of 892 private channels in India of which 403 were based only on new and current affairs (Indian Television, 2016). Each channel today competes to stay in the market and reach its audience.

### 1.1 As per the latest BARC Report the leading news channels in India are:

#### WEEK 38 – Sept 19 -25, 2020 - ENGLISH NEWS CHANNELS

Ranking of English News Channels	Channels	Weekly Impressions (in 1000's)
1	Republic TV	5155
2	Times Now	1554
3	CNN News18	1345
4	India Today Television	1230
5	DD India	905

*Source: Broadcast Audience Research Council (BARC), 2020*

#### WEEK 38 – Sept 19 -25, 2020 - HINDI NEWS CHANNELS

Ranking of Hindi News Channels	Channels	Weekly Impressions (in 1000's)
1	Republic Bharat	221528
2	Aaj Tak	168236
3	TV9 Bharatvarsh	125540
4	India TV	125372
5	News18 India	101115

*Source: Broadcast Audience Research Council (BARC), 2020*

### 2.0 THE PSYCHOLOGY OF COLOUR IN NEWS CHANNEL LOGO

With the ever growing television industry, and the ranking changing almost every week, it became evident that these channels need to brand themselves to survive and place programs/channels for public consumption. People tend to recognize these channels with their logo. Thus, it is important to focus on the logos.





*Source: Best Media Info, 2018*

Logos are the representation of the organization, a symbol through which the brand is identified and recognized. Thus, the Logos tell us more about its brand and its focus. Colour is a major component of the Logo other than the text and shape. Colours are an integral part of any culture and may indicate different things based on cultural experiences and exposure.

*Rachel Lawes (2020) in an interview stated “...When a consumer encounters a logo, their task is to decode it, to figure out what it means, and they are going to do that using culturally available resources. What I mean by that is every consumer, from the time that they’re born, their whole life consists of exposure to different kinds of cultural experiences. For little children, for example, like I’m speaking to you in the UK, and I think almost every British infant will receive a little picture book which their parents will lovingly look through with them.....”(Logo Geek Pod, “Using Semiotics in Logo Design” n.d)*

In India too colours have meaning and are interpreted as per cultural experiences. For example Christian brides wear white attire whereas in Hindu culture the widows wear white and the Hindu brides wear red. For one culture white is representation of mourning whereas for another culture it is a representation of purity, innocence and goodness. Thus the meaning of colours may differ.

In the above logos of the Indian news channel, the most predominant colour is red. This colour symbolizes a variety of aspects that tend to have varied meanings. Shutterstock which is a leading licensed provider of images, photographs, illustrations etc states that, the colour red symbolizes different things in different countries, when in the western world red is

a symbol of love, energy, danger and passion, in some African countries it is seen as the colour of death. The Russians see it as the colour of revolution and communism whereas the Indians see it as the colour of spirituality, sensuality and purity (Shutterstock, 2015).

The colour red in the logos of Indian news channel symbolizes the pulse of India. Red here stands for passion, anger, heated debates and arguments, blood, violence, bold etc. Let's take the logo of the Republic TV. The channel is recognized with two symbols.



Complete red background with the text Republic written in white and not to miss the word TV, which is written in small fonts. Republic is written in all caps, big and bold whereas the word TV is extremely small, this could indicate the dominant nature of the channel and its arrogance of being even bigger than the TV. Here the alternative meaning that can be derived is - Republic is the TV.

Both the symbols depict various meanings. The text is inside a fixed shape -square and rectangle. Through this the brand is trying to say they are stuck to their objectives and ethics and are not flexible. The colour red predominantly represents aggression and being daring which is also showcased by the dominant faces of the television channel through their panel discussion programs. The colour white in the text represents truth and highlighting the facts without fear. The dot in the logo symbolizes being to the point, straight forwardness and focused.

Hiingu, highlights the secrets of this logo. Firstly the sharp edges of the boxes represent its cutting edge technology, the shape represents specific rules and guidelines that the channel follows and how the company believes in in-depth analysis with the information they have and can provide. The dot represents the focus towards its goals. Capitalization of the letters *R* & *REPUBLIC* represents their self-esteem and their ego. It's trying to say that they cannot be pushed or manipulated. The red background is a sign of being strong headed, shrewd, highly motivated, quick and have a strong leadership while the colour white represents being cool and calm and well balanced in planning and making strategies. (Hiingu, 2020)

### 3.0 THE PSYCHOLOGY OF COLOUR IN NEWS PRESENTATION

Channels in India place their news using a range of colours which signify meanings. The channels are mainly seen to stick towards their logo colours which also represent them. In the following television channel clips it can once again be seen how red is used as the predominant colour. All the channels use red abundantly to cover space, as background fills, in scrolls etc. However, it is also important to highlight channels like India TV which uses more of orange and yellow as compared to red. India TV's logo also reflects their presentation colours.



Source: Republic TV, Aaj Tak, CNN News, Zee News, India TV, Oct 5, 2020

The use of colour red has already been discussed in the logos sections. Likewise here in presentation too it intends to attract people. It represents anger, boldness and aggression. The above pictures have two images from Zee News, both depict meanings that relate to the stories the anchors or news presenters are addressing. One is on suicide/murder case of actor Sushant Singh Rajput and the other is on the life and history of Steve Jobs on his death anniversary. For news on crime Zee News has chosen to display darker shapes, with a mix of red and orange, while talking about the inspirational story of Steve Jobs the channel has chosen bright yellow and white as its predominate shades.

Other than red and white the two prominent colours used by the news channels are blue and yellow followed by orange.

The colour yellow depicts the colour of the sun and with it highlights the emotions of joy, warmth and happiness in certain western worlds, but it also has a negative connotation which reflects being coward or a sign representing caution, whereas in Germany it represents envy. If yellow is associated with the sun, the colour blue is associated with the sky or the ocean. Various countries globally associate a variety of culturally embedded meaning with the colour blue. In Albania, Turkey, Afghanistan etc some wear eye-shaped amulets which are blue in colour to ward off evil. In India this colour also has a religious connection where some Hindu gods are thought to be blue in colour, thus it represents divinity and a form of love. In the Eastern tradition blue is associated with immortality (Shutterstock, 2015).

The news channels in India tend to use yellow and blue shades as it can be seen in the above pictures of their presentation screens. Yellow is mainly used by these channels to highlight certain points or to drive home words in contrasting colours. Bright colours tend to get the viewers to focus on it. For example: A crime screen is usually sealed by yellow tapes, this colour grabs the attention of the people and tells them that something has happened there and it is also seen as a sign of caution. Similarly in news channel this colour gets hold of the audience attention and tells them that something is important and one needs to be cautious. On the other hand, variety shades of yellow can be used to signify other meanings. The image of Zee News on the inspirational story of Steve Jobs represents a certain amount of calmness and hope, to drive home an inspirational message.

The colour blue in Indian media channels are mainly used to bring balance to the screen presentation but it cannot be without meaning. If red signifies anger, aggression, violence, active,

urgency then blue balances it with peace, gentleness, serene, passive, clam and mild. However, darker shades of blue relates to being trustworthy, intelligent and reliable. Thus, the colour blue adds to the principles of journalism that is to bring a balance in the news coverage.

Black is another colour that is frequently used by news channel to highlight evil, death, wrong doings and negative aspects. However, black is also used to bring in colour balance in the screen, there are times where anchors are dressed in black, here it represents boldness and ones without fear. On the other hand orange is a colour which is seen as the mixture of red and yellow. It represents the characteristic of both the colours such as energy, enthusiasm, being creative, highlighting points, freshness etc.

#### **4.0 CONCLUSION**

As stated above, colours have embedded cultural codes and meaning, however, today news channels are using it to share information and news, at the same time also depict their stands in these news stories. The channels are also using colours creatively to get their audience hooked on to them, however, television news channel needs to understand that colour creates meaning thus it should sink in with the messages that the channels are trying to convey. There can be times when what the channel says may not match with what they show, thereby losing audiences.

#### **REFERENCE**

- Aaj Tak and Republic lead on Gujarat and Himachal Pradesh vote counting day. (2018, January 02). Retrieved September 9, 2020, from <https://bestmediainfo.com/2018/01/aaj-tak-and-republic-lead-on-gujarat-and-himachal-pradesh-vote-counting-day/>
- Agrawal, B. C. (1985). *Antropological Methods for Communication Research*. New Delhi: Concept Publishing Company.
- Angad, A., Gaur, M., & Pohjonen, M. (2011). *Indian Mass Media and the Politics of Change*. New Delhi: Routledge.
- Dedrick, D., MacLaury, R. E., & Paramei, G. V. (2007). *Anthropology of Colour*. Amsterdam/Philadelphia: John Benjamins Publishing Company. Retrieved February 18, 2020, from [https://www.google.co.in/books/edition/Anthropology\\_of\\_Colour/vaA5AAAAQBAJ?hl=en&gbpv=1](https://www.google.co.in/books/edition/Anthropology_of_Colour/vaA5AAAAQBAJ?hl=en&gbpv=1)

- Gage, J. (1999). *Colour and Meaning: Art, Science, and Symbolism*. Berkeley: University of California press.
- Hiingu, N. (2020, September 20). 8 Secrets to Republic TV Logo Analysis. Retrieved September 26, 2020, from <https://www.occultspeak.com/republic-tv-logo-analysis/>
- Kumar, K. J. (2012). *Mass Communication in India*. Mumbai: Jaico Publishing House.
- Leeuwen, T. V. (2011). *The Language of Colour: An Introduction*. London: Routledge.
- Mehta, D. S. (2006). *Mass Communication and Journalism In India*. Mumbai: Allied Private.
- Mehta, N. (2008). *India on television: How Satellite News Channels Have Changed the Way We Think and Act*. Noida, Uttar Pradesh: HarperCollins.
- Naqvi, H. (2007). Television Broadcasting in India. In *Journalism and Mass Communication* (pp. 106-108). Agra, Uttar Pradesh: Upkar Prakashan.
- Noth, W. (1997). *Semiotics of the Media State of the Art, Projects and Perspectives*. Berlin: Mouton de Gruyter.
- Seshaiah, V., & Krishna, R. (2003). Liberalization and Colour TV Industry in India. *Estudios Económicos Regionales Y Sectoriales. AEEADE.*, 3(2), 25-35.
- Subramanyam, C. (2009, December 25). 1982-Colour television is introduced: Out of the dark ages. Retrieved June 05, 2020, from <https://www.indiatoday.in/magazine/cover-story/story/20091228-1982-colour-television-is-introduced-out-of-the-dark-ages-741614-2009-12-24>
- Symbolism of Colours and Colour Meanings Around the World. (2019, May 10). Retrieved October 01, 2020, from <https://www.shutterstock.com/blog/colour-symbolism-and-meanings-around-the-world>
- Total of television channels in India rises to 892, with three cleared in June. (2019, January 04). Retrieved June 08, 2020, from <https://www.indiantelevision.com/regulators/ib-ministry/total-of-television-channels-in-india-rises-to-892-with-three-cleared-in-june-160709>
- Using Semiotics in Logo Design with Dr. Rachel Lawes [Interview by 969638600 752959218 I. Paget]. (2020). Retrieved September 20, 2020, from <https://logogeek.uk/podcast/semiotics-in-logo-design>.
- Week 38 -Data Insights. (n.d.). Retrieved October 01, 2020, from <https://barcindia.co.in/data-insights>

## CHAPTER 22

### ONLINE MARKETING STRATEGIES OF L'ORÉAL DURING COVID 19 PANDEMIC: A BUSINESS ETHICS PERSPECTIVE

**Dr. Juhi P. Pathak**

*Assistant Professor*

*Department of Mass Communication*

*School of Media, Film and Entertainment, Sharda University*

---

#### **ABSTRACT**

*The coronavirus lockdowns have started wide changes to how ladies find and shop for cosmetic items with greater participation online, particularly among those who were wary especially women from the older age groups as recent surveys suggest. The emergency has significantly quickened the digital change of the cosmetic sector. Regardless of the plunge in deals, there were some brilliant spots in the corona crisis. L'Oréal immediately moved its advertising, publicizing and promoting spending to digital, taking it to around 70 percent of the total which was at 50 percent before the pandemic. Thus, online business came quickly even in places where it was initially less developed. For instance, in Latin America, online deals bounced 300 percent in April, and in Africa and the Middle East they rose 400 percent. Accordingly, internet business grew quickly even in places where it was initially less developed. The emergency has likewise pushed more retailers through which L'Oréal ordinarily offers its items to build up their own online contributions. Fifteen organizations including Amazon, Boots, and AS Watson have included L'Oréal's virtual reality innovation called ModiFace to their sites and applications. The paper traces the online marketing strategies of the brand L'Oréal and how the company is emerging as a successful brand even during the coronavirus crisis. The researcher also tries to gauge if the brand has ethical policies in place as it is diving in a critical space of collecting personal data from people; and whether the huge database is protected and secured.*

*Keywords: Digital marketing, data protection, digital data, ethics*

---

## **1.0 INTRODUCTION**

Online marketing strategies are the only way to save businesses from going into loss during the coronavirus pandemic now. The article, 'Here's L'Oréal India's post-covid business strategy' published in the Financial Expressii talks of on how the cosmetics industry could benefit from L'Oréal's tech-enabled online retail. The article stated that 18 percent of web-based purchases in the 'personal care' and 'beauty' category were from first-time online buyers. Prior, there was a hindrance to online purchases as one would want to touch and feel the product. Normally offline stores give the added benefit of trying on the trial make-up products. The stores also have people to guide and assist the buyers with their product experts ready to help in the physical stores. The pandemic and lockdown made customers familiar with the digital medium and the channel of e-commerce.

## **2.0 PHASES OF DIGITAL TRANSFORMATION**

### **2.1 Definition of Digital Transformation**

Excellent customer service, whether delivered on a website or other digital channels is a sign of digital maturity and well-established business practices. But establishing these practices and achieving that required level of digital maturity requires managing a considerable degree of organizational, operational, and technological change. This change is referred to as "digital transformation."<sup>iii</sup>

(Gap in the definition: It is important to note that the definition of digital transformation lacks the word 'ethics'.)

### **2.2 First Phase**

The first phase of their digital transformation evolved L'Oreal to become a digital-first company.

In 2012, L'Oreal had launched its 'Connected Beauty Incubator' in the United States of America. It was a division inside the organization's research center devoted completely for technological advancement. L'Oreal considered their customers and went through a research process including many touch focuses, and was opting for video content to look for beauty solutions and see products virtually come to life.<sup>iv</sup>

It is hard to change the basic nature of cosmetic products, but trying to reach and engage customers turned into an incredible open door for development and innovation. In 2015, over 25 percent of media spending was on digital, while e-commerce sales grew to 37.8 percent across



the world, becoming 5 percent of worldwide sales and rising as high as 20 percent in markets like China.<sup>v</sup>

In 2014, a result of L'Oreal's 'Connected Beauty Incubator' was a beauty application called 'Makeup Genius'. The application changes the front camera of iPhones and iPads into a virtual mirror where clients can try on various cosmetic products virtually. This innovation suggested utilizing extremely complex innovation to assess and map facial expressions and have the option to overlay items like lipstick or eyeliner onto client's face, and was exceptionally problematic in the business. It turned into an extraordinary accomplishment with more than 110 lakh downloads around the world.

In addition, the application allows consumers to check available items in-store, see the product details in the application, experience how they would look on themselves, and finally complete the purchase through the application at their convenient time. It helps the customers avoid the long queues in the physical stores and improving the entire shopping experience.<sup>vi</sup>

### **2.3 Second Phase**

The digital transformation no less than a revolution, and has an overhauling impact on ways of living, consuming and communicating. L'Oréal was quick to adapt and change to meet the expectations and needs of its consumers.

L'Oréal took advantage of its digital transformation to create new relationships, based on transparency, trust, innovation and relevance with its consumers, partners and employees.

L'Oréal has evolved as a company which wants to establish itself as 'Digital First'. It is currently entering its second phase of the digital revolution, offering new ways of building a special and unique relationship with the consumers thereby developing new services and products. However, the new phase will come with its own challenges and demands; especially in areas of data protection and promoting the ethical use of algorithms. At the same time, the brand will have to earn the trust of their partners and consumers while respecting the privacy and private spaces of people which includes a desire to remain socially disconnected.

L'Oréal realized it needed to team up to quicken innovation across digital products, services and brands. To accomplish this, they required a cost-savvy, scalable arrangement that could bring each of the 15 brands onto one stage which drove them to rope in the expertise of Valtech.

### **2.3.1 Contribution of Valtech**

L'Oréal is one of the worldwide leaders in beauty. With nearly one lakh employees that work across 30 brands that include a spectrum of skincare and beauty products. L'Oréal was ready for a business transformation through the digital revolution as it was extremely eager to become the 'Number One Digital Beauty Brand' in the world.

Lubomira Rochet, Chief Digital Officer at L'Oréal cited the following reasons for choosing Valtech:

- i. Valtech has a huge blend of digital marketing knowledge, technology, agility, and the change management that it brings to the complex project (L'Oréal) with 15 brands and 60 countries.
- ii. Valtech also brings global-local flavour to the project being able to support the brands centrally and also catering to their local needs.
- iii. Moreover, consumers in Thailand differ from consumers in the U.S. or other countries, obviously, so this knowledge of Valtech and the fact that they are this big global footprint was a great help.

### **2.3.2 Contribution of Sitecore**

Sitecore provided L'Oréal with Sitecore Experience Platform (XP), Sitecore Experience Database (xDB), Sitecore Experience Manager (XM) and Sitecore Experience Accelerator (SXA) to Control each brand's unique expression and territory, with priority to customer desires and aspirations; scale the innovation and technology in an agile, economic and safe way; provide cost-savvy localization while being consistent on the core marketing model; and turn out new services promptly across brands and nations.vii Valtech collaborated with Sitecore to develop a 'website factory' the objective of which was to serve as a marketplace of reusable web templates and functionality. Individual L'Oréal brands, each with widely varying needs, would use the website factory to create and deploy websites quickly and easily across all the 60 countries.

In other words, the website factory being a sophisticated program with many agile components has the ability to enable and drive the digital transformation happening across the length and breadth of the company. An efficient, strategic, and innovative approach to change was its immediate need and as such, rather than aiming to perfect the website factory, Valtech focused on enabling quick and correct web implementation of the brands.

The L'Oréal solution is built on multiple products from Sitecore and represents the largest implementation in the history of the latter. Through the Sitecore Experience Platform it was possible to create the website toolkit to create and deploy websites easily and quickly across 60 countries shortening time to market for new products and services by the individual brands across 60 countries. Meanwhile, the Sitecore Experience Database also allows to collect and connect visitor interaction data to deliver personalized shopping experiences for consumers.

L'Oréal has marked extraordinary accomplishment because of the Sitecore Experience Database which includes critical reserve funds for cost and quicker development of innovation for its clients over the world. Today L'Oréal can launch a new website in just ten days, the number of unique monthly visitors has increased by 35 percent, and customer satisfaction is up by 40 percent.

Another unexpected benefit is that the platform allows countries to interact with one another leading to fresh interactions and new synergies within the company itself.viii

### **2.3.3 Leveraging Sitecore and Valtech**

After prolonged research, L'Oréal picked Sitecore to provide the digital marketing stage and Valtech as its business transformation partner. The organization had 10,000 Lakh clients connecting with their 3,000 unique sites each day. There was a strong urge to improve the shopper's online experience while conveying a consistent marketing message across 60 nation subsidiaries.

L'Oréal additionally had chances to grow new web based business channels, customize the shopping experience, and allow cross-selling to let the revenue increase.ix

## **2.4 Strategy**

- i. With the barriers reducing, it is expected that L'Oréal will reach a far higher proportion of the population that, perhaps, did not have access to these brands specifically, in the far-flung parts of India.
- ii. Through online marketing strategies there is a huge possibility of penetration-led growth that is now accessible to these brands.
- iii. L'Oréal has prioritized on digital transformation. They have included the tool 'ModiFace', which is a (Virtual Reality) VR-led solution, that lets prospective buyers see how a shade of lipstick would look on them. So, the pre-buying experience of 'touch, feel and try' has been substituted digitally. On average, consumers spent nine minutes on

ModiFace to try out hair colour or foundation shades on themselves, which before the crisis took them two minutes. Amazon, Boots, and AS Watson have added L'Oréal's ModiFace to their websites and apps.

For the category of 'hair colour', L'Oréal gives its consumers an opportunity to talk to hair colour experts, and then check how a colour looks on them using Virtual Reality. With this a purely offline experience has now been enabled online.

### **3.0 NECESSITY FOR DATA PROTECTION**

L'Oréal, in their process of digital transformation has launched various apps like Makeup Genius and ModiFace with virtual reality technology. These digital applications scans a client's face, analyzes more than sixty parameters or characteristics, then virtually displays the various products and shade mixes that can be used to achieve different looks, in real time. Clients can select the correct product and directly order through e-commerce. The app tracks the customer uses and what they buy, thereby learning their preferences, making inferences based on similar choices of other clients, and tailors its responsesxi.

Though scanning of a face can look simple and unthreatening on the face of it. There are many vital issues that we are not taking into consideration or completely ignoring. Some of the concerns are listed as follows:

While scanning the face, the retina and data on other biometric parameters can also be scanned that may jeopardize the fundamental rights of privacy and security of the clients.

The demographics based on racial and skin colour profiling can be detrimental to the rights and security of a particular community or group of people.

In the article 'The Important Risks and Dangers of Virtual and Augmented Reality' published in Forbes cited a recent report by Accenture that highlighted the growing number of companies taking advantage of "extended reality" (XR) technology, which includes virtual and augmented reality (VR/ AR). Beauty apps can gather intimate biometric data when the face is exposed to them. This includes facial expressions, speech data, and even retina patterns that can be used to uniquely identify people.

### **4.0 L'ORÉAL'S ETHICAL POLICIES FOR DATA PROTECTION**

'Personal data' means any information or pieces of information that could identify you either directly (e.g. your name) or indirectly (e.g. through pseudonymized data such as a unique ID number). This means that personal data includes things like email usernames, user generated

content, sex, age range, place of origin, user profile (journalist, consumer etc.). It could also include unique numerical identifiers like your computer's IP address or your mobile device's MAC address, as well as cookies.<sup>xii</sup>

#### **4.1 Ways of Data Collection <sup>xii</sup>**

- i. Via website
- ii. Directly (e.g. establishing contact to ask a question)
- iii. Through cookies to understand the use of website
- iv. Through third parties, including other L'Oréal Group entities.

#### **4.2 Reasons for Data Collection <sup>xii</sup>**

- i. Provide clients with the service they have asked for (e.g. to provide you with a newsletter or answer your question).
- ii. Improve the functioning of their website (e.g. through satisfaction surveys).
- iii. Establishing and maintaining a long-term relationship with suppliers, investors, media representatives and anyone else interested in our activities.
- iv. Securing our tools: to keep tools used by you (our websites/Apps/devices) safe and secure and to ensure they are working properly and are continually improving.

#### **4.3 Profiling**

While sending or displaying personalised communications or content, the brand may adopt techniques qualified as "profiling".

Profiling, in the website of the brand has been defined as 'any form of automated processing of personal data consisting of using those data to evaluate certain personal aspects relating to a natural person, in particular to analyse or predict aspects concerning that natural person's personal preferences, interests, economic situation, behaviour, location, health, reliability, or movements'.

This means that the brand may collect personal data about their clients in the different scenarios. The company centralizes this data and analyses it to evaluate and predict the personal preferences and/or interests of their clients.

Based on the analysis, tailored content is sent to displayed to the clients as per their interests and preferences.

#### **4.4 Access to Personal Data**

The following have access to the personal data of the clients:

- i. Authorized employees within the competent departments of L'Oréal S.A. and its affiliates.
- ii. Trusted third party providers on behalf of the company.

#### **4.5 Third Party Involvement in Data sharing <sup>xii</sup>**

- i. The company provides third parties with the information they need to perform the service.
- ii. The third parties are required to commit not use the personal data of clients for any other purpose.
- iii. Best efforts are put to ensure that all third parties keep the personal data secure.
- iv. Third parties that assist and help the company in providing IT services, such as platform providers, hosting services, maintenance and support on the company's databases as well as on their software and applications that may contain data about the clients (such services could sometimes imply access to the data to perform the required tasks);
- v. Third parties also get access to data of the clients when that take satisfaction surveys and the statistical analyses associated with the use of the website on behalf of the company.
- vi. In the event that the company sells any business or assets, in which case the company may disclose the personal data to the prospective buyer of such business or assets. If L'Oréal or a part of its assets is acquired by a third party, personal data held by it about its customers relating to those assets is one of the transferred assets. Where appropriate, in such case, the buyer acting as the new data controller processes your data and its privacy policy governs the processing of your personal data.
- vii. If the company is under a duty to disclose or share your personal data in order to comply with a legal obligation, or in order to enforce or apply the company's terms of use/sales or other terms and conditions the clients have agreed to; or to protect the rights, property, or safety of L'Oréal, their customers, or employees.
- viii. The company also shares data with third parties if they have the client's consent to do so or if the law permits them to do so but the company claims that it does not offer or sells personal data.

#### **4.6 Storage of Personal Data <sup>xii</sup>**

The data is stored in France by L'Oréal or its trusted service providers.

However, said data may, at any moment, be transferred to, accessed from, and stored at a destination outside the European Economic Area ("EEA"). It may also be processed by staff members operating outside the EEA who work for the company or for one of the company's service providers.

L'Oréal transfers personal data outside of the EEA only in a secure and lawful way. As some countries may not have laws governing the use and transfer of personal data, the company takes necessary steps to make sure that third parties adhere to the commitments set out in this Policy. These steps may include reviewing third parties' privacy and security standards and/or entering into appropriate contracts (based on the template adopted by the EU Commission).

#### **4.7 Duration of Storing Data <sup>xii</sup>**

Personal data is kept for as long as the company needs it for the purpose for which it holds the personal data, to meet the needs of their clients, or to comply with their legal obligations.

Where cookies are placed on the computer of the clients, the company keeps them for as long as necessary to achieve their purposes (e.g. for the duration of a session for session ID cookies) and for a period defined in accordance with local regulations and guidance.

If the clients contact the company as part of an enquiry, the latter keeps the personal data for as long as necessary to process the enquiry.

The company retains some personal data to comply with their legal or regulatory obligations, as well as to allow them to manage their rights (for example to assert their claims in Courts) or for statistical or historical purposes.

When the company no longer needs to use the personal data of its clients, it is removed from their systems and records or anonymised so that the clients can no longer be identified from it.

#### **4.8 Security of Personal Data <sup>xii</sup>**

The company claims to be committed to keeping the personal data of its clients secure, and claim to be taking all reasonable precautions to do so.

The company also contractually requires that trusted third parties who handle the personal data of the clients for them do the same.

The company claims that they always do their best to protect the personal data and once they have received the personal data, they use strict procedures and security features to try to prevent unauthorised access. As the transmission of information via the internet is not

completely secure, the company cannot guarantee the security of the data transmitted to their site. As such, any transmission is at the personal risk of the clients.

#### **4.9 Links to Third Party Sites and Social Log-Ins <sup>xii</sup>**

The company in their privacy policy warns its clients that their websites and Apps may from time to time contain links to and from the websites of their partner networks, advertisers and affiliates. If the clients follow a link to any of these websites, it is to be noted that these websites have their own privacy policies and that the company is not responsible or liable for these policies. These policies must be checked by the clients before submitting any personal data to these websites.

The company may also offer its clients the opportunity to use their social media login. In that case, the clients must be aware that they are sharing their profile with the company depending on their social media platform settings. It is advised that the clients visit their relevant social media platforms and review its privacy policy to understand how their personal data is shared and used in this context.

#### **4.10 Social Media and User Generated Content <sup>xii</sup>**

The company in their privacy policy claims that some of their websites allow users to submit their own content. In that case it has to be remembered that any content submitted to one of the company's social media platforms can be viewed by the public, so the clients should be cautious about providing certain personal data e.g. financial information or address details. The company will not take responsibility for any actions taken by other individuals if the clients post personal data on one of their social media platforms and the company recommends that their clients do not share such information.

### **5.0 LOOPHOLES IN L'ORÉAL'S ETHICAL POLICIES FOR DATA PROTECTION**

- i. Under 4.5 third party involvements in data sharing, subsection ii and iii states that the third parties are required to commit not use the personal data of clients for any other purpose; and best efforts are put to ensure that all third parties keep the personal data secure respectively. Here, the terms 'required to commit' has no legal sanction. Hence, not committing will not lead to any coercive action on the third parties. Moreover, once the privacy is breached, the damage is irreversible. Moreover, the phrase, 'best efforts are put' is also vague. Best efforts do not ensure full-proof security.



- ii. Under 4.8 Security of personal data the company claims to be taking all reasonable precautions to do so. But, ‘reasonable precautions’ do not guarantee complete security. The company also contractually requires that trusted third parties who handle the personal data of the clients for them do the same. But they have not mentioned the consequences of breach of that commitment. The company claims that they always ‘do their best’ to protect the personal data and once they have received the personal data, they use strict procedures and security features ‘to try to prevent’ unauthorised access. As the transmission of information via the internet is not completely secure, the company ‘cannot guarantee the security of the data’ transmitted to their site. As such, any transmission is at the personal risk of the clients.
- iii. The use of phrases like ‘doing their best’, ‘to try to’ or outrightly saying ‘it cannot guarantee’ are very misleading and vague.

## **6.0 CONCLUSION**

L’Oréal is a brand of repute and unsuspecting clients have trusted their off the shelves products for years now. Recent coronavirus pandemic has had severe consequences on the markets of these beauty companies and they have tried all possible means to stay afloat amidst the crisis. L’Oréal, in its pursuit to become the number one digital beauty brand, must not forget to address the privacy concerns of their trusted clients in a robust way. It is easy to implement virtual and augmented reality technologies to harness the hitherto untapped e-commerce market but at the same time it is expected that these brands do not jeopardize the privacy and security of their clients.

## **BIBLIOGRAPHY**

- <https://www.ft.com/content/ab917d5d-e601-44ba-9a2c-53dbb2146dc7>
- <https://www.financialexpress.com/brandwagon/how-loreal-india-looks-to-rebuild-its-business/1989100/>
- <https://www.sitecore.com/knowledge-center/blog/537/five-stages-of-design-thinking-drive-l-oreal-s-digital-transformation-4559>
- [https://ssl.gstatic.com/think/docs/five-truths-beauty-shoppers\\_infographics.pdf](https://ssl.gstatic.com/think/docs/five-truths-beauty-shoppers_infographics.pdf)
- <https://digital.hbs.edu/platform-rcdm/submission/loreal-transforming-beauty-with-technology/>

<https://www.sitecore.com/knowledge-center/blog/537/five-stages-of-design-thinking-drive-l-oreal-s-digital-transformation-4559>

<https://www.sitecore.com/customers/retail/loreal>

<https://www.valtech.com/work/l-oreal/>

<https://digital.hbs.edu/platform-rcrom/submission/loreal-transforming-beauty-with-technology/>

<https://www.ft.com/content/ab917d5d-e601-44ba-9a2c-53dbb2146dc7>

<https://www.thinkwithgoogle.com/future-of-marketing/digital-transformation/loreal-mobile-digital-marketing-strategy/>

<https://www.loreal.com/en/group/global-privacy-policy/>

## CHAPTER 23

### IMPACT OF COVID 19 ON PERFORMANCE OF SOFTWARE COMPANIES IN INDIA

**Dr. Megharaja B**

*Assistant Professor*

*Department of Studies and Research in Commerce*

*Vijayanagara Sri Krishnadevaraya University*

*Jnana Sagara Campus, Vinayaka Nagar Cantonment*

*Bellary 583105*

---

#### **ABSTRACT**

*In the present context, financial system of the nation collapsed due to the spread of Coronavirus across nation, yet all nation in the world fighting in different ways with different instruments to eliminate or minimise damages of the nations in furthers days to protect economy or ensure the economy. Indian also fighting against COVID 19, with the help of corporate entities and others nations in the form of donations, purchasing of instruments, kits, medical kits etc., which would be aid to minimize or cure the patients with ensuring the economy also in the form of providing facilities food and shelters to people who are working in different places and different states. This disease has been destroying of corporate profit by imposing lockdown, some of companies left their employees to maintain social distance as well as government orders. Few of them assigned work from home, out of them software companies imposed their task to complete from work from home, hence the researcher has selected top five software companies in India to know whether coronavirus diseases impact on them in the form of stock price end of the each months before and after COVID 19, thus study on entitled “ Impact of COVID 19 on Performance of Software Companies in India”.*

*Keywords: Statistical tools, NSE-500 index, regression, covariance, correlation, analysis of variance, paired t test, etc.*

---

## **1.0 INTRODUCTION**

Financial system place first for the movements of funds which would be help others pillars of the nation to become a developed nation, it comprises of four components, thus are financial markets, financial institutions, financial instruments and financial services. These pillars of the financial system makes nation stronger in the world, during the present situations, also. Yet present all world is fighting against COVID 19 to protect people by ignoring other activities by saying that “people first others are next”. Even though it has been spreading and increasing but recover also increasing, it gives satisfaction to all of us. Still all the nations have been struggling to find medicine, each government putting its lots of effort to protect nations from this disease. The growth of the nation has been come down due to lockdown imposed by the central government in the India and there is more consumption and expenditure but no productions, hence all sectors and categories of business have been expecting aids from government. Some of the companies have been involving their day to day activities through work from home for this reason the researcher has selected top five software companies in India to know whether coranavirus diseases impact on them in the form of stock price end of the each months before and after COVID 19, in consequence study on entitled “Is COVID 19 Impacts on Performance of Software Companies in India?”

### **1.1 Statement of the Problem**

The stock prices of companies’ performance symptoms; it interpreted the welfare of their stakeholders, during the present economy, financial institutions in financial system plays significant role for the growth of Indian economy from COVID-19. The all sectors falls down outstanding to the lockdown, entities have been paying salaries without taking work from their employees to obey the government order. Some of them taking work from their employees work from home especially software companies, many of software companies facing problem in financial performance and position even though taking work from home. Hence study intended to know the software companies which would aids potential growth present and future, hence the study intention to know this COVID 19, is it impacts on software companies performance in the form of stock market demand in the secondary market like stock exchange. The study has taken top five software companies closing price of each month from august 2019 to may 2020 and measured them statistical tools and analyzed each one them with suitable tools. Hence study to

whether COVID 19 impacts on software companies” performance on entitled “Is COVID 19 Impacts on Performance of Software Companies in India?”

## 2.0 OBJECTIVES OF THE STUDY

The study main objective is to know whether COVID 19 impacts on software companies” performance by taking top five software companies in India as well as they stock prices on monthly, before stock price performance from August 2019 to December 2019 and after stock price performance from January 2020 to may 2020.

## 3.0 RESEARCH METHODOLOGY

3.1 **Type of the Research:** Analytical nature in Quantitative research

3.2 **Research Design:** descriptive research design

3.3 **Source:** secondary data from different websites, articles, research papers etc.

3.4 **Scope of the Study:** the study covered only top five software companies’ monthly stock return with NSE 500.

3.5 **Sampling Techniques:** Non Probability sampling Technique

3.6 **Sampling Method:** Convenience sampling

3.7 **Sample Size:** Top five software companies on date 30 May 2020. TCS, Infosys, Wipro, HCL Technology, Tech Mahindra and benchmark index (NSE-500)

3.8 **Period of the Study:** Closing price of each month, from August 2019 to may 2020.

3.9 **Tools used for Analysis:** Statistical Tools, regression, covariance, correlation, Analysis of variance, Paired t test, etc.

### 3.10 Hypothesis of the Study

*Ho: There is no significant difference in the means of possible return of selected software companies in India.*

*H1: There is a significant difference in the means of possible return of selected software companies in India.*

## 4.0 ANALYSIS AND INTERPRETATION

**Table 1: Possible returns of selected software companies in India**

	TCS	Infosys	Wipro	HCL Tech	Tech Mahindra	NSE 500
<b>Aug-19</b>	2.44	2.68	-4.11	6.36	9.02	-0.75
<b>Sep-19</b>	-7.09	-1.14	-5.74	-1.80	3.01	4.05
<b>Oct-19</b>	8.11	-14.90	8.13	7.60	3.43	3.73

<b>Nov-19</b>	-9.53	1.57	-8.33	-3.02	3.04	1.28
<b>Dec-19</b>	5.28	5.00	3.41	0.76	0.11	0.60
<b>Jan-20</b>	-3.82	6.13	-3.66	4.10	4.50	-0.11
<b>Feb-20</b>	-3.80	-5.70	-6.48	-9.65	-6.55	-6.34
<b>Mar-20</b>	-8.70	-12.33	-11.18	-18.33	-24.03	-24.25
<b>Apr-20</b>	10.31	11.54	-2.92	24.55	-3.40	14.52
<b>May-20</b>	-2.09	-3.42	11.44	1.23	-2.89	-2.38
<b>Mean</b>	-0.89	-1.06	-1.94	1.18	-1.38	-0.97
<b>SD</b>	7.06	8.26	7.29	11.29	9.15	9.82
<b>N</b>	10	10	10	10	10	10
<b>F-test</b>	4.42	4.65	1.12	28.81	9.12	
<b>Sig. P:value</b>	<b>0.07</b>	<b>0.06</b>	<b>0.32</b>	<b>0.00</b>	<b>0.02</b>	
<b>Alpha</b>	-0.23	-0.20	-0.05	-1.87	0.11	
<b>Beta</b>	0.83	0.72	0.47	0.77	0.78	

*Source: computed by MS Excel*

## 4.1 Interpretation

### 4.1.1 Mean

The possible return of the selected software during the study period all are earned negative return except HCL Technology with benchmark index also.

### 4.1.2 Standard Deviation

During the study period, selected software companies' performance showing consistency than the NSE 500 index except tech Mahindra. Tech Mahindra has high efficiency than the rest of the selected software companies in study period.

### 4.1.3 N

The study possible return of top five software companies were collected on monthly base five months before and five months after COVID 19. Total numbers of observation during the study was 10.

### 4.1.4 One Way ANOVA

If F Statistics value is more than F-Critical or If P value is less than 0.05. The during the study period and data, HCL Technology and Tech Mahindra P values are less than the 0.05,

hence rejecting null Hypothesis, it concludes that there is difference in mean scores of software companies returns on benchmark index return.

#### 4.1.5 Rest of the Software

Companies like TCS, Infosys and Wipro software companies“ p” values are greater than the 0.05, hence null hypothesis fail to reject, it concludes that there is no difference in mean scores of software companies returns on benchmark index return.

##### 4.1.5.1 Alpha

An alpha of 1.00 means the investment outperformed its benchmark index by 1 percent. An alpha of -1.0 means the investment underperformed its benchmarks index by 1 percent. If the alpha is zero, its return matched the benchmark. In the study duration selected all software companies were underperformed as compared to NSE 500 market index except tech Mahindra Software Company.

##### 4.1.5.2 Beta

The coefficient here means that for this data set (number of observations 10 months from august 2019 to May 2020) for 1 per cent increase in the NSE 500, selected beta of selected software companies affected variations in returns. Like TCS will move up 0.83 per cent, Infosys 0.72% moves up, Wipro increase 0.47 percent, HCL Technology and Tech Mahindra are move ups 0.77 percent and 0.78 percent respectively.

**Table 2: Multiple Regressions Statistics**

<b>Multiple R</b>	0.933	R = square root of R <sup>2</sup>			
<b>R Square</b>	0.871	R <sup>2</sup>			
<b>Adjusted R Square</b>	0.710	Adjusted R <sup>2</sup> used if more than one x variable			
<b>Standard Error</b>	5.288	It refers to the estimated standard deviation of the rror term u.			
<b>Observations</b>	10	Number of observations used in the regression			
<b>ANOVA</b>	<b>Df</b>	<b>SS</b>	<b>MS</b>	<b>F</b>	<b>Significance F</b>
<b>Regression</b>	5	756.495	151.299	5.412	0.063
<b>Residual</b>	4	111.834	27.959		
<b>Total</b>	9	868.329			

	<i>Coefficients</i>	<i>Std. Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>
<b>Intercept (Alpha)</b>	-1.406	2.105	-0.668	0.541	-7.249
<b>TCS</b>	-0.201	0.501	-0.400	0.710	-1.592
<b>Infosys</b>	0.043	0.323	0.133	0.901	-0.854
<b>Wipro</b>	0.031	0.328	0.095	0.929	-0.881
<b>HCL Tech</b>	0.693	0.381	1.820	0.143	-0.365
<b>Tech Mahindra</b>	0.327	0.255	1.283	0.269	-0.381

*Source: computed by MS Excel*

### 4.3 Interpretation

The above Table 2, depicted that the overall goodness-of-fit measures,  $R^2 = 0.821$ , Correlation between  $y$  and  $\hat{y}$  is 0.933 (when squared gives 0.8025).  $R^2 = 0.821$  means that 82.10% of the variation of selected software companies. Since the  $p$ -value = 0.063 > 0.05, we fail to reject the null hypothesis and conclude that the regression model of  $\text{Price} = -1.406 + (-0.201 \cdot \text{TCS}) + (0.042 \cdot \text{Infosys}) + (0.031 \cdot \text{Wipro}) + (0.693 \cdot \text{HCL Tech}) + (0.327 \cdot \text{Tech Mahindra})$  are good fit for the data. Note that few of them coefficients are significant. That  $R$  square = .87 indicates that a good deal of the variability of price is captured by the model.

**Table 3: Paired Two Sample for Means**

	<b>TCS</b>	<b>Infosys</b>	<b>Wipro</b>	<b>HCL Tech</b>	<b>Tech Mahindra</b>	<b>NSE 500</b>
<b>Aug-19</b>	2.44	2.68	-4.11	6.36	9.02	-0.75
<b>Sep-19</b>	-7.09	-1.14	-5.74	-1.80	3.01	4.05
<b>Oct-19</b>	8.11	-14.90	8.13	7.60	3.43	3.73
<b>Nov-19</b>	-9.53	1.57	-8.33	-3.02	3.04	1.28
<b>Dec-19</b>	5.28	5.00	3.41	0.76	0.11	0.60
<b>Mean (Before )</b>	<b>-0.16</b>	<b>-1.36</b>	<b>-1.33</b>	<b>1.98</b>	<b>3.72</b>	<b>1.78</b>
<b>Jan-20</b>	-3.82	6.13	-3.66	4.10	4.50	-0.11
<b>Feb-20</b>	-3.80	-5.70	-6.48	-9.65	-6.55	-6.34
<b>Mar-20</b>	-8.70	-12.33	-11.18	-18.33	-24.03	-24.25
<b>Apr-20</b>	10.31	11.54	-2.92	24.55	-3.40	14.52
<b>May-20</b>	-2.09	-3.42	11.44	1.23	-2.89	-2.38
<b>Mean (After)</b>	<b>-1.62</b>	<b>-0.76</b>	<b>-2.56</b>	<b>0.38</b>	<b>-6.48</b>	<b>-3.71</b>



<b>t-Test: Paired Two Sample for Means</b>		
	<b>Mean</b>	<b>Mean</b>
<b>Mean</b>	<b>0.774</b>	<b>-2.457</b>
<b>Variance</b>	<b>4.199</b>	<b>5.877</b>
<b>Observation</b>	<b>6</b>	<b>6</b>

*Source: computed by MS Excel*

<b>Pearson Correlation</b>	-0.558
<b>Hypothesized Mean Diff.</b>	0.000
<b>Df</b>	5
<b>t Stat</b>	2.002
<b>P(T&lt;=t) one-tail</b>	0.051
<b>t Critical one-tail</b>	2.015
<b>P(T&lt;=t) two-tail</b>	0.102
<b>t Critical two-tail</b>	2.571

*Source: computed by MS Excel*

#### **4.4 Interpretation**

*Ho: there is no significant difference in the means of possible return of selected software companies in India.*

*HA: there is a significant difference in the means of possible return of selected software companies in India.*

In case two samples are related, we use paired t-test (or what is known as difference test) for judging the significance of the mean of difference between the two related samples. It can also be used for judging the significance of the coefficients of simple and partial correlations.

The above table states that Probability value (T<=t) one-tail and P (T<=t) two-tail values are 0.051 and 0.102 respectively gives the probability that the absolute value of the t-statistic (2.002) would be observed the is similar in absolute value with critical t-value (one tail-2.015 and two tail -2.571). Since the p-value is greater than our alpha 0.05, therefore fail to reject the null hypothesis that there is no significant difference in the means of possible return of selected software companies in India.

**Table -4 Correlation and covariance**

	<i>TCS</i>	<i>Infosys</i>	<i>Wipro</i>	<i>HCL Tech</i>	<i>Tech Mahindra</i>	<i>NSE 500</i>
TCS	44.82	12.75	25.86	56.42	17.56	37.23
Infosys	<b>0.24</b>	61.37	-6.27	50.26	29.23	44.28
Wipro	<b>0.56</b>	<b>-0.12</b>	47.89	29.15	19.33	22.58
HCL Tech	<b>0.79</b>	<b>0.60</b>	<b>0.39</b>	114.74	52.03	88.30
Tech Mahindra	<b>0.30</b>	<b>0.43</b>	<b>0.32</b>	<b>0.56</b>	75.30	59.02
NSE 500	<b>0.60</b>	<b>0.61</b>	<b>0.35</b>	<b>0.88</b>	<b>0.73</b>	86.83

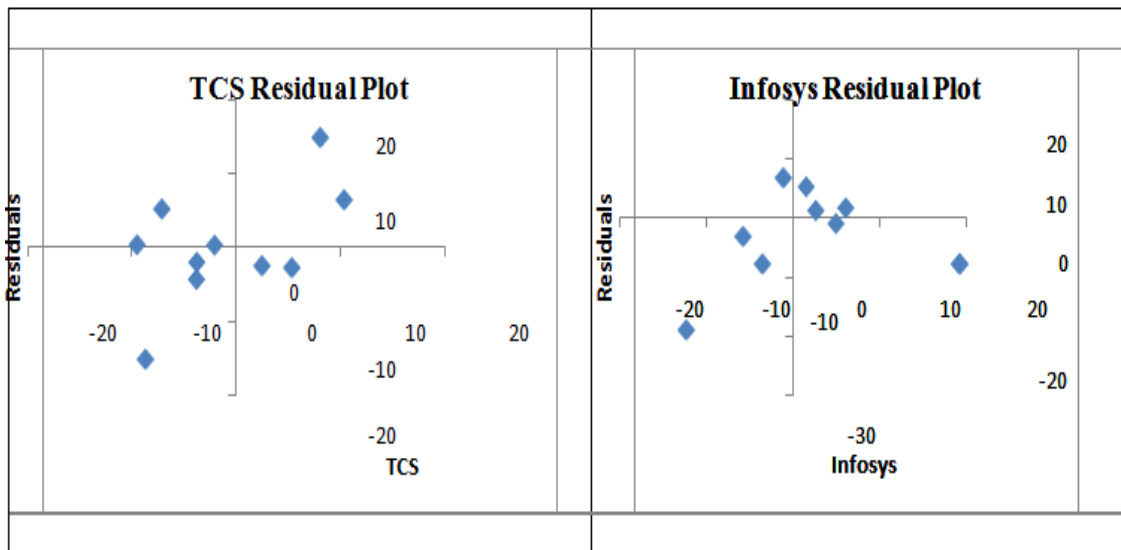
Above table bold values are indicates correlation

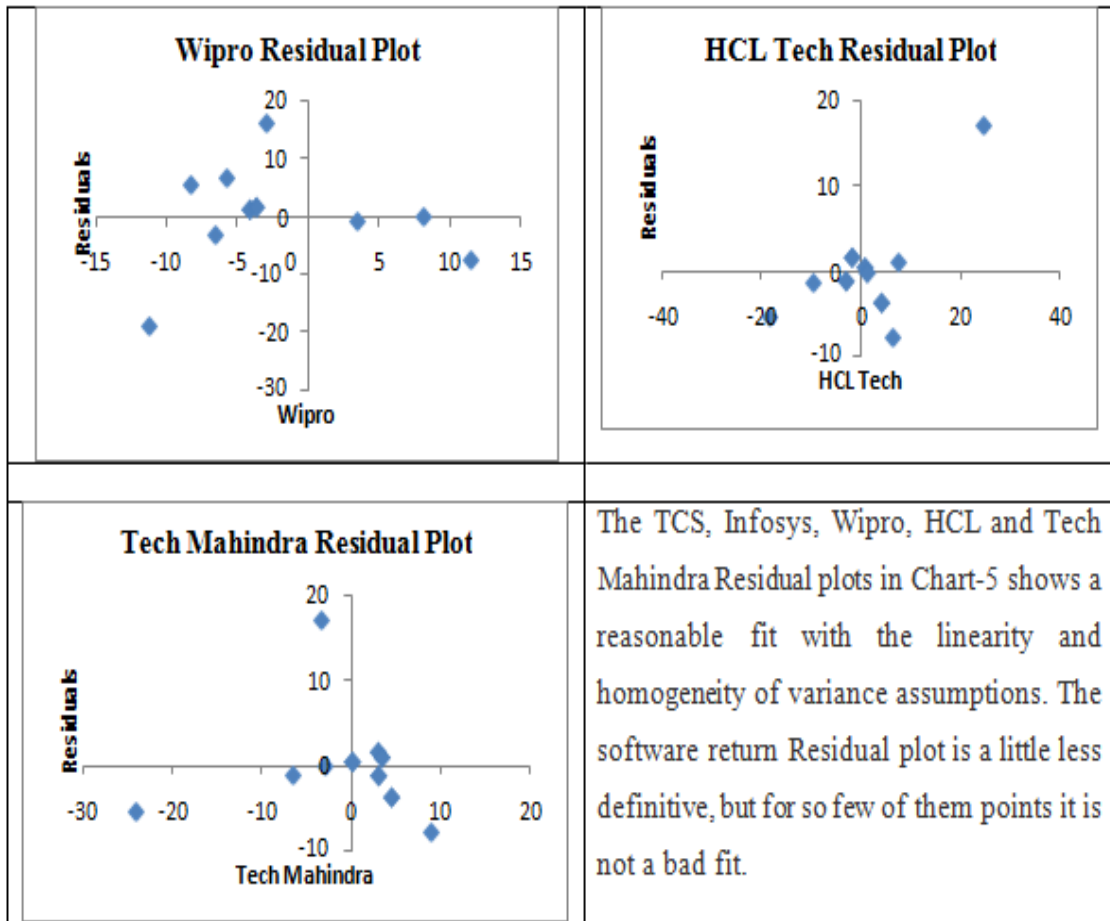
*Source: computed by MS Excel*

#### 4.5 Interpretation

The above table 4, says that, selected software companies possible return correlation among them, there is negative correlation among Infosys and Wipro is -0.12, low correlation of Infosys and TCS is 0.24, moderate correlation between TCS and Tech Mahindra, Tech Mahindra & Infosys, Wipro companies with HCL, Tech Mahindra, benchmark and rest of software companies in the sample study have high correlation. Covariance above data depicted that in selected top five software companies having normal relationship among them with NSE 500 index except Infosys and Wipro.

**Chart 5: Residual plots of selected software companies in India**





Source: computed by MS Excel

## 5.0 FINDINGS

- i. During the study, possible returns of software companies earned negative with benchmark return except HCL Technology.
- ii. Total risk of software companies is higher than the benchmark in study period.
- iii. During the study, there are no changes in the possible return of selected software companies like TCS, Infosys and Wipro, rest of the companies there is changes in stock returns as per the one way analysis of variance and paired t test at 5 percent level of significance.
- iv. In study duration, selected all software companies were underperformed as compared to NSE 500 market index except tech Mahindra Software Company.
- v. As per the beta, it founded that, 1 per cent increase in the NSE 500, TCS will move up

0.83 per cent, Infosys 0.72% moves up, Wipro increase 0.47 percent, HCL.

- vi. Technology and Tech Mahindra are move ups 0.77 percent and 0.78 percent respectively.
- vii. The software return Residual plot is a little less definitive, but for so few of them points it is not a bad fit.

## **6.0 LIMITATION OF THE STUDY**

- i. The study covered only ten months from August 2019 to may 2020.
- ii. Study has selected only top five software companies.
- iii. Study measured the performance of companies on the basis of stock in NSE market, only stock prices may not measure overall performance of companies.

## **7.0 CONCLUSION**

The study selected top five software companies have been performing best in their sector, hence those placed top five. During the study period, throughout world and all sectors have been facing problems not only corporate sectors even though all sectors in the world. What we expected in the year on or before 2019, those were collapsed our dreams by started pandemic diseases in chain and it spreads across nations, yet now all nation have been fighting by corona warriors like Doctors, Police and government s others also to protect and free from that diseases every nation in the world. Hence the study selected majority of software companies were affected in financial performance and those are still struggling and waiting to lifting lockdown to comeback old performance to attainment of vision and mission of the concerned software companies. At last there is no affect of COVID 19 on performance of selected software companies in India in statistical data base.

## **REFERENCE BOOKS**

- Aswath Damodaran. Damodaran on Valuation-Security analysis for investment and corporate finance, Second Edition, Willy publication, 2016.
- Treynor JL. How to rate management of investment funds? Havard Business Review.1965; 43:63-75.
- Fama EF Components of Investment Performance, Journal of Finance. 1972; 27:551- 567.
- Financial Services by Dr. S. Guruswamy, McGraw Hill Publication, 2nd Edition, Fourth Reprint 2012, 216.

Franco Modigliani and Leah Modigliani, "Risk-Adjusted Performance: How to Measure It and Why," *Journal of Portfolio Management*, winter. 1997; 23(2):45-54.

Kevin S, *Security Analysis and Portfolio Management*, PHI Learning Private Limited, New Delhi, 2012; 222-3.

M. Y. Khan & P.K. Jain (2012), "Financial Management", TataMc Graw Hill Education Pvt. Ltd., sixth Edition.

ZviBodie, Alex Kane, Alan J Marcus and Pitabas Mohanty (2009), "Investments", Tata McGraw Hill Education Private Limited, New Delhi, eighth Edition.

Prasanna Chandra (2008) "Investment Analysis and Portfolio management", Tata McGraw Hill Education Private Limited, New Delhi, Third Edition.

Aswath Damodaran (2005), "Corpsorate Finance: Theory and Practice", John Wiley India private Limited, Second Edition.

I.M. Pandey (2005), "Financial Management", Vikas Publishing House, Ninth Edition. 7.

Bhattacharya AK and Phani BV (2004) „Economic Value Added-A General perspective”, [http:// papers. Ssm.com/so13/papersc.cfm](http://papers.Ssm.com/so13/papersc.cfm).

**Websites:**

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

[www.valuereserachonline.com](http://www.valuereserachonline.com)

[Tathapi.com](http://Tathapi.com)

[http://en.wikipedia.org/wiki/Sortino\\_ratio](http://en.wikipedia.org/wiki/Sortino_ratio)

“Marketing management is the process of ascertaining consumer needs, converting them into products or services and moving the product or services to the final consumers or users to satisfy needs and wants with emphasis on profitability ensuring the optimum use of the resources available to the organisation.”



ISBN: 978-93-90238-59-0



₹700/-