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Contents

A Study of Consumer Behaviour for Green Products.....	4
Dr. Avinash Sahurkar, Mr. Yogesh Raut	
Developing a Strategy to Determine the Economic Viability of Pay Per Use Model of Drinking Water in Rural/Semi Urban Slums.....	11
Dr. Arup Mazumdar, Ms. Vibha Bhilawadikar	
Is Social Media Marketing an Effective Tool in Gaining Volumes?.....	21
Mr. Venkatesh K G	
Contribution for Inclusive Growth in India: A Case Study of Bank of Baroda.....	34
Prof. Bharat Ved	
The Other Tongue: Avoiding Common Pitfalls in English Language Use.....	41
Dr. Preeti Shirodkar	
The Volatility of Currency Markets in BRICS Countries: A Review....	45
Dr. Nitin Kulkarni, Prof. Sandeep Chopde, Mrs. Yashashree Gurao-Kokate	
H L V Concept-Based Selling: The Only Panacea for Indian Life Insurance Industry.....	51
Prof. Arun Patil	
Role of Women Empowerment and Entrepreneurship in India.....	57
Mrs. Brototi Mistri	
A study of Corporate Bond Market Reforms and Its Effect on Change in Capital Structure with Special Reference to Resources Mobilised from Initial Public Offerings by the Indian Corporate.....	64
Ms. Hema P. Gwalani, Dr. Nilesh Berad	
To Assess Key Drivers Influencing Businesses to Consider e-Learning Technologies in India.....	76
Prof. Malcom F. Homavazir, Prof. Zuleika Homavazir Sattha, Dr. Ramanathan Gopal	
Cashless Economy – One Step of Digital India.....	90
Prof. Rupali N. Mahale	
Business Ethics and Sustainable Development by Adopting Life Cycle Assessment & Analysis Approach: A Case Study of TATA.....	97
Prof. Vivek S. Kanade, Prof. Pratiksha V. Pingale	
Walmart Strategy & Current Retail Industry.....	103
Ms. Venkatesh KG, Ms. Kratika Saxena, Ms. Rakshit Srivastava, Ms. Divyabala N	
Telecom Sector: A Catalyst in the Growth of Indian Economy.....	113
Mr. Randhir Lamba	



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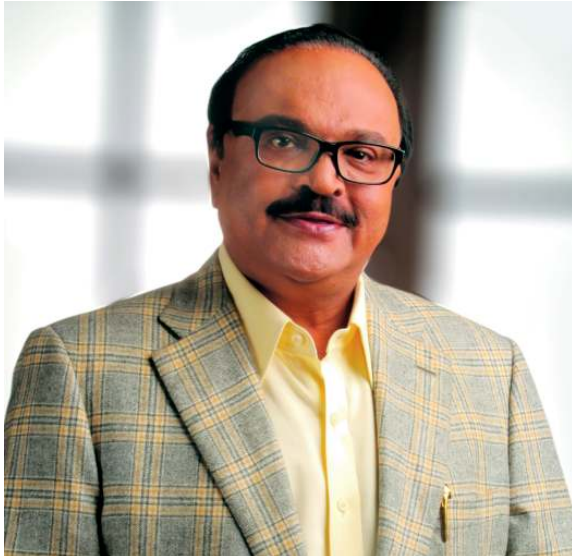
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From the Chairman's Desk



Chhagan Bhujbal
Chairman, Mumbai Educational Trust

**Education, as Nelson Mandela has said,
is the most powerful weapon you can use to change the world.**

The truth of this can never be realised more deeply than at a time when both Malala and Satyarthi have been rewarded for their contribution to education. Change is the only constant in life and the 21st century which has seen regular and varied change needs to be seen as a time that urges us to be in command of the change if one has to survive it, let alone forge ahead. And the only way to ensure that one has the strength to survive this tide is to equip oneself with education.

Education not merely changes and develops minds but gives them the scope to adapt and innovate and most importantly lead the change rather than merely being at its receiving end. Competition is ever on the rise and the stability of the mid 20th century has rapidly given way to unexpected change. In the blink of an eye the world as we know it is replaced by a new one - whether in the field of technology, medicine, engineering, life style and in fact even the job scenario. And while there is no denying the value of basic degrees, the fast paced life of today, needs quick thinking and decision making that the professional world not merely requires but also expects and which the field of management equips the students with.

MET with its dynamic approach to education, excellent infrastructure, evolving pedagogical approach and attempt to deliver to the industry what it desires is creating professionals with values that stem from the local and encompass the global. For we are marching towards becoming a force to reckon with as a country and only good education can make us ready to meet this challenge.

Chhagan Bhujbal
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Industry Academia Perspective



The Corporate Social Responsibility (CSR) Challenge & The B-School Response

"India has an opportunity to become one of the world's most dynamic economies.... Seize It!"

Managing Director, IMF

The Indian economy today, particularly the manufacturing and servicing sectors, appears to be moving in the direction of high growth and economic stability. The inflation has fallen to about 5 percent, partially supported by easing of petroleum prices, while increased FDI and remittances have contributed to the steadying of the Re/Dollar rate, leading to a record low in trade deficit - 6.8 billion

USD, in February 2015, as against USD 20 billion in October 2012. The Government, the RBI and the entire regulatory and administrative apparatus appear to have launched a series of well coordinated liberalised policies and programmes/initiatives, focussing on macroeconomic, transparent management, to achieve dynamic, yet inclusive, growth. Not surprisingly, the IMF believes that we will achieve a 7% GDP growth rate, as against the global average of 3.5%.

The corporate sector and financial markets seem to have welcomed this, as exhibited by the BSE Sensex, crossing the 30,000 mark, as a part of the post-budget hype. The 'Make In India' programme of the government is now gathering momentum not only in India, but globally, since the NRIs and foreign investor community have taken a serious note of this initiative. With the RBI promoting the 'Make For India' slogan, backed by reduction in the repo rate, the stage seems set for accelerating and sustaining the growth rate, through multi-pronged interventions, in the marketplace.

There is little doubt that as industrial growth gathers momentum, it will eventually spur the employment market, both in the conventional and sunrise sectors, including health/pharma/bio-technology, ITeS, green and bio-energy, environment and eco-preservation, as well as hospitality and retail. With the revamping of the whole range of labour laws, there is little doubt that there will be a spring in the step of the corporate recruiter, as organisations continuously seem to be shedding the flab before gathering more muscle to face the marketplace.

This is undoubtedly divine music to the B-Schools, who have been searching the economic horizon for the better part of this decade. As we transform the terracotta B-School apprentices into Centurions, e-empowered with digital weaponry, they anxiously await their turn to charge the corporate arena, to seek their chosen place in the sun. Unlocking unique consumer insights from big data, they work hard on mass customisation of products and services. Crowd-sourcing ideas to shape their strategies, they seek critical inputs, by searching the social media and resort to outsourcing, to cut costs. The effort to build a lean-and-mean organisation continues unabated, while mergers and acquisitions make strange bed-fellows, with avid competitors, sharing the same bench.

We at MET are continuously retooling and reshaping our learning modules, to ensure business leadership and ownership covering the conventional building blocks of marketing, finance, HR, operations, systems... These are delivered through state-of-the-art learning technologies, supported by a broad range of e-commerce tools, which help in global networking. Digital Business Management is no longer a magic wand, but an essential alphabet, to unravel the mysteries of the marketplace. The successful hosting of a unique B-school competition DigiMET has galvanised netizens from all parts of the country, with curiosity giving way to creativity and value at MET.

Universally, there is a growing concern among the corporate stake holders about the societal unrest caused by dichotomy wherein 80% of global wealth is held by 20% and vice versa. It is also a fact that only 5% of these rich hold 80% of the global riches. This could be the result of single minded focus of critical financial tools to make the rich richer. Hence B-Schools globally are straining to sensitise Management professionals to reach out to the under privileged and differently-abled sections of the society while striking the right balance between development and conservation.

Welcome to the rise of the Corporate Social Responsibility challenge, which is being taken on headlong, by the Indian corporate sector as well. Based on recent provisions in Corporate Taxation laws, with effect from 2015, two percent of the three-years of average profits are to be spent on CSR initiatives. While the details of the scope of this provision are being worked out, this new challenge of identifying opportunities in this domain has led us to focus our students' attention on studying and evolving innovative CSR projects, in companies of their choice. Thus, every year, students will identify new avenues for CSR adoption, broadening and deepening the corporate reach, to provide relief, care, concern and compassion to society at large.

We believe that while the society receives the benefits of corporate wealth creation, through its innovations in products and services, they also feel, in some measure, the impact of turbulence in the eco-system. Through fine tuning of CSR activities, it is possible to achieve a balance between wealth creation and eco-conservation, thus reaching out to the weakest sections of the society. By sensitising our students to these harsh realities, through our MET Seva programmes, we seek to shape future managers, committed to building an inclusive society.

Welcome to the new academic year that will focus on creating management professionals, who will respond to the CSR challenge to make India one of the "world's most dynamic economies", as predicted by the IMF Chief.

Dr. Vijay Page
Director General, MET Institute of Management

A Study of Consumer Behaviour for Green Products

Abstract

This article intends to discuss the parameters which define a green consumer. An attempt has been made to find whether the age and gender of the person has an influence on consumer behaviour with respect to Green Products. This study comprises a sample from Pune in Maharashtra, India. It tries to find out people's interest about environment, when 'green' has become the buzzword. Pune being an economically well developed city has also emerged as an education hub. This research study aims to be of help to marketers to sell their green products to the consumers, by helping them to identify the profile of the Green Consumers.

Keyword

Age, Gender, Green products.

I. Introduction

According to Ottman 1993 " Green marketing 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". Considered an oxymoron by many environmentalists (because it still promotes consumption), green marketing manipulates the four elements of the marketing mix (product, price, promotion and distribution) to sell products and services offering superior environmental benefits in the form of reduced waste, increased energy efficiency, and/or decreased release of toxic emissions.

Green Marketing and its Evolution

Green marketing is the marketing of products that are presumed to be environmentally safe (AMA). The basic idea is that customers are provided with information of the environmental effect of the products and they can and use this information while deciding which product to purchase (Yogita Sharma, 2011)^[1]. Green Marketing can be termed as a process of safeguarding the nature or environment by making the customer to use or consume those products which do not harm the environment. It can also be defined as the process by which every human is doing his bit to have a sustainable environment

The evolution of green marketing can be divided in three phases:

1. The first phase was termed "Ecological" green marketing. During this period all marketing activities were concerned to solve environment problems and provide remedies for such problems.
2. The second phase was "Environmental" green marketing and the focus shifted to clean technology that involved designing of innovative new products, which takes care of pollution and waste issues.
3. The third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000.

Many studies reveal that consumer concern about the environment has steadily increased all over the world in the past two decades. These studies are mainly carried out in highly developed countries which are major contributors to environmental degradation. There is a need of such a research in developing countries like India. As per Copenhagen Climate Talks on 5th Dec. 2009, India is one of the world's biggest emitters of carbon dioxide - a greenhouse gas blamed for global warming. The present study includes selection of a sample from Pune in India, and tries to establish the relationship between age, gender and purchase of green products.

II. Review of Literature

Michal, Tarrant and Cordell (1997)^[2] indexed five different environmental attitude scales on an 11-item self-reported general environmental behavior index derived from a confirmatory factor analysis. Correlations

between each of the 5 attitude scales and the behavioural index were computed and a Fisher's Z-transformation was used to test for the effect of six respondent characteristics (gender, residence, education, income, age, and political orientation) on the attitude-behaviour correlations. Although all of the five scales were significantly correlated with the behavioural index ($p < .001$), correlations for some attitude scales were highly affected by respondent characteristics.

Mainieri, Barnett, Valdero, Unipan and Oskamp(1997)^[3] investigated the variables that predict "green buying" (i.e., buying products that are environmentally beneficial). Predictor variables included awareness about environmental impacts of products, specific environmental beliefs of consumers, several general environmental attitude scales, demographic variables, and several pro environment behaviours other than buying behaviour. A written questionnaire, mailed to randomly selected residents of 8 middle-class communities in the Los Angeles area, was answered by 201 respondents. The results of hierarchical multiple regression analyses supported the hypotheses under study: Specific consumer beliefs predicted several green-buying variables as well as general environmental attitudes, whereas general environmental attitudes predicted only one aspect of green buying. Women were significantly higher than men on two aspects of green buying and on the environmental attitude scales. Home ownership was positively related to recycling behaviour.

Karns and Khera (1983)^[4] reported a longitudinal analysis of residential energy conservation by residents in a medium size U.S. metropolitan community. Mail panel surveys were conducted during winter months of 1979, 1980, and 1981. The results were presented in the form of a multivariate causal model with cross-lagged correlations over time. Perceptual, attitudinal, and behavioural variables were found to be the major causal factors with certain other variables having secondary effects.

Role of Income

One's income level has a positive relation with environment sensitivity. Individual with high income will raise the cost to support environmental sustainability and to buy eco-friendly products. Income as predictor of environmental awareness relates with affect-ecological contraction, ecological knowledge and premium price of eco-friendly products has been reported by Straughan & Robert (1999)^[5]. Previous research findings show that there is an inconsistency in the relation between environmental awareness with level of income. Middle class have met their basic needs and start to focus on human existence aspects. According to Buttel and Flin, the lower class society stays in high polluted environment and work in a bad environment with poor facility so that they hope to improve their environment. In general, social classes tend to give a positive influence towards environmental awareness and commitment has been shown by Ling-yee (1997)^[6].

Some studies illustrate that income level plays a role in predicting environmental awareness related to a person's attitude contraction towards the environment. The relation between income growth and quality of environment is a fundamental issue in environmental economics. One's level of income influences the willingness to pay marginally higher prices as a social responsibility towards the environment. Empirical studies in countries with low income per capita do not show any improvement in the willingness to spend more on eco-friendly products has been reported by Bloom & Sevilla(2004)^[7]. Therefore, the income level moderates the relations between consumers behaviour towards the environment with their willingness to consume eco-friendly products.

Role of Gender

Environmental concern is still not a strong motive for majority of well educated respondents to purchase eco-friendly products. Shila Shahnaei (2012)^[8] found out that Educational Level has significant effect on green purchasing among Malaysian consumers whereas gender and age don't have relationship with the purchase behaviour. Ruiz, Arcas and Cuestas (2001)^[9] argued that gender plays an important role to be consumerists and environmental conscious consumers. Some of the research shows that male are being predominant in the concern towards environment and thereby towards the purchasing behaviour.

Role of Age

Panni (2006)^[10] found that consumers' pro-social or pro-ethical behaviors are heavily influenced by demographic characteristics in terms of age, income level, education level and occupation.

Objectives of this study are as follows:

1. To study the relationship between age and purchase of Green products, if it exist.
2. To study the relationship between gender and purchase of Green products, if it exist.

The hypotheses are formulated as follows:

Ho1: There is no relationship between age and purchase of Green products.

Ho2: There is no relationship between gender and purchase of Green products.

III. Research Methodology

The Sample Size of 100 was selected. Stratified random sampling method was employed to select the respondents, from Pune city. A Survey method was employed and a structured questionnaire was developed to collect the primary data. The questionnaires consist of two parts. Part -1 is related to asking personal information of the respondent. The Part -2 consist of 5 closed end questions related to the purchase behaviour. Likert scale was used for these questions. The responses to the 5 purchasing statements was measured on a 5 point frequency purchase scale (1="Never", 5= "always").

IV. Results and Discussion

The profile of the respondents is as mentioned in the Table No.-1 given below. The questions included in the questionnaire to study Consumer Behaviour with respect to green products have been shown in Table No.-2. For data analysis SPSS was used and chi-square test was used to analyse the data.

Table No.- 1 Profile of the respondents

S. No.	General Information	Number	Percentage
1	Age in Years		
	a. 19-29	20	20
	b. 30-39	30	30
	c. 40-49	26	26
	d. 50 and above	24	24
2	Gender		
	Male	54	54
	Female	46	46

Table No.- 2 Questions related to the consumer behaviour with respect to green products

S. No.	Question	5 point scale
1	I try to recycle and reuse things whenever possible	1="Never", 5 = "always"
2	I often think about how the environmental quality in Pune can be improved.	1="Never", 5 = "always"
3	I tend to buy health & beauty products made from nature & not tested on animals	1="Never", 5 = "always"
4	I usually buy products/services which do not harm the environment	1="Never", 5 = "always"
5	I usually participate in activities related to improving the environment.	1="Never", 5 = "always"

Testing of the Hypothesis Ho1

To see the relationship between age and purchase of Green products a Chi-Square test was conducted. For accuracy purpose, each question was compared with age and Chi-Square was calculated.

Table No.- 3 Calculation of Chi-Square for Question No.1

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.055E2 ^a	6	.000
Likelihood Ratio	115.119	6	.000
Linear-by-Linear Association	17.445	1	.000
N of Valid Cases	100		

a. 1 cell (8.3%) had expected count less than 5. The minimum expected count is 4.80.

Table No.- 4 Calculation of Chi-Square for Question No.2

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.142E2 ^a	6	.000
Likelihood Ratio	123.856	6	.000
Linear-by-Linear Association	16.873	1	.000
N of Valid Cases	100		

a. 1 cell (8.3%) had expected count less than 5. The minimum expected count is 4.80.

Table No.- 5 Calculation of Chi-Square for Question No.3

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	81.933 ^a	6	.000
Likelihood Ratio	87.259	6	.000
Linear-by-Linear Association	100	1	.752
N of Valid Cases	100		

a. 0 cell (0%) had expected count less than 5. The minimum expected count is 5.20.

Table No.- 6 Calculation of Chi-Square for Question No.4

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.793 ^a	9	.290
Likelihood Ratio	13.591	9	.138
Linear-by-Linear Association	1.217	1	.270
N of Valid Cases	100		

a. 9 cell (56.3%) had expected count less than 5. The minimum expected count is 2.00.

Table No.- 7 Calculation of Chi-Square for Question No.5

	Value		Asymp. Sig. (2-sided)
Pearson Chi-Square	104.391 ^a	9	.000
Likelihood Ratio	116.336	9	.000
Linear-by-Linear Association	3.088	1	.079
N of Valid Cases	100		

a.8 cell (50.0%) had expected count less than 5. The minimum expected count is 1.60.

From the above tables of calculation of Chi-Square for all the value of p is less than 0.05, except for question no.4. Hence we reject the null hypothesis that there is no relationship between age and purchase of Green products.

Testing of the Hypothesis Ho2

To see the relationship between gender and purchase of Green products a Chi-Square test was conducted. For accuracy purpose, each question was compared with age and Chi-Square was calculated.

Table No.- 8 Calculation of Chi-Square for Question No.1

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.464 ^a	2	.107
Likelihood Ratio	4.676	2	.097
Linear-by-Linear Association	2.906	1	.088
N of Valid Cases	100		

a. 0 cell (.0%) had expected count less than 5. The minimum expected count is 9.60.

Table No.- 9 Calculation of Chi-Square for Question No.2

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.744 ^a	2	.254
Likelihood Ratio	2.755	2	.252
Linear-by-Linear Association	2.513	1	.113
N of Valid Cases	100		

a. 0 cell (.0%) had expected count less than 5. The minimum expected count is 9.60.

Table No.- 10 Calculation of Chi-Square for Question No.3

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.834 ^a	2	.089
Likelihood Ratio	4.874	2	.087
Linear-by-Linear Association	4.177	1	.041
N of Valid Cases	100		

a. 0 cell (.0%) had expected count less than 5. The minimum expected count is 10.40.

Table No.- 11 Calculation of Chi-Square for Question No.4

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.111 ^a	3	.774
Likelihood Ratio	1.121	3	.772
Linear-by-Linear Association	.000	1	1.000
N of Valid Cases	100		

a. 2 cell (25.0%) had expected count less than 5. The minimum expected count is 4.00.

Table No.- 12 Calculation of Chi-Square for Question No.5

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.003 ^a	3	.012
Likelihood Ratio	11.150	3	.011
Linear-by-Linear Association	.007	1	.936
N of Valid Cases	100		

a. 3 cell (37.5%) had expected count less than 5. The minimum expected count is 3.20.

From the above tables (Table No.8 to Table No. 12) of calculation of Chi-Square, the value of p for all the questions is greater than 0.05. Hence we accept the null hypothesis that there is no relationship between gender and purchase of Green products.

V. Conclusion

It is everyone's responsibility to preserve the nature for the future generations to come. This research paper has tried to profile the green consumers in context of people in Pune. Many such studies have been conducted in the western world, but unfortunately very little research work has been carried out in developing countries like India. Hence this study was conducted. In this research paper the relationship between gender, age and purchase of green products has been studied with respect to consumers in Pune. The data analysis showed that there is relationship between age and purchase of green products. However there was no relationship found between gender and purchase of green products. There is further scope to find other characteristics associated with purchase of green products. Such a profiling would be of great help to the Marketer's of green products.

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Developing a Strategy to Determine the Economic Viability of Pay Per Use Model of Drinking Water in Rural/Semi Urban Slums

Abstract

Pay per use revenue models are used in several consumer markets. This business model can be an effective method of accessing markets with large scale consumers - Water market is one of them. The water distribution industry has implemented an innovative approach of providing affordable potable water to the low income communities in rural and semi urban slums on pay per use basis. However the biggest challenge is reaching additional users incrementally which may not always be cost-effective. Increasingly stringent water quality standards and environmental regulations drive increased spending, technological innovation, and positive pricing impacts the sustainability of this approach. Hence determining the feasibility and economic viability of such business model in the low end segment is of vital importance.

Keywords

Economic viability, pay per use, Eureka Forbes, unsafe drinking water, awareness, financing.

Introduction

Impure water supply affects the lives of people in ways beyond health. As per research by 'Abdul Lateef Jameel Poverty Action Lab' in February 2013, the ease in access to clean water leads to reduced stress, contributing to happiness. Fetching water from disparate sources is time and labour intensive, which could detract from education or productive activities, a burden which falls disproportionately on women and children. The illness caused by impure water leads to tension within and among households. Thus inconvenient access to water may contribute to stress or unhappiness (Flores Devoto et al 2013).

According to the estimates of WHO/UNICEF Joint Monitoring Program (JMP) for water supply and sanitation, 2013, around 786 million people use unsafe drinking water sources, which have risen to 1.1 billion presently. It is estimated that around 37.7 million Indians are affected by waterborne diseases annually, 1.5 million children are estimated to die of diarrhoea alone and 73 million working days are lost due to waterborne disease each year. This results in an economic burden of around \$600 million a year. According to census 2011, more than 70% of rural households use tube well or wells as the source of water. But, much of this water is contaminated with high content of fluorine, arsenic and other contaminants which can lead to life threatening diseases like cancer. Absence of affordable water purification systems in the market to address the needs of the rural poor in India provides an opportunity to expand and upscale through pay per use model. In urban India, slum dwellers are acutely affected by water shortages. As reported in Searchlight south Asia about 60% of the Mumbai city lives in slum of which less than 20% of slum-dwellers have access to potable water. A pay per use system is followed in most of these areas where people pay Rs 14 per litre, which is exorbitantly high due to illegal vendors. Thus, the urban slum serves as a potential market to implement a cost effective, affordable and profitable pay per use model.

Eureka Forbes has built water purification plants in 100 rural and 4 urban communities in collaboration with either an NGO or the local government (Ernst and Young 2011). Its objective is to make significant contribution to the society by providing clean and safe drinking water to each Indian household. However the company has encountered reluctance among the masses to pay for water which is a basic utility. It wants to overcome this societal barrier and build a model which is beneficial to the society at large and profitable at the same time. In our view, access to clean and pure water will contribute to health, happiness and satisfaction of people. Water is an essential utility and commercializing it is a challenge. Though the government is supportive of water purification plants and has formulated several schemes in the twelfth five

year plan encouraging public private partnership and rural women participation, the acceptance of pay per use water model by the society is questionable.

Context:

In India the concept of a paid drinking model faces constraints, particularly, in rural belts, where drinking water is not seen as a commercial commodity that needs to be purchased, but rather as a free commodity. In other words there is unwillingness on the part of the consumers to pay for drinking water. The reasons, apart from prevailing perception, are multifold which will be expounded in further depth. It is on this difficult premise that we need to explore the economic viability of creating a sustainable model of drinking water, to rural and peri urban belts, acknowledging the gross limitations of capital expenditure needed to setup infrastructure while also taking into account the capability and willingness of consumers to pay and use the same.

Setting up a water purification plant is capital intensive. The cost, per plant, includes fixed capital expenditures of around 6 crores, and average annual running and maintenance cost of around 2 lakhs. The average cost per liters of water varies between 0.13 to 0.2 rupee subject to vagaries of electricity and other allied expenses, specific to the region. The returns on this investment depend on the income dynamics of the targeted consumers, who are the rural and peri urban masses. The median annual income of a rural household is around 22000 rupees. This roughly translates to 1800 rupees per month while the median income of an urban poor is around 50000 rupees (Dinesh Kumar and Kumar Shah).

The above mentioned factors of costs involved versus expected returns determine the economic viability of the project. The purchasing power is heavily dependent on the per capita income levels of the people. The urban poor's median income is twice as much as that of a rural person's and hence this calls for a differentiated pricing structure between the rural and urban segments for sustenance in the corresponding regions.

Further the economic viability depends on the success of implementation of pay per use model. This model has been extensively used in industries like telecom and consumer media. This method will offer the advantage of using progressive price slabs per usage which would particularly be useful to encourage usage when the uptake is found poor. Similar to a telecom industry model, operational cost reduction will be pronounced as the RO's can be operated only upon demand.

Approach to Problem / Problem Definition

We have classified the following approaches based on short term and long term. A long-term vision aligns with the public interest. It must be based on ethical principles and holistic welfare of the society. Also, they must be executed pragmatically, assuring that short-term actions support the long-term goals (Gillian Lees and Roger Malone, 2011). Hence, it is appropriate to approach the problem from both short term and long term perspective.

Short Term Approach – Establish the Brand and Achieve Breakeven

In the short term, the company may focus on economic viability that is establishing the model by earning revenues with zero or minimum profits and target to achieve breakeven in the shortest time. An established model backed up by proper marketing, pricing and awareness among the masses will help in building up sustainable and profitable model for the long run.

1. Marketing strategy for pay per use drinking water

In developing countries like India, demand for water related products generally come from high and middle income groups. Even at the Base of the Pyramid, the demand for clean drinking water has grown the fastest in peri-urban areas (Hammond et al. 2007). Though, rural areas and slums are in the greatest need for safe drinking water, penetration in these areas is the most challenging (IFC 2009). Marketing of the product

should be focused on day to day usage and value of safe drinking water. Simultaneously it should create some aspirational value for the consumer in order to justify the price being charged. (PATH 2009a).

2. Pricing and positioning strategy

Keeping drinking water as affordable as possible and bringing it within the reach of everyone including the low income groups and at the same time being commercially viable, will be a challenging task. It needs to be considered that there is already presence of such models in some parts of the country and competition is fierce but the demand is low. The pricing structure should account for equipment break-even, cost of consumables, supply chain and wage costs as well as cost of marketing and promotion. Positioning the product correctly is also an important factor to consider as it refers to the perception of the consumer about the product in comparison to competitors or other similar but not same products (Ries and Trout 1981). Treated and safe water should not only be considered as a necessity but also as a preventive measure of disease. The needs of the consumers must also be taken into account while positioning the product (Meera Bapat and Indu Agarwal 2003).

3. Explore ways of financing

Different ways of financing can lead to increase in customer base. Micro financing helps in growing developmental roots. Micro financing organizations are like offshoots of Non-Government organizations run on commercial basis (M S Sriram and Rajesh Upadhyayula 2002). Combining financing of MFOs along with working of NGO may have different results.

Finances from private banks, governments or any other sources such as private equity or venture capitalist can also be considered.

Long Term Approach – A Sustainable Model

In the long run, a sustainable model can be built around the concept of social entrepreneurship involving internal and external stakeholders. This can be achieved by spreading awareness about safe drinking water giving prime focus on social acceptability and socio-economic welfare of the country. This will in turn require a study of various unique and customizable purification-cum-distribution models, extent of support from various organizations and specific needs or requirements area wise.

1. Spreading awareness about the ill-effects of unsafe drinking water

There is a misconception among most consumers that clear water means clean and safe drinking water. Even rain water is perceived to be healthy and of higher quality (PATH 2009b). Programs for providing safe drinking water also face unique challenges such as the belief that diarrhoea is not a disease (Clasen 2009). Considering these facts, there is a dire need to spread proper awareness about the meaning of safe drinking water and disadvantages of drinking unsafe water. Safe water campaigns should also be complementary to disease prevention and treatment such as of diarrhoea (POUZN 2007).

2. Consumer buying behaviour

The buying behaviour of the consumer for drinking water is an important criterion. The company should consider 'What the reference criteria are for buying and using safe drinking water?' Similar studies have been carried out in countries like Nigeria (Dale Whittington et al 2002) and Brazil (James F. Casey et al 2005), (Dale Whittington et al 1990). However it was also seen that few people were unhappy that they had to pay for drinking water which is supposed to be free and hence fetched water from old contaminated sources despite presence of safe water (Hadiya Faheem and Debapratim Purkayastha 2010).

3. Social acceptability and behaviour change theory

Research has shown that social influence and habits play a major role in water related behaviour (Moser et al 2005). Increase in social marketing programs; have been positively impacted by community mobilization and motivating interviews (Quick 2003), (Thevos et al 2000).

Field experience and research suggests that introduction of purification technology without a motivational, participatory and educational activity in communities is unlikely to be sustainable or successful (Figueroa and Kincaid 2010).

4. Ownership and public private partnership

Public private partnership where set up cost will be borne by Government and operating cost by company can be a viable solution. Subsidies provided for such projects are also beneficial in short term. Ownership of system and onus of maintaining the water source and the plant with the communities and the concerned Panchayat are more likely to impact the usability and effectiveness of the program.

Literature Review

Short Term Approach – Establish the Brand and Achieve Breakeven

1. Marketing strategy for pay per use drinking water

There are a few challenges in acceptance of pay per use model. Awareness about the importance of usage of pure water needs to be conveyed in more rigorous way. Social marketing, customer segmentation and awareness through primary education will help in laying the roots of the pay per use model in the slum and peri urban areas.

1.1. Social marketing

Hygiene promotion camps have both social and economic benefits. Economic advantages through such kind of awareness programs will give higher payback with lower investments. (Brian Appleton and Christine Sijbesma, 2005)

Our model will run successfully if it is accepted as sustainable model and it is possible if people involved can make some money from it and thus operate viably.

1.2. Classical segmentation

Segmenting the customer in a suitable way is one of the most difficult things. This segmentation of the customers can be done according to geographical origin, regional – urban or rural, psychographic criteria and behavioural attributes. This segmentation will enable in creating long term and short term strategies. Product positioning, pricing, value proposition can be decided effectively based on customer segmentation. Way forward for prioritizing and guiding the research can be easily decided due to segmentation. (Mike McGuirk, 2007).

1.3. Message through schools

Today, everyone knows importance of pure water and bad effects of contaminated or unhealthy water. Campaigns conducted for awareness of safe water and hazards of bacteria contained water impacted a common man. Impact of such model through schoolmasterly messages will have different as message conveyed to students gets printed in their mind for longer duration. (Paul Osborn 2008).

2. Pricing and positioning strategy

In 'Positioning, The battle for your mind' (Ries and Trout 1981), the impact of positioning on the mind of the prospect is discussed. Positioning is an organised way for finding the windows in the mind. It impacts the perception of the consumer about the product, other similar products and competitors.

In 'Our needs, our priorities; women and men from the 'slums' in Mumbai and Pune talk about their needs for water and sanitation' (Meera Bapat and Indu Aggarwal 2003), the problems that slum dwellers, primarily women in Mumbai and Pune cope with everyday regarding water and sanitation is discussed. The

inadequate water in households causes ill-health. Also carrying heavy water containers over long distances and long queues in public standpipes is a cause of concern for the women who typically collect water for the household. It is very humiliating and stressful for the people to rely on public taps or other peoples' taps.

3. Explore ways of financing

In order to implement any project and make it sustainable in the long run, the one very important component required is 'money' – the money which the business has itself or which it takes from banks and other organizations in the form of loans. To set up a number of water purification plants across different rural and peri-urban areas would require a lot of finance coming into the business and with a majority of the end customers being slum dwellers and those belonging to the lower strata of the economy; the company needs to have the right sources of financing.

Microfinance sector or the microfinance organizations (MFO) is one of the key contributors of financing in India. Sriram and Rajesh (2002) looked into the growth and transformation of MFOs in India. There are 3 forms of organizations that seem to be popular in the microfinance sector – The Non-Banking Finance companies, the Banks – both Local Area banks and Urban Co-Operative Banks and the Co-operatives. In the Indian case, the MFO spins off from the NGO rather than the NGO transforming itself. However, there is no ideal or easy path for MFOs to mainstream in India.

Microfinance is something that is done by the alternative sector – not the government or the commercial sector and predominantly and exclusively caters to the poor people. Microfinance grows out of developmental roots and collaborates with NGOs to lend money to the businesses and other organizations which can be a boost for Eureka Forbes to set up the plants in an economic way.

Also, The Government has come up with various schemes like Jan Dhan Yojna, Provision of Urban Amenities to Rural Areas (PURA), JnNURM, etc. for rural development in India. These schemes can be another source of funding for the organization in setting up the water purification plants and providing safe and clean water at economic rates. Few domestic financial institutions (DFIs) are currently involved in financing small-scale Water and Sanitation providers. In some countries, such as Kenya, India and Vietnam, the markets for micro and meso-finance for such companies are growing with the development of lending products.

The companies currently have access to a limited range of repayable financing to cover the up-front financing needs that they cannot cover themselves. The entities providing such services can include MFIs, commercial banks, non-banking financial institutions, NGOs, credit cooperatives or solidarity lending groups. According to a study conducted by Mehta (2008) for the Gates Foundation, only a few large MFIs in Asia had achieved significant scale in these areas. There is a tendency to focus exclusively on microcredit, even though SSF can include many other financial instruments, such as savings, insurance, leasing, working capital loans, etc. Microcredit is somewhat easier to grasp and has been much better documented. The combination of savings and loans (credit) holds great promise for facilitating access to such companies. (Small scale finance for Water and Sanitation, EUWI 2012)

Long Term Approach – A Sustainable Model

1. Spreading awareness about the ill-effects of unsafe drinking water

In Cambodia (Path 2009a), a study was conducted which found out that people have a perception that clear water means clean and safe drinking water. In fact the rain water is also considered to be potable. The research also highlights the awareness among consumers on water treatment products. According to the consumers durable water treatment products are more convenient like the mineral pots in particular because of its affordability and effectiveness. However there are certain drawbacks such as fear of buying a product

that will not last long and easily break. The study also provided some insight into the market for consumer view of fast-moving consumer goods (FMCG), such as water treatment tablets and powders. These products are considered to be fast and convenient available in smaller quantities making them more affordable for lower income groups. However there is no general awareness of this method among the consumers. There is a limited reach in rural areas. The main challenge is demand generation; branding, promotion, and price are essential strategies in rural and lower-income markets.

In 'Best Practices in Social Marketing Safe Water Solution for Household Water Treatment' (PUOZN 2007) it is found that marketing and communication plays an important role in creating awareness of treating household water and need for sustained and consistent product use.

The report of 'Building a viable commercial market for household water treatment products at the base of the pyramid, (PUOZN 2010) states that high prices, weak supply chains, and lack of awareness are the most obvious barriers to adoption of pay per use water model, many NGO-based programs focus on price subsidies, direct sales programs, and mass media campaigns. As they begin to scale up, however, these programs often struggle with sustainability issues. Identifying the appropriate target group(s) and channels of communication in peri-urban and rural areas are critical to this effort. Before developing a water treatment campaign one must collaborate it with other campaigns focused on diarrheal prevention and treatment. For instance, in Madagascar, parents did not give a thought to the connection between the child's thin stature and diarrheal bouts. Hence awareness of water treatment in conjunction with disease prevention is necessary.

Combating water borne diseases at household level report (WHO 2007) estimates that 94% of diarrheal cases are preventable through modifications to the environment, including interventions to increase the availability of clean water, and to improve sanitation and hygiene. In addition, a 2005 systematic review concluded that diarrheal episodes are reduced by 25% through improving water supply, 32% by improving sanitation, 45% through hand washing, and by 39% via household water treatment and safe storage. In 'Scaling Up Household Water Treatment among Low-Income Populations' (Clasen 2009) states that in various countries diarrhoea is considered to be a natural and even desirable condition especially in young children and so not considered to be worthy of preventive measures. People who consider water unsafe or want to protect their families from the risk of suffering from diarrhoea adopt water treatment methods. Health benefits are not seen as the need to adopt disease prevention measures and in places where diarrhea is not even considered as a disease further limits the strategy of making people adopt clean water through awareness of possible health risks.

2. Social acceptability and behaviour change theory

Research conducted in comparable markets', as in Zambia led to insights in the social acceptability in rural and peri urban masses. The three prime parameters affecting social acceptability were found to be that of social influence, attitude structure and perception of a community influences. These determine the diffusion of a new technology, as in this case an RO, and hence it's effective penetration (Rogers 1962, 1995).

The factors affecting the consumer behaviour are the perceived newness or product proportion of innovators in a community, communication channels and the prevailing social system of a community. These determine the adoption rate and hence the diffusion of RO based water filtration usage in communities. The perceived threat level of water impurity is also, one of the key drivers in adoption of RO based technologies (Rosenstock 1996).

3. Ownership and Public Private Partnership

Proper risk allocation allows the public sector to better tailor PPP approaches to specific situations like pay per use model. According to study by Deloitte Corporate Finance in 2009 it was found that the public sector

needs a full life-cycle approach or framework that pays adequate attention to all phases of a PPP - from policy and planning, to the transaction phase, and then to managing the facility.

3.1 Government involvement as a financier

Many of the infrastructure and water related projects can be propelled with the involvement of government due to political and financial reasons, and involvement of government gives feeling of ownership (Ghina Yamout, Dima Jamali 2006). As per study by Browne and Mohan, society remains out of the financials of the project as Government takes the commercial risk.

3.2 Responsibility with private sector

The mobilization of private sector participation for the provision of water services will likely result in operating efficiencies and the release of government funds for other purposes. This is particularly true if the private sector adopts proper tariff structure, while working on addressing endemic deficiencies relating to water leaks, customer management and billing and collection problems. (Ghina Yamout, Dima Jamali 2006)

Discussion

The approaches discussed above have led to revelation of various opportunities and means of establishing a sustainable business model as well as some interesting ways of increasing the viability of a pay per use model in the domain of drinking water.

When we looked at the awareness level among people about safe and pure drinking water it was observed that people perceive rain water as potable (Path 2009a) and clear water as clean. Awareness about the importance of usage of safe water and adequate branding and promotions of pure water is required. Proper segmentation of the consumers and thereafter adequate promotion through social marketing and other means may be effective.

While discussing about positioning and pricing of water (Ries and Trout 1981), it was found that though getting water from far off sources and carrying them over long distances is a cause of concern, customers are still reluctant to pay for water as it is considered as a free utility.

Another factor which plays an important role in long term sustainability of this business model is finance. Community financing revolves around economic constraints, lack of governance and political instability. Pooling money from people of rural areas is a difficult task which in turn results in low community financing (Alexander S. Preker et al 2002). Data analysis of micro-level households indicates that community financing helps in improving access to different scheme which will facilitate setting up water purification plants in rural and semi-urban area (Alexander S. Preker et al 2002).

Apart from the financial problem, pay per use model also poses a threat from the psychological front. Marketing and communication plays a vital role in spreading awareness about consumption of safe water and need for sustained and consistent product use which in turn impacts the acceptability of pay per use model. These activities help in building long term impression in one's mind.

While discussing about the behaviour changes of the consumer, it was noted that the perceived newness of the product, prevailing social system and perception of the community as a whole are among the major factors affecting consumer behaviour (Rosenstock 1996).

Another factor which surfaced during the discussion was proper risk allocation and division of responsibility and ownership which could be better met using a public private partnership model (Ghina Yamout, Dima Jamali 2006). Partnerships between the Government, NGOs, the private sector, funding agencies and the locals may provide some insights into the challenges and opportunities faced in executing these kind of models (Bipasha Baruah 2007).

Managerial Implications

While studying viability of pay per use model for water purification plant, three possibilities were observed.

Awareness about safe and pure water is low. People tend to consider clear water to be safe drinking water. We need to generate demand through promotions and create a brand for purified water. This will help us to maximize demand in the short run. Hygiene promotion camps can give higher payback with lower investments (Brian Appleton and Christine Sijbesma, 2005). Spreading awareness among students has positive long term implications. Customer segmentation by psychographic and behavioural attributes can help build a sustainable pay per use model (Mike McGuirk, 2007). Combination of social awareness of pure water along with a well-planned marketing strategy to position and segment pay per use model will take the business to a new height.

Implementation of any big project requires funding. Funds for water purification plant needs to be financed by the community or the company. In later case reaching a breakeven will take long time and project won't be viable from business point of view. Microfinance organizations can be looked as a prominent solution. Jan Dhan Yojna, Provision of Urban Amenities to Rural Areas (PURA) schemes which are implemented by Indian government can help in setting up water purification plant.

Before setting up a plant one must look at its long term sustainability. This can be effectively achieved by involving the government for financing (Ghina Yamout, Dima Jamali 2006). Through this way, ownership of plant will belong to the community and that in turn will help in running the plant effectively. Private sector participation can help in customer management and efficient plant working.

Considerable amount of penetration in consumers mind can be done through systematic approach of creating awareness. This social aspect is effective way of establishing a strong position of our model in slum and semi-urban areas. After short term establishment, different ways of financing and PPP can make pay per use model operationally sustainable and economically viable.

Research Limitations/Scope for Future Research

The above paper is aimed at providing different views to determine the strategy for development of a pay per use model of drinking water in rural and semi urban slums. We analysed that by creating awareness one can penetrate the market, but customers' current buying behaviour also needs attention, which will give us insights into the conversion ratio.

Analysis of competitors approach can also be one measure to understand the market better. Technological developments and innovations done in the field of water purification can also be explored. Local and national Government policies as well as local influencers may play a vital role in the success or failure of such pay per use model.

In order to develop different strategies and models as per the requirements, assessment of water supply in different geographies and the source of drinking water for the people in semi-urban and rural slums may also be looked upon.

Further to this, various distribution and delivery methodologies may be studied; for example point of sale at the plant vs. home distribution or development of a small market area near the water plant which provides other benefits apart from selling water to the consumers.

The scope of the study can be broadened further and can form a basis for scaling and upgrading from just normal water to electrolyte water. Electrolyte plays an important role in maintaining homeostasis within the body. Now-a-days deficiency of essential minerals like sodium, potassium and calcium is common among people who are subjected to a hectic lifestyle and lack of healthy diet. Over long periods of physical activity, the body loses electrolytes, which needs to be replaced but is not replenished by our normal drinking water. This electrolyte packed water may result into a huge market in the near future.

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Is Social Media Marketing an Effective Tool in Gaining Volumes?

Abstract

This study is on assessing how social media marketing is efficient in gaining volumes in International market. For this analysis, I am taking into consideration the marketing budget on various social media marketing sites like Facebook, Twitter, Youtube, LinkedIn, Google+ & the marketing investments on traditional media like Search Engine Optimization, Telemarketing, Direct marketing, Trade promotions, Email marketing and print media and analysed the influence of the investments on these marketing channels on the company's overall revenue. To carry out this, I did secondary research by collecting data from a e-learning company.

For this analysis, I took into consideration fortnightly expenditure on these channels and corresponding fluctuation in revenue figures. Then I have come up with a model on the revenue based on the investments in different channels.

Introduction

Social Media marketing has created a lot of buzz off late as the next big thing in marketing. We hear stories of companies showing rapid increase in sales after incorporating Social media marketing whereas on other hand there have also been rumors that quote the challenges faced by marketers and corporate while implementing social media marketing strategy for promoting their product and services directly to the consumers.

Despite these ambiguities, Social Media Marketing is rapidly gaining momentum in International markets as it is a lucrative and pivotal tool to connect with audiences of different geographical locations at a cheaper cost. However, does Social Media do boost up sales when it comes to international markets is an important question to be looked upon. Thus like other marketing strategies, Social Media Marketing should be practiced with a well thought strategy which may maximize the volumes for the firms.

Thus a few key points a Firm or an organization should consider before investing to build a social Media base like:

- **Goals:** the company should be absolutely clear what they want to achieve with social media marketing. It should be clear if the investment in social media marketing is for increasing the sales or for improving the site exposure.
- **Strategy:** the company should have a well thought strategy on how the social media marketing would phase out and when and how it'll be scaled up and scaled down.
- **Tools and implementation:** tools and resources that would be required to implement social media marketing.
- **Risks:** the possible threats and potential losses which the firm may encounter after incorporating social media marketing.
- **Identify ideal customers:** Identification of ideal customers for the product is very essential so as to target the appropriate customer set based on age, gender, location and accordingly deciding an appropriate media for marketing.

- **Analyse efficiency:** This means the usage of appropriate metrics on measuring the effectiveness of using various channels for marketing & assess the scope for improvement.

Theory and Hypothesis

Literature Review

Social Media as a Marketing Strategy

According to Victor A. Barger and Lauren I. Labrecque, in order to adopt Social Media as a Marketing strategy, the firm should have some objectives. These objectives can be categorized as Short term and Long term objectives.

The short term objectives are primarily to improve revenues. These could be:

- **Gaining consideration:** these days, the consumers often refer to social sites for product recommendations and suggestions. The companies can capitalize on these to gain volumes.
- **Stimulating Trials:** Firms can use the power and base of social media for communicate sales promotion and thus stimulate trials. (Schultz and Peltier 2013).
- **Encouraging Repurchase:** Social media act as effective tool to gauge consumers into loyalty programs and other promotions which may encourage Repurchase.

Long Term Objectives may Include:

- Improving customer satisfaction: social media can be used effectively to get timely feedback and improve customer satisfaction.
- Creating Awareness: it can be used to create a powerful awareness about a particular brand.
- Building Relationships: via social media, companies can build strong relations with their consumer base through loyalty programs and other approaches.
- Forecasting community: social media can be effectively used to forecast any potential community of a particular taste or product building and can be leveraged upon.

Sources of Social Media

Today, there are multiple sources of social media like Social Bookmarking (eg Delicious, Stumble Upon), Location check ins/Reviews (ex. Foursquare, yelp), Product Reviews (eg. Amazon, goodreads), Microblogs (eg. Tumblr, twitter), Photo/Video Sharing (eg. Flickr, pinterest, youtube), Social Networks (eg. Facebook, Google+, LinkedIn) and Blogs (eg. WordPress, Blogger).

The relative amount of Information per post gradually increases from social bookmarking to blogs. We can use multiple Social Media Metrics to check the efficiency of each of these sources to choose on optimum expenditure on each of these sources of social Media.

Budget assigned for social media marketing (both current and future potential)

Next to budget allocated for marketing in TV as a media, Social media occupies the second position on the budget allocation for a few companies. Followed by newspaper and other print Media. However for many industries, not much emphasis is laid on social media as a marketing tool. However for the companies considering social media as a tool, there is an increasing trend in the budget allocation for social media marketing not only for B2C marketing but also for B2B marketing. This allocation pattern is found to be higher in software industries. There is also a trend in outsourcing marketing on social media to other industries. This is mostly done by large players (having 1000+ employees) in the business and small players (10-99 employees) usually do it themselves.

Traditional Marketing Techniques vs Social Media Marketing Techniques

Traditional Marketing encompasses strategies such as Tv, Radio, Direct Sales, Mail, Print Advertising and

printed promotional media like catalogs and brochures/pamphlets. Social Media Marketing is the process of gaining Website traffic or attention through the various social media sites such as Facebook, Orkut, LinkedIn and Twitter etc. Social media marketing programs usually focus on efforts to create content that attracts attention and encourages readers to share it across their networks such as Social Networks, Bookmarking Sites, Social News, Media Sharing, Microblogging and Blogging Forums. Social media in a business allows anyone and everyone to express and share an opinion or an idea somewhere along the business's path to market. One of the main purposes in employing Social Media in marketing is as the communications tool that makes the companies accessible to those interested in their product and makes them visible to those who have no knowledge of their products.

Potential of Social Media in the Current Scenario

Now we also face a dilemma in choosing the type of marketing techniques for our business. We should try to strike a balance between the two methods. This has to be done on the basis of affordability and effectiveness. It is suggested to invest in the ratio 80/20. Meaning, 80% of marketing business needs to be invested on social media marketing and 20% of investments on traditional media marketing. However the decision has to be based on the industry we are in and on the basis of the target audience. So applying proper MR is imperative to get the right mix of investments decisions so that I can hit the right set of people efficiently with minimum overhead involved in marketing communication.

Whatever might be the influence of social media & its cost effectiveness, traditional media marketing should not be ignored and due share has to be given on this marketing method.

Use of Social Media in Conquering Inter-National Boundaries

Social Media could also be used extensively by a Business in order to cross the International boundaries and set foot in the International Markets that have never been touched and this would have not been possible by using the traditional marketing strategies.

Influence of Social Media Marketing (+ve and -ve) on Markets

Social media has been used by increasing number of people over the period. Many organizations have started using this as a tool for advertising. There is an increasing trend in the time spent in newsfeed especially in social media by people. Many brands have started having their own page in social media in Facebook and other social media sites. People who are loyal to a particular brand usually like their brand's page. This comes as an update to their friends (stories of friends). Looking at this an increasing number of people are getting influenced and the brand is getting penetrated among the people. Also there is an increasing trend in the time spent on social media marketing by many business players tapping its benefits of extensive coverage at a comparatively low overheads involved. There is also a good number of players who are successful in covering more people using social media as a tool like Starbucks, South Indian Airlines and Desert Gallery to mention a few. However the coverage is not much extensive since it is still in its nascent state. However since there is an increasing coverage of social media, many organizations have started showing interest in social media as a marketing tool. Not much data was found on the -ve influence of social media on marketing. This might be because of its nascent state in the market. This remains as a gap in the literature review. This will be considered in our empirical study.

Comparison of Effectiveness of Social Media Marketing Viz-a-Viz Other Sources

Social media marketing is found to be less preferred to traditional marketing methods across all age groups. However it is found to be performing better among younger population and among people who have high income. Even in this group, it was found to be second most influential with respect to response but was most cost effective. There is also an increasing trend in the amount of time spent in social media both by people and industries. This shows a positive trend in the effectiveness of social media marketing in future. Also

social media marketing was found to be more fruitful when its contents are more flashy and was not much influenced by the quantity.

Proposed Method

Our proposed method will include analysing the sales data of companies and mining that data to correspond to our independent variables (IVs). We will check if there is any correlation between the variables. If there is significant correlation, I will correct it via mean centering of the variables. I would also be studying the interaction effect of the variables to see if there is any interaction effect of the variables. I will also be performing the factor analysis if there is any correlation which is not due to interaction effect. I will name the components in that case and use them for further analysis.

I will use analysis techniques like Regression (Multiple Regression in our case since I am using multiple independent variables) and check for the significance levels for our hypothesis. I will check the beta values for the variables and check the comparisons between the values which will tell us how much a particular variable is contributing to the sales in international markets (DV)

Variables

Dependent Variables (DV):

- a) Sales in International markets

Independent Variables (IV):

- a) Social Media Marketing
- b) Conventional sources of marketing

Hypothesis

- a) H0 : Social Media Marketing has no impact on sales in international markets
H1 : Social Media Marketing has an impact on sales in international markets
- b) H0 : Conventional sources of Marketing has no impact on sales in international markets
H1 : Conventional sources of Marketing has an impact on sales in international markets

Description about the Choice of Variables

1) Social Media Marketing

Research has shown that social media marketing being a strong tool when the companies come up with their own pages in social media. Loyal customers who visit their page are more likely to share the contents and the friends are in-turn getting more influenced than the other customers. However social media marketing is still in its nascent state and it is not yet much adapted in all the companies. In which ever companies it is being adopted, there is an increasing trend in the budget allocation for the same. It is also found as a useful tool not only in B2C marketing but also in B2B marketing. There is also increasing trend in the companies emphasizing on contents of the page which are more attracting to the people who in-turn might turn to a potential customers. Also there is an increasing trend in the time spent on social media by young generation and many companies are considering targeting this population to gain more markets.

Because of globalization, it is observed that the boundaries are breaking and products and services are getting increasing visibility across the borders. In this scenario, social media acts as an effective tool in increasing the visibility of the products and services with minimal overheads in comparison to other conventional marketing methods.

2) Conventional Sources of Marketing

Traditional marketing encompasses TV ads, print media in newspaper, radio and other printed media like pamphlets. It has been a strong tool for marketing over the period and it is in a position to reach not only

educated but also uneducated population. Holver it is found to be a little more expensive in comparison to the social media marketing. There is a decreasing trend in the overall marketing budget allocation percentage wise to the overall budget allocation because of the influence of social media marketing and other tools like blogging, videos in YouTube and other means.

Method

I collected secondary data from an e-learning company in order to analyse the fluctuations of sales volume of company in international markets based on different marketing channels budget. The sales data and monthly budgets for social media marketing as well as traditional sources for marketing are collected for 2 years on fortnightly basis. This data included the marketing budgets for various marketing sub-channels like SEO(organic Search), PPC(paid search), telemarketing, Direct marketing, Trade shows, Print Media, Email Marketing, Facebook, Twitter, Youtube, LinkedIn, google+ and Blogging. Hence, a data set of 48 data points was obtained which spanned the marketing budget and revenues of the company for last 2 years.

The data was first checked for consistency and redundancy. After standardizing the data, the cronbach alpha was estimated in order to measure the credibility of the scales of the data. The relationship between the variables was checked in order to check for any correlation. I did dimension reduction to check if any components could be created from the existing independent variables. The results are then rotated with variance means. Eventually I got two major components which explained a total of 94% of the total variance. These two factors are named as social media marketing which encompassed factors like FB, Twitter, Youtube, LinkedIn, Blogging and Google Plus. Similarly the second factor was named as Traditional Marketing and it included 7 variables namely SEO, PPC, Telemarketing, Direct Marketing, Tradeshow, Print Media and Email Marketing. These two factor scores (namely Social Media Marketing & Traditional Marketing) are then taken for regression as independent variables and revenue as dependent variable. Furthermore a subsequent regression was also applied in order to check significant factors in Social Media marketing and traditional marketing respectively.

We are aware that the marketing campaigns not only affect the sales but also affect the exposure rates and hit rates and eventually leads to better awareness which subsequently leads to better sales. Holver, I am not considering those factors in our current studies.

After Regression, I looked at adjusted R squared which was 94% which shows a good fit for the model.

Both the factor scores are checked for significance and readings are interpreted.

Results

The Analysis show how different Marketing channels effect the revenues of an e-learning company.

Table: 1 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
.916	.954	13

We are aware that the marketing campaigns not only affect the sales but also affect the exposure rates and hit rates and eventually leads to better awareness which subsequently leads to better sales. Holver, I am not considering those factors in our current studies.

Table: 2 Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Email Marketing, Youtube, LinkedIn, FB, Twitter, SEO(organic Search), Blogging, PPC (paid search) ^b		Enter

a. Dependent Variable: Revenue, b. Tolerance = .000 limits reached.

Table: 3 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1		Sig. F Change
1	.980 ^a	.960	.952	14648.683	.960	117.087	8	39	.000

Table: 4 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig
	B	Std. Error			
(Constant)	9576.655	41825.153		.229	.820
FB	50.777	40.368	.413	1.258	.216
Twitter	84.311	58.126	.285	1.450	.155
Youtube	20.772	71.204	.059	.292	.772
LinkedIn	-23.878	60.120	-.067	-.397	.693
Blogging	71.625	252.598	.185	.284	.778
SEO(organic Search)	-43.228	232.176	-.246	-.186	.853
PPC (paid search)	57.846	355.266	.225	.163	.871
Email Marketing	47.798	61.278	.310	.780	.440

a. Dependent Variable: Revenue

The overall model was coming as significant. However, all the individual factors were coming out as insignificant. Hence, in order to check any correlation between the individual factors, I did dimension reduction (Factor Analysis).

Factor analysis showed us that 2 major components are explaining 94% of the total variance.

Table: 5 Component Matrix^a

	Component	
	1	2
FB	.824	.339
Twitter	.605	.704
Youtube	.439	.771
LinkedIn	.545	.731
Blogging	.726	.675
Google+	.726	.675
SEO(organic Search)	.930	-.365
PPC (paid search)	.926	-.375
Telemarketing	.926	-.375
Direct Mail	.926	-.375
Trade Shows	.925	-.376
Print Media	.925	-.376
Email Marketing	.925	-.376

Extraction Method: Principal

Table: 6 Rotated Component Matrix^a

	Component	
	1	2
FB	.524	.721
Twitter	.146	.917
Youtube	-.030	.887
LinkedIn	.081	.908
Blogging	.265	.956
Google+	.265	.956
SEO(organic Search)	.983	.177
PPC (paid search)	.985	.166
Telemarketing	.985	.166
Direct Mail	.985	.166
Trade Shows	.984	.165
Print Media	.984	.165
Email Marketing	.984	.165

Extraction Method: Principal

Component Analysis.

a. 2 components extracted. Holver component matrix was not able to clearly differentiate the factors included in 2 components. Hence, I did rotation (varimax rotation).

Owing to rotation, I got 2 distinct components which had distinct factors in it.

Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Table: 7 Total Variance Explained

Comp onent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.591	66.083	66.083	8.591	66.083	66.083	7.228	55.600	55.600
2	3.629	27.919	94.001	3.629	27.919	94.001	4.992	38.401	94.001
3	.494	3.802	97.803						
4	.243	1.870	99.674						
5	.028	.214	99.888						
6	.011	.085	99.973						
7	.003	.024	99.997						
8	.000	.003	100.000						
9	7.002E-016	5.386E-015	100.000						
10	3.059E-017	2.353E-016	100.000						
11	-5.969E-017	-4.592E-016	100.000						
12	-5.835E-016	-4.488E-015	100.000						
13	-6.481E-016	-4.985E-015	100.000						

Extraction Method: Principal Component Analysis.

Thus, I got 2 components FAC1_1 and FAC2_1 which corresponded to Traditional Marketing and Social Media Marketing.

Hence, I now used these 2 components for regression testing against revenues in order to check the significance levels.

The results would show us which of the channel namely Traditional Marketing or Social Media Marketing or both are required for driving sales revenues.

Table: 8 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change Model	F Change	df1	df2	Sig. F Change
1	.969 ^a	.940	.937	16770.676	.940	349.705	2	45	.000

a. Predictors: (Constant), REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1

Table: 9 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	611856.250	2420.639		252.766	.000
1 REGR factor score 1 for analysis 1	39112.891	2446.254	.586	15.989	.000
REGR factor score 2 for analysis 1	51532.159	2446.254	.772	21.066	.000

a. Dependent Variable: Revenue

Hence, the model shows that both Traditional and Social Media Marketing is significant in driving the revenues.

The R square is .94 and Adjusted R square is .937. This Shows that 93.7% of variance in sales is explained by thses 2 independent variables.

Table: 10 ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	196712937 945.689	2	983564689 72.845	349.705	.000 ^b
Residual	126565001 79.311	45	281255559. 540		
Total	209369438 125.000	47			

a. Dependent Variable: Revenue

b. Predictors: (Constant), REGR factor score 2 for analysis 1, REGR factor score 1 for analysis

The ANOVA table shows that regression is significant with p value approaching a near zero.

Above Regression results should that both Traditional Marketing channels and Social Media channels are significant with varying degree to explain the sales revenue of the company.

The relationship betlen dependent and independent variables can be shown by using unstandardised coefficients for 2 factors.

$$\text{Revenue} = 0.586 \cdot \text{FAC1_1} + 0.772 \cdot \text{FAC2_1} \text{ --(1)}$$

Where FAC1_1 is Traditional Marketing and FAC2_1 is social media marketing.

After checking the significance of overall factors, the individual factors Ire checked in order to see which

Table: 11 Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Google+, LinkedIn, Youtube, Twitter, FB ^b	-	Enter

a. Dependent Variable: Revenue, b. Tolerance = .000 limits reached.

Table: 12 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1		Sig. F Change
1	.962 ^a	.925	.917	19279.231	.925	104.258	5	42	.000

a. Predictors: (Constant), Google+, LinkedIn, Youtube, Twitter, FB

From above results it shows that regression is significant and with R square of 0.925 and Adjusted R square of 0.917, i.e., 91.7% of variance is explained by these factors.

Table: 13 ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	193758511 174.472	5	387517022 34.894	104.25 8	.000 ^b
1 Residual	156109269 50.528	42	371688736. 917		
Total	209369438 125.000	47			

a. Dependent Variable: Revenue

b. Predictors: (Constant), Google+, LinkedIn, Youtube, Twitter, FB

Table: 14 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	196907.941	30064.441		6.550	.000
FB	167.194	43.298	1.359	3.861	.000
Twitter	232.260	65.652	.786	3.538	.001
1 Youtube	137.805	82.171	.389	1.677	.101
LinkedIn	6.682	78.124	.019	.086	.932
Google+	521.656	287.397	-1.324	-1.815	.077

a. Dependent Variable: Revenue

Table: 15 Excluded Variables^a

Model	Beta In	T	Sig.	Partial Correlation	Collinearity Statistics Tolerance
1 Blogging	. ^b	.	.	.	.000

The Results show that FB and twitter are significant factors in driving revenues through social media marketing channels. Also, Google+ is increasingly becoming significant social marketing tool to drive sales.

Blogging was excluded by SPSS itself.

Thus, the equation can be created to find relation between factors and revenue using standardized coefficients:

$$\text{Revenue} = 1.359 \cdot \text{FB} + 0.786 \cdot \text{Twitter} \quad \text{--(2)}$$

Similarly, for factor Traditional Marketing, all its individual components are regressed against Revenue (dependent Variable) in order to check significant traditional marketing factors driving revenues.

Table: 16 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.753 ^a	.567	.538	45367.504	.567	19.241	3	44	.000

a. Dependent Variable: Revenue

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	118808179 665.734	3	396027265 55.245	19.241	.000 ^b
1 Residual	905612584 59.266	44	205821041 9.529		
Total	209369438 125.000	47			

a. Dependent Variable: Revenue

b. Predictors: (Constant), Email Marketing, SEO(organic Search), PPC (paid search)

From above results it shows that regression is significant and with R square of 0.567 and Adjusted R square of 0.538, i.e., 56.7% of variance is explained by these factors.

Also ANOVA table shows that the regression is significant with p value approaching zero.

Table :17 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	121180.998	73477.593		1.649	.106
1 SEO(organic Search)	39112.891	584.792	.9282	2.794	.008
PPC (paid search)	-2247.238	919.462	-.8750	-2.444	.019
Email Marketing	26.645	187.319	.173	.142	.888

Table :18 Excluded Variables^a

Model	Beta In	T	Sig.	Partial Correlation	Collinearity Statistics
					Tolerance
Telemarketing	. ^b	.	.	.	.000
Direct Mail	. ^b	.	.	.	.000
1 Trade Shows	. ^b	.	.	.	.000
Print Media	. ^b	.	.	.	.000

a. Dependent Variable: Revenue

b. Predictors in the Model: (Constant), Email Marketing, SEO(organic Search), PPC (paid search)

The Results show that SEO(organic Search) and PPC(paid search) are significant factors in driving revenues through Traditional marketing channels. Also, Email Marketing is a near significant Traditional marketing tool to drive sales.

Telemarketing, direct Mail, Trade Shows and Print Media are excluded by SPSS itself.

Thus, the equation can be created to find relation between factors and revenue using standardized coefficients

$$\text{Revenue} = 9.282 * \text{SEO} - 8.750 * \text{PPC} - (3)$$

Discussion

The study which I have conducted gives an idea to the companies in e-learning industry on the efficiency of different channels of marketing to gain more revenue. It also gives an overview of the individual media's efficiency in turning budget allocation to revenue.

The study was done on the SME and this study gives an overview of investment decisions on various channels of marketing and also specifies which all channels are not efficient enough in bringing revenue to the company. I have also come up with the regression equation on how revenue would vary depending on the investment in these media. So using this, an e-learning mid-sized company can plan their marketing budget better.

As observed in the model I have designed, I could say that 93.7% of the variation in the sales figure can be accounted. However there are a few other marketing techniques like mobile marketing is not considered as a part of our study which would improve the overall model

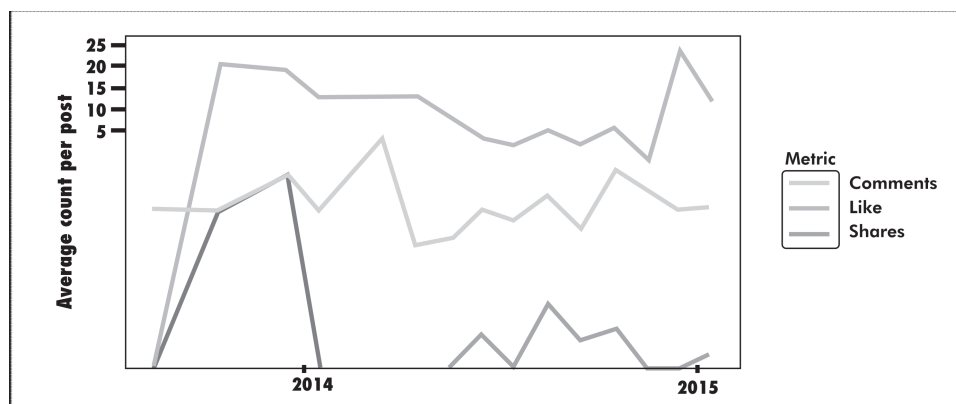
In the analysis I have done, it is observed that more emphasis is given on traditional media marketing channel. However our regression models shows that social media marketing is more efficient and has higher potential in converting marketing budget to sales revenue.

While considering the individual factors on effectiveness of different social media channels in revenue generation, it was found that facebook & twitter are found to be highly significant in driving sales and google+ was approaching significance and other media like blogging, linkedin and youtube are found less efficient. This implies that facebook & twitter are the key drivers in revenue generation. Since google+ is approaching significance, more in-depth analysis is required to assess the effectiveness of this marketing channel. In addition to this, blogging is found to be a redundant investment and has least influence in generating revenue.

Also in the case of traditional media channels, it is observed that Search Engine Optimization & Paid Search are found to be more efficient in generating revenue. Also email marketing is approaching significance. However the R² value for traditional media was relatively less which indicates that there are other factors other than the 7 attributes which has an influence in generating revenue in this segment.

I also did an analysis of other company in e-learning business – origin learning using R-programming and I got how active they are in facebook:

It is observed that facebook activity has decreased from July to October and had picked up in December-January and I found similar was the case in our study. i.e, I saw more marketing investments being done during year end & year beginning & comparatively lesser investments during mid of the year. This clearly shows that as the marketing budget is increased in social media, I observe visible variation in getting consumer attention which in turn has lead to increased sales and vice-versa.



Future Scope

Traditional and Social Media marketing are going hand in hand nowadays. The traditional medium of marketing such as trade Shows etc are getting redundant and other options have become less efficient as compared to the Social Media efforts. And being aware of this, the toughest challenge faced by the firms today is gauging how much to invest in different medium.

Also the internet penetration is increasing and it is further getting fuelled by the rapid adaption of mobile devices like smart phones and tablets making the service more reachable. In the current study, I didn't consider the mobile marketing as a factor. It is in the emerging phase and is proposed to be the next generation of marketing.

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Contribution for Inclusive Growth in India: A Case Study of Bank of Baroda

Abstract

Banking is the lifeline of the Indian economy and only it has the capacity to link all the people of India by contributing their earnings and savings through banking channel which ensures them safety, liquidity, convenience of their funds along with reasonable returns unlike investing in unproductive assets like gold or falling prey to chit funds. People should also have the right to access to the scarce banking credit and other financial services at affordable cost. They need to move away from private money lenders. Even after more than 40 years of first dose of nationalization of banks intending conversion of "Class Banking" into "Mass Banking" followed by second dose of nationalization and opening of new private sector bank (since 1993), about half of the Indian Population is out of banking fold. Prior to 2008 though efforts were made by GOI and RBI for financial inclusion no visible impact was observed as number of accounts (No frill A/c.) were opened but remained dormant. A broad definition of financial inclusion was given in Rangrajan Committee report 2008, which has been accepted with certain modification by RBI. The thrust thereafter was offering credit and other financial services to vulnerable groups at affordable cost to give fillip to inclusive growth. Also financial literacy which would activate demand side from this vulnerable group to make choices of financial products is given due importance. However, declaration of Jan. Dhan Yojna by our P.M. in August 2014 offering bouquet of financial products and services gave purpose and direction to banks for moving towards inclusive growth. Bank of Baroda, the third largest public sector bank has implemented Jan Dhan Yojna in its true spirit and action.

Certain facts about present status of financial inclusion in India even after 65 years of independence.

1. Only about 34 percent of population is engaged in formal banking which means that about 66 percent is excluded from banking services
2. 55 percent of all households do not have bank account.
3. 97% do not have any health insurance.
4. 61% do not have life insurance
5. About 50% of the bank account holder use their account not even once a Month.
6. Countries such as Austria, Brazil, France, Mexico, U.K., U.S., & even Korea have more number of branches per population of one lac. India till 2008 had only 10% branches per one lac population (World Bank Financial Access Survey Data 2009) and in respect of percent of population with access to financial services Korea Republic Malaysia, Sri Lanka & Thailand exceed that of India (World Bank Survey 2008)

MEASURES TAKEN BY RBI AND GOI FOR FINANCIAL INCLUSION TILL 2008.

GOI has taken following steps:

- a) Creation of SBI in 1955
- b) Nationalization of commercial banks in 1969 (14 Banks) and 1980 (6 Bank) opening gates for having S.B. A/c. with balance of only Rs. 5/-.
- c) Setting targets for Public Sector Banks for lending to hither to neglected sectors of economy now termed as priority sector advances.
- d) Lead Bank Scheme in 1970
- e) Establishing Regional Rural Banks (RRBs) in 1975 catering exclusively to rural population.
- f) Introducing a Self Help Group (SHG)- Bank linkage programme in 1992
- g) Formulating the Kisan Credit Card (KCC) scheme in 2001.

RBI & GOI has taken following measurement.

- (I) Introduction of "No Frill Accounts" in November 2005- with minimum balance, document in regional languages and overdraft facility.
- (II) Relaxing Know Your Customer (KYC) norms for A/c. holder with balance not greater than Rs. 50,000/- Ration Card and voter ID as documents, Bio-metric card have been issued.
- (III) General Purpose Credit Card scheme-Revolving credit facility in form of General Purpose Credit Card (GCC) with credit limit of Rs. 25000/-
- (IV) Intermediaries as business facilitator, banks could take assistance from non-government org., Self Help Group (SHGs) and micro finance institutions.
- (V) Business Facilitator and Business Correspondent model : ensuring door step delivery of financial products and services.
- (VI) In Union Budget 2007-08, announcement of creation of two funds – Financial Inclusion Fund and Financial Inclusion Technology Development Fund for meeting the costs of development and promotional technology interventions.
- (VII) Project Financial Literacy and Credit Counseling Cells were set-up

A broad working definition of F. I. was given by Rangrajan Committee 2008 which with certain modification by RBI is at follows:

"F.I. is the process of ensuring access to appropriate financial products and services needed by all sections of society in general and vulnerable groups such as weaker section and low income groups in particular at affordable cost in a fair and transparent mechanism."

Following the above definition, RBI, GOI and Public Sector Banks have taken series of measure for F.I. since 2009 more prominent among them are as follows

A. Swabhiman:- An initiative in 2011 aimed to extend to population in excess of 2000 by March 2012 with focus on bringing in deprived sections of society in banking network with availability of credit at lower rates to be monitored by State Level Bankers Committee (SLBC). However, it reached only 74000 villages because of the following reasons.

- a. Both banks and Financial Institution services were not connected to banks CBS (Core Banking Solution) server and hence transaction details of Business Correspondents (BCs) were not captured in CBS.
- b. Government payments were not routed through no frills A/c. in such villages.
- c. Other banking services like availing small loans, MGNREGA payments, govt. payments, pension remittances, insurance etc. were not extended.
- d. Credit Counseling and Financial Literacy did not go hand in hand with Swabhiman Campaign.

B. GOI drawn up an action plan for comprehensive financial inclusion under mission mode to cover all uncovered households to open at least one A/c. in the name of the family head with provision of affordable financial services, financial literacy programme micro insurance pension schemes for unorganized sector.

Progress of Financial Inclusion by Public Sector Banks as on 31st March 2014.

- A. There were 115082 bank branches of which 38.2% branches in rural areas
- B. There were 160055 ATMS of which 14.58% were in rural area.
- C. Population per branch of commercial banks has come down from 14000 in 2010 to 11000.
- D. There are more than 1.35 lac Banking Correspondent appointed by Public Sector Banks (PSBs) and Regional Rural Bank (RRBs) in unbanked villages.

Prime Minister's Jan Dhan Scheme

It is launched on 28th Aug. 2014 nationwide with particular focus to empower the weaker sections of society with following salient features.

- (I) Providing basic banking accounts with RuPay debit card, overdraft facility and inbuilt accident insurance cover of Rs. 1 Lac to every household by Aug 2015.
- (II) The A/c. would be linked with Aadhar number of account holder and would become the single point of receipt of Direct Benefit Transfer (DBT) from Central/ State Govt. Local Bodies including LPG/GAS delivery.
- (III) Overdraft (OD) of INR 5000 (initially INR 1000) to be covered by credit guarantee funds.
- (IV) To open about 6 crore bank accounts in rural areas and about 1.5 crore bank accounts in urban areas with proper strategies and action plan.
- (V) To strengthen BC model by ensuring both operational flexibility and viability of BC agents by providing proper training about basic banking, insurance, pension products and customer handling. BCs to be financed upto INR 1.5 in rural area, INR 2 lacs in urban area and INR 2.5 lacs in Metro Center. The minimum remuneration to BC is suggested Rs. 5000/- p.m. or fixed amount and additional transaction/activity based variable component.
- (VI) Adequate publicity be given in structured manner. In states, State Level Bankers Committee (SLBC) and at local levels Lead District Manager would be responsible for campaigning through print, electronic and radio at central level and as also through posters, banners and brochures at local level.

PM's Jan Dhan Yojna paved the foundation of **Inclusive Growth**.

There are twin aspects of financial inclusion: demand side and supply side. The demand side of FI include financial literacy which means making vulnerable group aware of what they can demand at competitive price and supply side of F.I. includes availability of financial market services by banks timely and at affordable rate of interest. RBI has advised banks to formulate a board approved F.I. plan for the next three years. FIPs must be integrated with normal business plans of the banks. Banks must view F.I. as a viable business model and a huge business opportunity by perfecting their delivery model. Banks need to activate their BC model, updating technological aspect through CBS (Core Banking solution) in all their branches and RRBs sponsored by them. Banks should offer a bouquet of minimum four products to account holder viz.:-

- A. A saving cum overdraft A/c.
- B. A pure savings A/c. ideally a recurring or variable recurring deposit plan
- C. A remittance product to facilitate EBT and other remittance and
- D. Entrepreneurial Credit product like a General Purpose Credit Card (GCC) or a Kisan Credit Card (KCC).

Inclusive growth or the literal meaning of two words referred to both the pace and the pattern of the economic growth. Inclusive growth allows people to "contribute for the benefit from economic growth". Growth is inclusive when it creates economic opportunities along with ensuring equal access to them.

"Inclusion" means process of including the excluded sectors such as rural and underprivileged population of India in the development process of economic growth.

There is distinction between direct income distribution or shared growth and inclusive growth. The inclusive growth approach takes a longer term perspective or the focus is on productive employment rather than on direct income redistribution or a mean of increasing incomes for excluded groups. While income distribution scheme can allow people to benefit from economic growth in short run, Inclusive growth allows people to contribute to and benefit from economic growth, **Growth is inclusive when it creates economic opportunities alongwith ensuring equal access to them.**

We cannot blame the banks alone for lack of credit penetration to the excluded segment of the society, Banks are into the business of lending, but at the same time, they need to ensure the repayment capacity of the borrower to mitigate credit risk. The NGOs must lead a mission to impart financial education training and capacity building to repay bank credit for excluded groups.

RBI through their circular dated 26th August 2014 has relaxed KYC guidelines considerably as regards identification and residential proof to include excluded people.

Financial inclusion and policy objective of inclusive growth cannot be achieved merely by banks without the active involvement of all stakeholders like RBI, other financial regulators like IRDA, governments (State and Central) NGOs, Civil, Servants etc. The Stakeholders and the entire support system should be partnering with banks in this mission.

Dr. Nachiket Mor Committee recommendations have been useful to RBI to issue guidelines to relax KYC Norms to open universal bank savings A/C, opening of Payment Banks and revising Priority Sector Norms.

In India, we have over 900 million mobile phones. Effective use of technology can help penetration of products and services in India.

Technology with its capacity to reduce transaction cost, is key to enabling large volume low ticket transactions that is the centre of financial inclusion. A good mix of technology, consumer literacy and protection provided to their funds would provide excluded group to make wide choice about banking products & services.

The journey towards 100% financial inclusion & inclusive growth is a continuous one. In a recent move on 25/02/2015, RBI has declared that overdraft up to Rs. 5000 under JanDhan Yojna would be considered under priority sector. This would put Rs. 66,000 crores into banks' priority sector classification giving impetus to inclusive growth besides incentive to PSBs. It will also qualify as advances to weaker sections provided borrower's household annual income does not exceed Rs. 60,000 for rural areas and Rs. 1,20,000 for non-rural areas. These declarations by RBI will give PSBs necessary relief and enthusiasm to make further contribution to achieving inclusive growth.

Financial inclusion plan progress of Bank of Baroda

Bank of Baroda India's international bank has responded very positively to our PM's call for financial inclusion and RBIs concerns for inclusive growth which is evident from the following comparative date.

S.No.	Particulars	Month ended Dec. '14	Month ended Nov.. 14.
1	Total no. of branches	5054	5002
2	Of 1 No. of rural branches	1856	1839
3	No. of branches in unbanked villager	481	473
4	No of banking outlets in village with population < 2000	17706	16832
5	Total bank outlets in all villager	21946	21072
6	Basic S.B. deposit (Ant. In thousands)	26988791	23487533
7	OD facility available in basic S.B. (Amt. in thousand)	166576	166349
8	KCC kiran credit card (Number)	1237818	1231214
9	GCC amount in thousand	562906	549609
10	Total of transaction in BC ICT (Amt. in Thousand)	1914199	1473534

In BOB there is gradual but impressive growth ar regards financial inclusion.

Conclusion

In comparison to some of the other Asean countries since 2000 India's achievements are fairly modest. This calls for a concerted effort to make India's growth more inclusive in the future. Several measures are outlined to strengthen the sources of inclusive growth. The main thrust of inclusive growth strategies has to be on the following key areas.

1. Employment and growth of agriculture.
2. Increased public expenditure in education and health.
3. Improved infrastructure
4. More effective governance at all levels.
5. Technology as information enabler can also be used for
 - a. Facilitate credit, allow credit to follow the deprived rather than lead.
 - b. Reduce transaction cost.
 - c. Impart information to about 900 million mobile users through mobile banking bringing in large volume low ticket transactions and check cyber frauds.
 - d. A cohesive financial literacy and awareness programme to be put in place.
 - e. Speeding granting licenses for Payment and Small banks from among more than 100 aspirants..

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Global HR Trends @ 2015

Organizations today operate in a globally connected environment in the era of rapid innovation. With constant force of increasing automation and efficiency along with four different generations (and mind-sets), the whole world has become our workplace.

Today HR is confronted by the 'Nexus of Forces'. These include:

- Mobile workforce,
- Workforce collaborates through social networks,
- Works in virtual teams in the cloud,
- Information explosion through analytics and big data,
- Widening skill gap,
- Digital divide

The HR Trend Institute distinguishes eight trends influencing the domain of organisations and people in organisations.

The table below gives an overview of the eight trend areas.

	From	To
The shape of organizations	Hierarchical	Networks
Sourcing Talent	Local	Global
The possibilities of technology	Limited Influence	Many new possibilities created by technology, with big speed of change
Expectations of work	You mainly work for the money	People are looking for a sense of purpose in work
Can work be fun?	A division between work and fun	Work should be fun
The changing generations	Baby Boomers and Gen X	Gen Y and Gen Z
The connection between growth and size of organizations	Growth of the business and growth of the organization are connected	You can grow, while your organizations stay small
Change and innovation processes	Big transformation programs	Many small experiments and incremental change

Source: Eight Trends (HR Trend Institute, 2014)

Emerging HR Trends for 2015:

The table below gives the emerging trends in the different functional areas of HRM:

Recruitment & Selection	<ul style="list-style-type: none">• Use of Social Media• Use of Mobile Application• Employee Referral Programs on rise• Modernized Applicant Tracking Software,• Use of gamification techniques for selection
Performance Management	<ul style="list-style-type: none">• Dropping off bell curve- based performance appraisal• On-going Performance Management• Decoupling compensation from evaluations• Continual and Collaborative approach to performance management

Training & Development	<ul style="list-style-type: none"> • Blended Learning Solutions for Multi-generational workforce • More Management and Leadership training due to globalization • Embracing social Media tools • Mobile Learning Solutions • Cross – Cultural training • E-learning • Use of gamification and games • More Training Programs on Workplace harassment
Compensation & Benefits	<ul style="list-style-type: none"> • Increase in Market research in designing compensation • Broader mix of total rewards <ul style="list-style-type: none"> - Career development and growth - Work autonomy - Other intangible rewards • Focus on family and work/life balance <ul style="list-style-type: none"> - Family leave programs - Flexible work schedules (strong retention and recruiting tools) • Compensation plans for global workforce (expatriates)

Work place is undergoing fast-paced and dynamic changes, making the job of HR more challenging and demanding. Advancement of technology, such as the rise of cloud computing, use of social media and mobile tools is changing the way we function. Multigenerational workforce has already transformed the workplace. Acquiring, developing and retaining talent needs continuous effort. Thus it is imperative for an organization to imbibe these trends not only to improve its overall efficiency, but also to increase its ability to compete in today's rapidly changing global market.

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The Other Tongue: Avoiding Common Pitfalls in English Language Use

Given that English has been in use extensively in India for a really long time, most people would find it ridiculous, if one were to call it a foreign language. However, what cannot be denied is that English has come to India as a colonial heritage and has outlived colonisation.

The peculiarity of its usage, whether written or spoken, in India, reflects strong regional impact and therefore one finds many variants of English, without realising them to be so, that may result in problems ranging from the hilarious to the disastrous. A part of the blame for this condition can be attributed to its alien context; yet a larger part rests with the acquisition process, or what can be identified as the teaching-learning process. On close observation, it is also not difficult to realise that most of these are repetitive errors. These may be attributed among other things, to a shared teaching style, a system that has shaped both the teachers and students and a cultural strand, that though not the same has many similarities, if not overlapping areas, a need to excuse/justify errors, nonchalant confidence and fluency being mistaken for correctness, among others.

In the light of the fact that this researcher has spent over two decades in teaching and studying English language use, she has been able to actually identify some of these areas and attempt to train people in identifying these pitfalls, so that they can be worked upon or prevented; areas that can be safely labelled as 'Common Errors in Grammar', which this paper covers.

In the highly popular movie 'My Fair Lady', adapted from the famous play Pygmalion by George Bernard Shaw, Prof. Higgins, a learned linguist laments 'the cold blooded murder of the English tongue', due to the proliferation of dialects, that too from within the heart of Britain. More than a century later in an alien land that 'inherited' English as a legacy of colonisation, one can only imagine its plight and the atrocity it can cause to those, who swear by purity or the blunders it can cause leading to merriment on the one hand and extreme disaster on the other.

Consider the real life case of an employee from a famous IT company who wrote to his boss asking for leave saying, "I need leave as I am marrying my daughter". The obsession with purity apart even if one were to ensure communication forestalling miscommunication that is often the order of the day, it would help identifying the pitfalls, at least so that one can steer clear of them.

In this context it is important to remember that although no more acknowledged as such, at least overtly, English has and will continue to remain a 'foreign language'. This is because, after all, it is a language that has struck roots and continued to spread and flourish extensively, thanks to the historical manifestation of colonisation. It therefore essentially serves as a second language for most users in India and is often alien to the natural make up of its citizens. Ironically, moreover, it has ceased to be seen as such and therefore the care that one may exercise in approaching/learning a foreign language is cast away, in the acquisition of English.

As a result, in its usage, whether written or spoken, in India, English has gained strong regional flavours and therefore one finds many variants of English, without realising them to be so. A part of the blame for this condition can be attributed to its alien context; yet a larger part rests with the acquisition process, or what can be identified as the teaching-learning process. While it may be too onerous/daunting a task to undertake a complete and drastic change in this, a simple approach, and one which has worked, as it has been tried and tested over time in varied contexts by this researcher/teacher, is to identify and warn people

about the common errors that often unwittingly arise, so that being aware of them, they can be cautiously and consciously avoided.

- **Use of the present continuous**

Due to its overwhelming presence in the native languages, most often people tend to use the present continuous to denote the future tense. Moreover, relying on traditional grammar and its vocabulary, without realising that language is an evolving system, it is taught at the basic level that the English language has three basic tenses – the past, the present and the future. While it is correct to say that the past and the present function as independent tenses, one should realise that the future tense can only be created by using a modal auxiliary followed by *Vo*, making it a derived and not a basic tense. Therefore, without consciously realising or out of habit, one commonly hears a direct translation of sentences like ‘*Mee tujha ghari aaj sandhyakali yenar aahe*’. However, it is incorrect to say ‘I am coming to your house in the evening’. Instead one should rather say, ‘I will come to your house in the evening’ using a modal auxiliary to replace the present continuous. This applies to all actions denoting the future as the possibility of their non occurrence is as much as their occurrence. (The modal auxiliaries include *can, could, shall, should, will, would, may, might, must, ought to, used to and dare to*.)

- **Random shifts in tense**

Unless one is indicating a definite time change, one should stick to a single tense in a piece of writing. A mistake that is regularly committed is that especially in narrations or long pieces of writing, people shift between the past and the present. However, in English, especially in any writing that is in the form of reporting, it is usually the perfect tense that is used which comprises ‘*have + en*’ as the verb phrase. For e.g., ‘It had been raining for a really long time, making the roads slippery, resulting in the accidents that have been a regular feature of Mumbai’s highways’.

- **Use of dual time markers**

Drawing upon native phrases like ‘*Aaj sandhyakali*’, people often use phrases like ‘today evening’. English does not however permit the use of dual time markers, rather one of them is replaced by a determiner. Thus, one has to rather use the determiner ‘this’ and say ‘this evening’.

- **Use of ‘have’**

When it is used as a main verb, the verb ‘have’ means ‘to possess’ or ‘to eat’. On the other hand, when it is used as a primary auxiliary, it goes with the ‘en’ from of the verb to create the perfect tense. While it is thus correct to say ‘I have the book’, if one is carrying it and ‘I have eaten’, if one is offered food, but one wishes not to eat it, it is more proper to say ‘Take a seat’ rather than ‘Have a seat’, as even position of authority are posts occupied and therefore not permanent.

- **Absence of articles/determiners**

Since most native languages do not contain articles/determiners, people often miss using them. It is necessary to note that all noun phrases except those, which begin usually with a proper noun, take an article/determiner. For e.g., Rather than saying ‘Flowers in my garden are in bloom’, it is correct to say ‘The flowers in my garden are in bloom’.

- **Absence of subject-verb concord**

The subject and verb in a sentence need to be in agreement. In case the noun phrase contains pre-modifiers or post modifiers (words/phrases that appear before/after the main word in a phrase, the verb needs to be in concord/agreement with the head word. For e.g. ‘The grapes in the basket are rotten’ and not ‘The grapes in the basket is rotten’. Moreover, in case of collective nouns, the noun is considered to be singular. For e.g. My hair is black.

- **Modifying spellings according to parts of speech**

Many a time, the word changes its spelling from 's' to 'c' as in case of words like 'practise' and 'practice', when the word use changes from it being a verb to being a noun.

- **Replacing all nouns with pronouns**

Sometimes when multiple nouns occur in a sentence, people tend to replace all of them in the succeeding sentences. This should be avoided. For e.g. Ram asked Hanuman to bring Sita along. He told him to bring her along.

- **Use of the double comparative/superlative**

While comparing two or more objects, one should avoid using the double comparative/superlative, which is often what people do, believing that it lends additional emphasis to what is being said. For e.g. He is much more better than me or He is the most best teacher from my school rather than simply saying He is much better than me or He is the best teacher from my school.

- **Use of double negation**

It is improper to use double negation, unless one consciously uses it to create effect. For e.g. 'He didn't tell him not to do it' makes it ambiguous, resulting in issues in decoding the meaning; one can more easily say "he didn't stop/prevent him from doing it". Also 'I would never not listen to you' could simply be replaced with 'I would always listen to you'.

- **Lack of punctuation**

Punctuations facilitate both reading and writing, by lending clarity to meaning. At times, the lack of punctuation or improper punctuation can completely change the meaning of a sentence. For e.g. the sentence 'A woman without her man is nothing', can be punctuated in two ways – 'A woman, without her, man is nothing' or 'A woman, without her man, is nothing'; and, while the former lays emphasis on the man deriving strength/identity from a woman the latter shifts the power to the man, making the sentences polar opposites of one another.

- **Use of phrasal verbs**

The English language has an exhaustive list of phrasal verbs, i.e. verbs that are necessarily accompanied by a preposition, without which they cease to be complete. Most often there is a tendency to either drop out the preposition or use an inappropriate one. For e.g. 'She accidentally came across the quote, she had been seeking, for a long time.' Note the use of come across as a phrasal verb, while in case of 'seek' despite it being followed by the preposition 'for', the two words do not constitute a phrasal verb. So too, the meaning would completely change, if one were to use 'come by' rather than 'come across'.

Redundant usage like 'return back', 'fully empty' too, though commonly in use, often to afford emphasis should scrupulously be avoided. These mistakes though common can create faux pas in communication; and has been learnt through almost two decades of being a part of the teaching fraternity they can be ironed out/avoided if one is consciously aware of them – the simple philosophy being that most people would avoid falling into the pit, if they were aware of it.

Though defenders of the current status of English usage in India would argue that the purpose of language is to be understood and except for linguists and ardent practitioners/followers of English in India, others need not insist on its flawless use; a philosophical faith in perfection, an attempt to avoid being embarrassed and the power/opportunities that correct English usage can offer its practitioners should be baits strong enough to quell any hesitation and result in using English as it should be used rather than as it is being used today.

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The Volatility of Currency Markets in BRICS Countries: A Review

Abstract

The BRICS are emerging economies and the markets. It has gained significant importance recently as an important trade block. Its markets i.e. stock and currency are linked with the global financial markets. Due to globalization the market volatilities are linked with each other and BRICS are no exception. In order to have sustainable growth it is important that BRICS manage their currency market properly. The paper made an attempt to study the volatility of the currency markets of the BRICS by estimating the Value at Risk- VaR for their currencies at different time horizon and analyzed the correlation amongst these currencies.

Key Words

Currency Markets, BRICS and Value at Risk-VaR

Introduction

Goldman Sachs economist Jim O'Neill (2001) coined the term BRIC in the year 2001. O'Neill was the one of the first person to realize the importance of BRIC and he stressed the need for the re-organization of world policy making forum and G-7 should be adjusted to incorporate BRIC representatives. The South Africa was added to the original BRIC group in 2010, thus making it as BRICS. Since last three decades the markets in the BRICS have expanded in a rapid manner simultaneously with Economic Growth. During the 6th BRICS which was held in Brazil during 14th-16th July, 2014, the BRICS head signed a document to set up a New Development Bank of USD 100 billion with a reserve pool of another USD 100 billions. Such bank will boost the infrastructure development and stimulate the growth further in the BRICS region.

The BRICS today attained the socio-economic and geopolitical importance due to its 3 billion people which are 40 per cent of the world population, with a combined GDP of USD 16.039 trillion that is roughly 20 per cent of the world GDP. The stock market capitalization of BRICS is almost US\$ 7000 billion. The combined GDP increase of BRICS was more than twice that of the United States and it was equivalent to the creation of another new Japan plus one Germany or five United Kingdom's in the space of a single decade. (O'Neill, 2011).

According to the Triennial Central Bank Survey conducted by Bank for International Settlements in 2013, The BRICS was having a negligible presence in World Foreign Exchange markets in 1998. The global foreign exchange turn over daily average in 2013 was around US\$ 6671 billion and out of which US\$ 174 billion were attributed to BRICS currency markets.¹

Currently BRICS block also emerges as a Major Player in the world currency market with their respective currencies are ranked in first twenty top traded currencies of the world.

	1998	2001	2004	2007	2010	2013
Brazil	5	6	4	6	14	17
Russia	7	10	30	50	42	61
India	2	3	7	38	27	31
China	0	-	1	9	20	44
South Africa	9	10	10	14	14	21
Total of BRICS	23	29	52	117	117	174
World Daily Average	2,099	1,705	2,608	4,281	5,043	6671
BRICS as a % of the World Daily Average*	1.09	1.7	2.00	2.73	2.32	2.60

Source: Triennial Central Bank Survey (2013) conducted by Bank for International Settlements

*Authors calculations

The Table 2 lists some of the important indicators of the BRICS. Comparisons of these Indicators reveal that China is way ahead in many parameters, followed by Brazil, India, Russia and South Africa. The size of South African economy is relatively small when it is compared with the remaining BRICS nations.

The Table 2 also indicates the some of the parameters which has a direct impact on the currency value. China has foreign exchange reserves of US\$ 3880.37 billion which is around 40 per cent of its GDP. The same ratio stands for India and Brazil at 16 per cent, for South Africa 14.5 per cent and for Russia around 24.30 per cent. The China also has an advantage over other BRICS in terms of lower external debt as a percentage as GDP. The China and Russia are also having an advantage over others as they both have a current account surplus.

Table 2: Overview of some indicators of the BRICS

Sr. Nos.	Particulars	Brazil	Russia	India	China	South Africa
1	Population (2014) (millions)	202	141	1267	1370	52.52
2	GDP in US \$ (2013) Billions	\$2246	\$2097	\$1877	\$9240	\$350.60
3	Market Capitalisation US\$ billions (2012)	\$1229.85	\$874.66	\$1263.335	\$3697.376	\$612.31
4	Foreign Exchange Reserves US\$ billions	\$358.81	\$509.692	\$298.0925	\$3880.37	\$50.68
5	FDI-Net in US\$ (billion)	\$80.843	\$ 70.653	\$28.153	\$ 347.84	\$-1.727
6	FPI –Net in US\$	\$11.636	\$-7.625	\$19.891	\$ 32.594	\$-6.694
7	Current Account Deficit per cent of GDP (2012)	-2.41%	3.57%	-4.92%	2.15%	-5.235%
8	External Debt as a per cent of GDP	19.87%	-	20.775%	9.50%	36.59%
9	Short term Debt as a per cent of Total Reserves	8.73%	-	31.07%	16.09%	54.98%
10	Gross Domestic Savings as a per cent of GDP (2013)	15.41%	28.46%	26.42%	51.85%	16.55%
11	Bank's nonperforming loans to total gross loans	2.9%	6.0%	3.8%	1.0%	3.6%

Source: World Bank web site²

The good saving rate, high working age group population with growing GDP makes BRICS as a attractive destination across International Institutional Investors. Opening up of the financial sectors in the BRICS block has created a vibrant stock and currency markets in their respective economies. The Exchange rates in the BRICS are now making a transition towards a floating exchange rate mechanism which world is following since 1973. Though the foreign exchange turnover of BRICS is relatively small as compared with the world average, yet it has its presence felt in the world currency markets.

The vibrant monetary policy and exchange rate stability is an important factor for overall economic development. The demand and supply mechanism affects the value of a particular currency along with the trade imbalances. The prevailing interest rates and inflation has a direct impact on the exchange rates. The expectation of the market participants such as exporter, importers, portfolio investors, corporate and international trade partners has a significant bearing on the currency value. All such developments lead to volatility in the foreign exchange market. The volatility linkage across markets can affect the stock and currency prices higher the volatility, higher will be the perceived risk and higher would be the expected

returns. The foreign exchange risk is nothing but the variability in the value of an exposure that is caused by uncertainty about exchange rate changes. (Click and Covet, 2007). In order to measure the risk and volatility a statistical technique is used known as Value at Risk or simply VaR. The concept of Value at Risk-VaR is being increasingly used by financial institutions to quantify the risk of the investment portfolio. (Apte, 2011)

The Value at Risk -VaR summarizes the worst loss over a target horizon that will not be exceeded with a given level of confidence. (Jorion, 2007). In this paper an attempt is made to measure the Value at Risk -VaR for BRICS currencies for different time horizons.

2. Research Methodology

Managing a currency risk has become an important exercise for the treasury managers as the currency risk leads to exposure. Mainly there are three types of exposure, Transaction Exposure, Translation Exposure and Economic Exposure. Changes in the value of foreign currency with respect to the domestic currency affects the corporate (Lakshman, 2009) hence it is important to study the volatility of a particular currency.

The exchange rate fluctuations do not necessarily have negative effects on international trade in developing countries. The financial development has positive effects on international trade which can promote growth. (Kurihara, 2013)

The volatility in the currency not only affects the corporate but it also makes an impact on the stock markets. The return in stock market had causal influence on return in exchange rate. (Nath and Samanta ,2003). The correlation between Nifty returns taken from October 2007 to March 2009 and the exchange rates was found to be negative. Their study also highlighted unidirectional relationship between Nifty returns and Exchange Rates, running from the former towards the latter such as an increased in the Nifty caused a decline in the exchange rates but converse was not found to be true. (Agrawal, Srivastav and Srivastava 2010).

The BRICS also attracts the large chunk of global capital flows, which affects their currency market and in turns leads to currency volatility. It is evident the capital flows, stock markets, central bank actions and financial turbulences has strong effect on the currency markets. The improvement in telecommunication systems, currency trading is no longer limited to a particular market. (Rajwade, 1996). Such improvements affects the foreign exchange markets as one currency going down will have contagion effect on other

currencies and their respective stock and currency markets. This leads to a currency risk. The currency risk may not be fully eliminated it can be better detected, measured priced and managed using statistical technique such as Value at Risk- VaR.

The current study explores the Value at Risk- VaR. associated with The BRICS currencies and also establishes a correlation in between them. The study is exploratory in nature and based upon the secondary data.

This study considered the data of BRICS currencies which are quoted against the United States of America's US Dollar since January 2001 till December 2014 for the analysis. The data is collected from popular currency website oanda.com³ and analyze using Microsoft excel. The Value at Risk -VaR is estimated for BRICS currencies which are quoted against the US Dollar-USD.

The BRICS currencies which are considered for the study are Brazil- Brazilian Real, Russia- Russian Ruble, India, Indian INR, China- Yuan/CNY and South Africa- South African Rand/XAR. The VaR is estimated for duration of one day, one week, one month, six month, one year, three years, five years and ten years.

The VaR is estimated by the method suggested by Jorian (2007) with 99 % probability assuming a normal distribution. One of the important limitations of the current study is that, it is purely based upon the secondary data with limited time period post year 2000.

Table 3: BRICS Currencies considered for the Study

Country	Currency	Data Duration
Brazil	Brazilian Real-BRL	January 2001 to December 2014
Russia	Russian Ruble -RUB	January 2001 to December 2014
India	Indian Rupee -INR	January 2001 to December 2014
China	China's Yuan Renminbi -CNY	January 2001 to December 2014
South Africa	South African Rand - XAR	January 2001 to December 2014

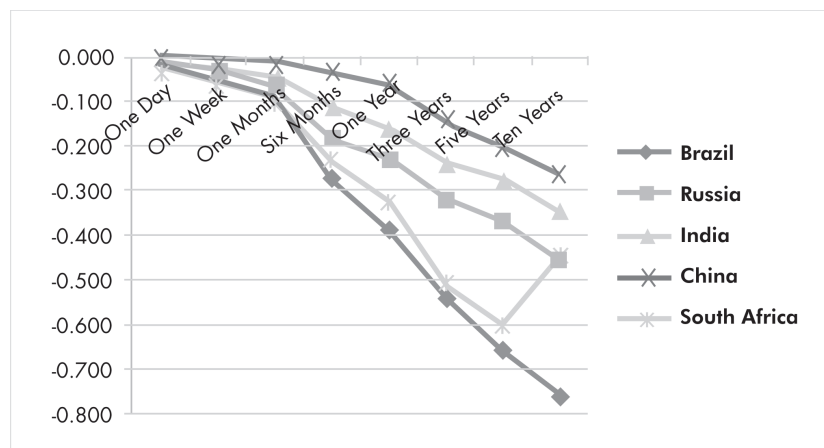
3. Data Analysis and Interpretation

VaRs are calculated for the BRICS currencies mentioned in the Table 3 for the time horizons varied from 1-day to 10-Year. The results of VaR calculated for the BRICS currencies are shown in Table 4 which indicates that the VaR for the Brazilian Real rapidly increases with increase in time horizon. The currency of China –Chinese Yuan is the most stable as it is state controlled.. The next stable currency in the lot is Indian INR, while others namely Brazilian Real, Russian Ruble and South African Rand are relatively more volatile.

Table 4: Value at Risk –VaR of BRICS Currencies

	One Day	One Week	One Month	Six Month	One Year	Three Years	Five Years	Ten Years
Brazil	-0.023	-0.047	-0.089	-0.270	-0.387	-0.537	-0.658	-0.760
Russia	-0.014	-0.031	-0.063	-0.181	-0.230	-0.321	-0.367	-0.452
India	-0.009	-0.021	-0.043	-0.110	-0.160	-0.238	-0.275	-0.344
China	-0.002	-0.004	-0.009	-0.033	-0.060	-0.141	-0.203	-0.261
South Africa	-0.021	-0.047	-0.096	-0.235	-0.323	-0.511	-0.602	-0.441

The VaR of South African currency as shown in Chart 1, goes southwards till 5 years period and then suddenly goes up, when 10 years horizon is considered. The VaR for the currencies of Brazil, Russia, India and China steadily increases with increase in the time horizon.



The correlation of daily returns of the currencies when they quoted against the US dollar is shown in the

Table 5: Daily Returns in the Currency Correlation of BRICS

	Brazil	Russia	India	China	South Africa
Brazil	1.000				
Russia	.227	1.000			
India	.219	.306	1.000		
China	.062	.163	.254	1.000	
South Africa	.259	.220	.351	.106	1.000

The Table 5 indicates Indian INR's daily returns are correlated with Chinese Yuan and South African Rand. The correlation between Russian ruble and Chinese Yuan is nominal and less than the correlation between the Indian INR and Russian Ruble. All above correlations when tested for zero found to be significantly different from zero at 5 % and 1 % level of significance.

Table 6: Currency Correlation of BRICS

	Brazil	Russia	India	China	South Africa
Brazil	1.000				
Russia	.256	1.000			
India	.090	.756	1.000		
China	.606	-.362	-.600	1.000	
South Africa	.145	.612	.731	-.348	1.000

The Table 6 shows that the Chinese currency Yuan is negatively correlated with Russian Ruble, Indian Rupee-INR and South Africa's XAR. It explains whenever US Dollar appreciate against the Yuan, it depreciates with Russian Ruble, Indian INR and South African XAR. Yuan has a positive correlation with Brazilian Real, while Indian INR shows a good positive correlation with Russian Ruble and South African Rand. The currency correlation of Indian Rupee INR and Brazilian Real -BRL is very weak. The Russian Ruble shows a low positive correlation with Brazilian Real-BRL. The correlation of Brazilian Real-BRL is low with other currencies except Chinese Yuan. All above correlations when tested for zero found to be significantly different from zero at 5 % and 1 % level of significance.

4. Conclusion

The BRICS are emerging as an important trade block not only on geo-political front but also on the socio-economic front. The trade and capital flows will have a strong impact on the BRICS currency markets and may lead to volatility. The global capital flow will pose a challenge to the Central Banks of BRICS in terms of managing their currencies without hampering the trade growth. In order to improve the linkages with world economy and to continue on the sustainable growth path, it is important for BRICS nations to manage the volatility of its currencies. Such efforts will not only fuel the economic and financial growth but also makes BRICS sustainable.

End notes:

- 1) see <https://www.bis.org/publ/rpfx13fxt.pdf> date accessed January 20th, 2015.
- 2) see <http://data.worldbank.org/country> date accessed January 20th, 2015.
- 3) see <http://www.oanda.com/currency/historical-rates/> date accessed January 15th, 2015.

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H L V Concept- Based Selling: The Only Panacea for Indian Life Insurance Industry

Introduction

"Look, if you want to maintain our friendship, please never talk to me about Life Insurance again!" said her friend on the phone when she informed him that she had recently been appointed as the C. E. O. of a newly-formed private sector Insurance Company set up by one of the finest 'Financial Brands' of India.

How does yours truly know this? Because, this yours truly, incidentally with 18 years of Life Insurance Industry experience then under his belt, was present in the cabin where this conversation took place on a speaker-phone.

If 'she' has to hear this, what about those millions of Insurance Agents (howsoever they may adorn themselves with glorious titles such as 'Life Advisor' or 'Financial Consultant' or 'Welfare Planner' or even 'Happiness Dispenser'!) who too are subjected to much worse responses and acidic comments than this?

Unique peculiarities of Life Insurance product

Let's face it at the outset that Life Insurance is a vastly different product from the rest, even in financial world. It brooks no comparison. Some of the distinguishing features of this product are:

1. It's an intangible product. When a policy is sold, the customer parts with hard cash in return of only a promise (that he will be paid in future, or psychologically still worse, only his heirs will be paid, should anything unfortunate happen to him.)
2. The very mention of words 'Life Insurance' evokes unpleasant memories in the mind of the prospect-death, disability, disease, hospitals, misery, grief, tears & so on. Not something one would like to discuss or even be reminded about!
3. Paying insurance premium is a long-term commitment. It's not a one-time sale. It also means 'sacrificing the present (parting with money) for the future (security)'.
4. Unfortunately, most of us have previous negative experiences of dealing with insurance sales-persons. Mis-selling, wrong advice, unsuitable product, no-after-sale-service, being too aggressive – all these impressions from the past encounters cloud the present perceptions.
5. No wonder life Insurance selling is regarded as the 'toughest profession' in the world. The incredible 'conversion ratio of '25: 5:1' (to sell one policy, you need to meet five prospects, for which you need to call up twenty-five suspects) deters the probable to join the industry, while it daily dampens the enthusiasm of existing salespersons, resulting in their high attrition. 'Rejection-handling capability' emerges as the single-most important ingredient of successful and long-lasting sales people. Who hasn't heard of that proverbial insurance salesman who could sell a refrigerator to an Eskimo or a comb to a bald senior citizen?

A Brief History of Insurance

To get the right perspective, it would be worthwhile to throw a quick glance at the journey so far. Some crude sort of Insurance - both Life and General – did exist in the pre-historic times, but the real commercial insurance emerged from Europe in the 17th Century.

It arrived in India in 1818 in form of Oriental Life Insurance Company in Kolkata. Without going into intricate details, the travel till now can be summarized in 4 phases:

- a) **Free market—(1818 to 1938)**—mushrooming of several Companies, no worthwhile regulation, plagued by frauds.
- b) **Regulated Market – (1938 to 1956)**—strict regulations for Licencing, fund-management, claims-settlement to protect policyholders' interests.
- c) **Nationalised Market—(1956 to 2000)**—Nationalisation of 245 Life Companies to form LIC in 1956 and General Companies to form GIC & 4 subsidiaries in 1972, with complete monopoly.
- d) **Open Market—(2000 to till date)**—Entry of over 50 Private Insurance Companies, with 26% foreign stake.

The era of privatization can further be classified into phases, characterised by different shades of performance:

- A) **2000-2004:** Finding foot-hold, expansion, growth & consolidation
- B) **2004-2008:** Boom-period displaying 100% y. o. y. growth in New Business, Innovative products & increased customer base.
- C) **2008-2012:** With the world economic melt-down and fall of stock markets, ULIPs (Unit Linked Insurance Plans) lose their lustre, resulting in huge losses for & dissatisfaction of customers across board.
- D) **2012-2015:** Tightening of regulations, cost-cutting, stream-lining, negative growth-rates. In nutshell, industry in turmoil.

Review of Private Sector Life Insurance Companies

When the Private Life Insurance Companies entered the Indian market in 2000, they faced a formidable competitor- the giant, monolithic, L. I. C. (Life Insurance Corporation of India) that enjoyed a high Brand Equity and trust of the customer, not only in urban areas, but also in rural. Backed by the 'guarantee' from Government of India, this Public Sector Organisation had done a commendable job of insuring millions of lives across the entire nation. The 'two-hands-protecting-a – burning –lamp' logo of LIC was (and still is) hardly unknown to anyone.

The major portion of LIC's business consisted of Endowment type of policies, giving both security and returns to the insured. The most popular product of course was the unique 'Money back' policy that gave periodical returns of Sum Assured to policyholder, all the while continuing his life cover. Many other plans were variations of the above two.

Rightly realising that it would take decades to snatch market-share from LIC on its 'home-turf', almost all private companies came out with other types of policies to attract the customers – ULIPs (Unit Linked Insurance Plans) being the major cherry.

The ULIP Story

The ULIP Plans caught fancy of the insuring public and quickly become immensely popular. Some Companies had as high as 90% contribution from these Plans. The main reasons for this phenomenon can be summarized as follows:

1. It was a new, unheard of and unseen product.
2. In a conventional Life Insurance Policy, the policyholder has no idea as to how his money is invested to get good returns. Being market-linked investment (with large portion of premium going in for in self-chosen stocks, funds & sectors), they had a high transparency.
3. Since the Indian Stock Market was doing extremely well during the years 2000 to 2008, the policyholders saw high returns on their investments. And they were pleased with the new baby!
4. In ULIP Plans, the risk of investment /returns is shared with the policyholder by the Insurance Company. This was very convenient for the Companies for the obvious reasons.

5. The sales force also found these Plans easy to sell because of their novelty, high returns and high commission rates.

So, there was joy all around. But happy days don't last long. Two disasters were waiting to happen:

- a) The frenzy caused by continuously ascending stock Market Indices resulted in rampant mis-selling by the Sales force, some of them promising the unaware customers returns as high as 30%.
- b) The American economy melt-down in 2008 affected the whole world, including India. The markets crashed overnight. Millions of policyholders saw their billions of rupees vanish into thin air. Disgruntled customers expressed their disenchantment in strongest of words.

The image of the entire Life insurance Industry was tarnished. The investor confidence plummeted to unimaginable depths, causing wide-spread turmoil.

Then came the correction. With a succinct comment, "The party is over!", the IRDA came out with strict guidelines for ULIPs in 2010, putting several restrictions on the Companies- all aimed at enhanced policyholder protection.

But it's very difficult to restore fractured confidence of the public. People had lost their faith and trust - the very foundation of Insurance Industry –along with their money. It is a tough task to regain the lost glory. Presently, the entire industry, including LIC, is in the process of winning back the customers, once again with traditional Insurance policies. This is where comes in the 'Human Life Value' concept.

'Human Life Value' Concept

Insurance was invented for the purpose of risk-mitigation and risk-management in the face of uncertainties of life.

As opposed to General Insurance Contracts which are basically for indemnity (if your house worth Rs. 40 lakhs is destroyed totally in a fire and you were wise enough to insure it, the Company will indemnify / compensate you with that amount), Life Insurance Contracts are of a different nature . One can determine the value of a material object loss, but how does one decide the value of a human life?

All human beings generally engage in economic activities to satisfy human needs and wants, aimed at ensuring security. Therefore, economic security has been defined as "the achievement of a feeling of certainty and comfort, sense of fulfilment and mental peace through acquisition, ownership and use of economic goods."

The essence of insurance lies in sharing of losses and substituting certainty for uncertainty. Life Insurance fundamentally makes good the financial loss suffered by a family by the premature death of an earning family member. But how does one determine 'the earning capacity' of a person in view of uncertainties about his longevity and future earnings?

Prof. S. S. Huebner came out with the concept of Human Life Value in the early Twentieth Century. It was indeed a remarkable contribution in the field of economic theory. For the first time, an attempt was being made to 'capture' the exact value of a human life.

The Definition of HLV

The Human Life value has been defined quantitatively as the 'Capitalized Value of the net future earnings of an individual after deducting appropriate costs for self-maintenance.'

In other words, it is the present value of the net total income of an individual which would be lost to the family in the event of his untimely death. This economic loss could be for a family by the death of its bread-winner, as well as for an organization in terms of the value of his services to that organization.

In 1924, S. S. Huebner of Wharton school of Finance and Commerce, University of Pennsylvania, U. S. A., propounded the HLV concept as the 'economic foundation of Life Insurance.' This concept has five vital aspects:

1. Appraisal and capitalization of the Human Life Value
2. Recognition of family as an Economic Unit –organized around Human Life Value
3. HLV and its protection as the main link between the present generation and the succeeding generations
4. Recognition of HLV as Creator of Property Values
5. Application of Scientific Principles of Business Management to Life Values.

Further, the Human Life Values can be lost on account of:

- a) Premature death
- b) Total and permanent disability
- c) Temporary disability
- d) Unemployment
- e) Retirement

This loss can be capitalized and indemnified only through life and health insurance. By guaranteeing this capitalized value in case if his death, life insurance tries to perpetuate his earning capacity for the benefit of his dependents.

Put simply, "A man may die; but his income should not." Thus, life insurance acts as a hedge against such a loss. It's the only scientific method that will help the dependents of an unfortunate 'departee' to maintain their life-style even in his physical absence, and obviously his 'economic' absence.

Let's Take an Example

Estimating a person's HLV involves determination of four quantitative factors:

1. Estimation of the individual's anticipated annual earnings net of taxes
2. Determination of the amount of his expected future annual personal maintenance expenses
3. Estimating the working life expectancy of that individual
4. Selection and application of an Appropriate Capitalization Rate

To illustrate further, Mr. XYZ, aged 35, earning a gross income of Rs. 2,00,000/- p.a. today, will retire at the age of 65. Out of his monthly salary of Rs. 16,666/-, he uses Rs. 4,666/- per month for income Tax and his other personal expenses. So, his net annual income is Rs. 1,44,000/-

Assuming a 10% growth in his income every year, he would have a net earning of Rs. 2,36,87,051/- in the next 30 years till his retirement.

The present value of his net earnings, discounted at the rate of 8% (usually the current Bank interest rate) is Rs. 23,54,492/-

If he doesn't return home today, his family will lose this amount forever.

Therefore, Mr. XYZ's Human Life value =23.55 lakhs.

[Though one of the assumptions in the above simplified example is rather unrealistic – unchanged future maintenance cost – the above example should suffice to explain this complex economic concept even to a layman].

In common language, he must have a policy that covers his life for this amount.

To anyone who hears this explanation for the first time, it arrives as a 'bolt from the blue.' Many insured people – who otherwise are firmly ensconced in their 'comfort zone (throne?!)' of 'being- completely- insured 'mental make-up –are rudely awakened to realize the woeful inadequacy of their insurance cover. Tragically, most people have bought their insurance policies, not for risk cover, but for incidental reasons such as I. T. relief, savings, salesman-pressure or being misled.

It is obvious that no caring and sensible individual with a family can sleep peacefully after learning about his actual HLV. Whether rich or middle-class or poor, hardly anyone in India is 'adequately insured' to the full extent of his HLV. (On the contrary, there are many 'multiple policy owners' who actually feel that they are over-insured! Didn't anyone ever tell them the famous aphorism: 'No widow in the world has ever complained that her husband was over-insured!')

Very few salespersons in India sell Life Insurance as Life Insurance. Out of 2.4 million Agents of LIC & all the 24 private companies, only a handful of them use the HLV in selling and convincing the clients. India is not only a highly uninsured nation, but also highly under –insured populace.

In the developed countries, enlightened customers always buy life insurance basically for covering the risk. As a result, they buy only Term or Whole Life Insurance policies, whose premium is much lower than the Endowment/ Money Back types of policies. (This also answers the question of those who say that they want to cover their full HLV, but don't have enough money to pay the premium.) In other words, they separate the two worlds- insurance and investment.

No wonder that despite 58 years of LIC's and 15 years of private insurance companies' operations in India, the percentage of Insurance penetration (measured as the ratio of premium to GDP) in our country remains abysmally low, as evidenced in the following chart:

Insurance Penetration	World	U. S. A.	South Africa	China	Singapore	India
	6.3 %	7.5 %	15.4 %	3.0 %	5.9 %	3.9 %

(Source: IRDA)

Recommendations for the Way Out

1. IRDA- the controlling body of the Insurance Industry –has not done much in the arena of the 'D' (Development) in its name. It should start several initiatives- such as public seminars, articles, advertisements, lectures, T. V. programmes –to educate the Indian public about the HLV concept and its importance in our life.
2. Enhanced commission rates for Term/ Whole life policies would certainly give a boost to their sales.
3. Insurance Companies must include HLV concept as part of their initial and ongoing Training programme for the sales force.
4. HLV concept should be introduced at an early stage in schools and colleges as part of the syllabus.
5. The Government could offer special Tax-reliefs for such HLV based policies.

A Peep into the Future India

In view of the extraordinary demographic dividend, untapped insurance potential and unfulfilled demand for infra-structure & consumption, several analysts project that India will be the largest economy in the world by 2045.

Even institutions such as Goldman Sachs ('India could be 40 times bigger by 2050') and Citi ('India will overtake China & U. S. A. by 2050') have reposed their faith in the glorious future that awaits India.

The World Economic Forum forecasts that India could be a world leader in Insurance by 2030.

Having said that, it must also be acknowledged that there are several road-blocks in this path such as illiteracy, poverty, poor infra-structure, low policy-reforms, corruption and a variety of other related issues.

But the fact still remains that insurance industry will play a very crucial role in this economic resurgence of India. The passing of insurance Bill by the Parliament today (12/03/2015) allowing to raise the foreign equity from 26% to 49% is likely to bring in Rs. 62000 crore in India, giving a further boost to the industry. It would not be an exaggeration to say that the engine of Indian economy is driven mainly on the fuel (in the form of premium collected) provided by insurance industry. And the only way to augment this supply would be to use the HLV –concept- based selling, thus collecting huge premium and spreading the security of life Insurance in the far and wide corners of the country.

Conclusion

Human beings are the only one on planet Earth who are aware about their mortality. Strangely enough, we mortals also believe in our immortality. Hence the reluctance to buy life insurance.

We all KNOW that someday we'll die, but we don't FEEL that WE will die. Therefore, we all NEED insurance, but we don't WANT to buy insurance. Hence, insurance is always SOLD, and never BOUGHT. That is the dichotomy of life - and life insurance. Howsoever difficult and unpleasant the selling of Life Insurance may be, it has to be done –to ensure economic security, emotional stability and human dignity. In today's materialistic world, we seem to be attaching economic value to every other thing except the most important of them all – the human life.

It is high time that human life is sanctified through the sacred profession of Life Insurance based on the hallowed concept of Human Life Value.

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Role of Women Empowerment and Entrepreneurship in India

Abstract

Empowerment is a concept that is of equal importance to both men and women. The knowledgeable Indian women have to go a long way to achieve equal rights and position because customs are deeply rooted in Indian society where the socially setup has been a male dominated one. Since the turn of the century, the status of women in India has been changing due to growing industrialization, globalization and social legislation. Entrepreneurship is a state of mind, which many women have in her, but has not been capitalized in India in way it should be. Due to change in environment, now people are more comfortable to accept leading role of women in our society. This entrepreneur development is being recognized as an important untapped source of economic growth since women entrepreneur create new jobs for themselves and others and by being different also provide society with different solutions to management, organizations and business problems. They see the world through a different lens and, in turn, do things differently. The role played by micro enterprises in India is immense, as they are effective tool for sustainable livelihood, employment generation and empowerment of women. In modern India, more and more women are taking up entrepreneurial activity especially in micro, small and medium scale enterprises.

This paper focuses on women empowerment, leadership and support to the economical growth by emerging as women entrepreneur in India. It also focuses on the problems and challenges faced by them and provides with solutions and more opportunity to lead.

Keywords

Women empowerment, MSMEs, women entrepreneurship, economical growth

Introduction

"The best thermometer to the progress of a nation is its treatment of its women." **Swami Vivekananda**

"There is no chance for the welfare of the world unless the condition of women is improved."

Swami Vivekananda

"To call woman the weaker sex is a libel; it is man's injustice to woman. If by strength is meant brute strength, then, indeed, woman is less brute than man. If by strength is meant moral power, then woman is immeasurably man's superior: Has she not greater intuition, is she not more self-sacrificing, has she not greater powers of endurance, has she not greater courage? Without her man could not be. If non-violence is the law of our being, the future is with woman. Who can make a more effective appeal to the heart than woman?"

-Mahatma Gandhi

Reflecting into the "Vedas purana" of Indian culture, woman is being worshipped such as LAXMI MAA, goddess of wealth; SARASWATI MAA, for wisdom; DURGA MAA, for power. But the status of women in India, particularly in rural areas needs to address the issue of empowering women. Leaving a major number of urban and suburban women, the Indian women are still crying for simple justice. Ironically, women have not actively participated in their own emancipation mainly due to low economic independence. With their age, they have been raped, kicked, killed, subdued and humiliated almost daily. Women's empowerment is not a Northern concept. Women all over the world, including countries in the South, have been challenging and changing gender inequalities since the beginnings of history. Many men who have been outraged at injustices against women have also supported these struggles.

Objectives

1. To highlight the problems and challenges faced by Indian women entrepreneurs.
2. To emphasize prospects of women entrepreneurs.
3. To suggest necessary qualities required for successful women entrepreneurs.

Methodology

Study is mainly focused towards the secondary data collection from different sources like Journals (National & International), publications, books and websites on women empowerment and entrepreneurship.

Literature Review

We know that women entrepreneurs play a significant role in the economy. They are different in their management, decision-making, and leadership styles. They differ in their motives, goals and aspirations. They operate in different sectors; they finance their businesses differently, and also have different parameters for measuring success. Being different, they also face challenges and obstacles different from those faced by men. Hence, there is a need to review the literature from different angles to be able to foster women entrepreneurship.

Kaushik Sanjay (2013) "Challenges faced by women entrepreneurs in India." International Journal of Management and Social Sciences Research (IJMMSR) ISSN: 2319-4421 Volume 2, No. 2. Social and economic development of women is necessary for development of any country. Due to changing environment, now women are easily acceptable at the entrepreneurial opportunity. Our increasing service sector also promotes the women entrepreneurship. The purpose of the study is to find out various motivating and demotivating internal and external factor of women entrepreneurship. It will also suggest the investment and interesting working time of women.

Chaudhary Neelam "An Account of Women Entrepreneurship Development in India: Challenges, Opportunities and Future Prospects." The paper analysed women's participation in entrepreneurial activities to highlight the contribution of women entrepreneurs towards economic development. It examined the facilitating factors and policies and programme of the government also exist to promote and strengthen the development of women entrepreneurship in India.

The Government of had ushered in the new millennium by declaring the year 2001 as 'Women's Empowerment Year' to focus on a vision 'where women are equal partners like men'. The most common explanation of 'women's empowerment' ability to exercise full control over one's actions. The last decades have witnessed some basic changes in the status and role of women in our society.

What is Empowerment?

The dictionary meaning of empowerment is the act of conferring legality. The word 'empowerment' is used differently in many different contexts. It is a concept that is of equal importance to both men and women but in Indian society women's empowerment is yet an issue. It is a phenomenon takes place in all walks of life. In today's development scenario, empowerment is the most frequently used term. It is also the most nebulous and widely interpreted of concepts, which has simultaneously become a tool for analysis and also an umbrella concept to justify development intervention. The empowerment of women is an active multi-dimensional process, which enables women to realize their full identity and powers in all spheres of life.

JSI Six Domains of Empowerment

There have been several efforts to devise micro indicators of empowerment. In this effort, Naila Kabeer, Linda Mayoux, Anne Marie Goetz, Rahman, Ackerley, JSI (John Snow International researchers), Sara Longwe and Hashmi have provided their own indicators.

JSI Six Domains of Empowerment

Domain	Expressions
1. Sense of Self & vision of a future	Assertiveness, plans for the future, future-oriented actions, relative freedom from threat of physical violence, awareness of own problems and options, actions indicating sense of security.
2. Mobility & visibility	Activities outside of the home, relative freedom from harassment in public spaces, interaction with men.
3. Economic Security	Property ownership, new skills and knowledge and increased income, engaged in new/non-traditional types of work
4. Status & decision-making power within the household	Self-confidence, controlling spending money, enhanced status in the family, has/controls/spends money, participation in/makes decisions on allocation of resources, not dominated by others
5. Ability to interact effectively in the public sphere	Awareness of legal status and services available, ability to get access to social services, political awareness, participation in credit program, provider of service in community.
6. Participation on non-family groups	Identified as a person outside of the family, forum for creating sense of solidarity with other women, self-expression and articulation of problems, participating in a group with autonomous structure.

JSI defines empowerment in a behavioral sense as the ability to take effective action encompassing inner state (sense of self, of one's autonomy, self-confidence, openness to new ideas, belief in one's own potential to act effectively) and a person's status and efficacy in social interactions. In particular, it is the ability to make and carry out significant decisions affecting one's own life and the lives of others.

Factors of Women Empowerment

The main factors of women empowerment were identified using factor analysis by taking into account the Eigen values of factors, factors loadings, and assignment of variables. Based on the Eigen value factor and factor loadings, seven factors were identified based upon their characteristics.

- 1. Impact:** It refers to an individual, is perceived degree of influence over outcomes in one's work and family environments. In other words, an individual must have the opportunity to exert influence in order to have an impact on outcomes at work (Spreitzer, 1995).
- 2. Self-determination:** It refers to everyone's internal need to control the environment (conger and Kaungo, 1988). It is also defined as women's need to choose, to initiate and regulate actions or to choose the process and work behaviours at work.
- 3. Being meaningful:** The work done by women employees should be treated as valuable work. They evaluate the job based on their own values and feel that they are doing something meaningful.
- 4. Professional growth:** It refers to personal development in job and profession. Empowered women feel more professional growth in their career.
- 5. Independence in decision-making:** Independent women are treated to be empowered and make decision on their own.
- 6. Competence and self-efficacy:** It points at one's work role efficacy or personal mastery; women must feel that they are competent to engage in the behaviors required by the organization or family. Thus empowerment is about self-actualization and competence. Competence and self-efficacy refer to enable the women to be confidence in their capacity to make the choices.
- 7. Trust:** Empowerment is connected with trust. Trust creates an atmosphere for empowerment and grows is such an atmosphere. Trust requires values like solidarity and maturity. Empowerment cannot be installed like software but must be grown.

Women Entrepreneurship in India: Problems and Challenges

Men and women, both follow the same entrepreneurial process in practice but there are many problems and challenges, which are being faced by women entrepreneurs in India. These problems and challenges are:

- **Financial resources:** Women entrepreneurs always suffer from inadequate financial resources and working capital. They are not able to afford external finance due to absence of tangible security and credit in the market. They even face problems in getting the requisite working capital financing day-to-day business activities. Male members consider it to be a big risk funding the ventures run by women.
- **Family obligations:** A married woman entrepreneur has to make a perfect balance between domestic activities and business activities. Their inability to attend to domestic work, time for education of children, personal hobbies, and entertainment adds to their conflicts.
- **Technology utilization:** Women who enter areas requiring highly technical knowledge are either supported by their husband or achievement oriented.
- **Lack of knowledge of availability of raw materials:** Procurement of required raw material is an issue for women entrepreneurs. Information of different sources of raw materials availability and high negotiation skills are the basic prerequisites to run a business.
- **Low mobility:** The confidence to travel across day and night and even different regions and states are less found in women as compared to male entrepreneurs. This shows the low level of freedom of expression and freedom of mobility of women entrepreneurs.
- **Lack of risk taking ability:** Investing money, maintaining the operations and ploughing back money from surplus generation requires high risk taking attitude, courage and confidence.
- **Managing employees:** Managing employees is another challenge faced by women entrepreneurs in India. For any business it is important to find and retain good employees is very important for a successful business. Since women owned business tend to be smaller, they are often less likely to provide job security and retain good talent.
- **Marketing problems:** Women entrepreneurs mainly depend on the middlemen for marketing their products who pocket large chunk of profit. They exploit the women entrepreneurs. A lot of money is needed for advertisement in these days of stiff competition to capture the market and make their products popular.
- **Lack of education:** Knowledge of modern technological changes, know how, and education level of the person are the major factors that affect business. The literacy rate of women in India is found at low level compared to the male population. They are unaware of new technologies or inexperienced in their use, and often incapable to do research and gain necessary training.
- **Stiff competition:** The male-female competition is another reason which develops hurdles in the path of women entrepreneurs in the business management process. In spite of the fact that women entrepreneurs are good in keeping their services prompt and delivery in time, due to lack of organizational skills and freedom of mobility of women entrepreneurs.

Qualities necessary for the Indian Women Entrepreneurs for their successful career

Robert D. Hisrich identified adequate commitment motivation and skills to start and build some of the important qualities of an entrepreneur.

Flexibility, good social behavior, open mind and desire to take personal responsibilities will fit in the qualities of a true entrepreneur. Some of the important qualities or characteristics that are necessary for a successful women entrepreneur are discussed below

1. Desire to Excel

The first and foremost quality an entrepreneur should possess refers to a burning desire to excel. The entrepreneur should always engage in competitions with self-imposed standards with oneself to beat one's last best performance. According to McClelland, this high achievement motive strengthened him to surmount the obstacles, suppress anxieties, repair misfortunes and expedients. The entrepreneur must have a strong desire to be a winner.

2. Hard work

Entrepreneurs who successfully build new enterprises possess an intense level of strong determination and willingness to work hard. They possess a capacity to work for long hours and in spurts of several days with less than normal amount of sleep. Through their hard work and intense desire to complete a task or solve a problem or overcome hurdles, they can be able to achieve the never-ending goal of excellence.

3. Self confidence

Entrepreneurs must have confidence and belief in them to achieve their desired objectives. They strongly believe that they can beat anyone in the fields. They do not believe in status quo, rather they believe that the events in their life are self-determined and have little belief in fate.

4. Initiative

An entrepreneur must have initiative seeking personal responsibility for actions and use the available resources for optimization of objectives. They take full credit for the success and assume full responsibility for the failure of the enterprise.

5. Moderate risk-taker

An entrepreneur must be a moderate risk taker and learn from failures. The successful entrepreneurs are neither high-risk takers, nor gamblers. They take moderate challenging risk to attain moderate returns, which are influenced within their abilities and decisions.

6. Innovative

An entrepreneur must be innovative and creative. Through his innovative ideas and creative thinking an entrepreneur can be able to engage himself in the analysis of various problems and situations in order to deal with them. An innovative entrepreneur introduces new products, develops new method of production, discovers new market and reorganizes the enterprise.

7. Motivation

An entrepreneur should have a strong motivation towards that achievement of a task and must be able to exert considerable efforts in getting things done by others. He should be a person who likes working with people and has skills in dealing with them. He has to motivate people to act, through his interpersonal skills.

8. Optimistic

Entrepreneurs do not believe that the success or failure of a new business venture depends mostly upon luck or fate or external uncontrollable factors. They are highly optimistic about the success of the enterprise. They use positive knowledge to support their thinking. They are rarely negative. They always look at the brighter side of the situation. They are never disturbed by any internal or external threat to their business or intermittent problems in accomplishing their goals.

9. Analytical ability

Entrepreneur must be realistic in their approach. They should not be affected by the personal likes and dislikes. At the time of crises, they must select experts rather than their friends and relatives to solve the problems. They must analyse the problem in detail before taking any decisions.

10. Mental ability

Mental ability refers to the inner strength of an entrepreneur, which helps him to reach his goal. It is that ability which helps him to quickly respond to difficult situation. It consists of intelligence and creative thinking of an entrepreneur. Through this ability, entrepreneurs are able to adjust themselves with the changing business environment.

11. Flexibility

Entrepreneurs should be flexible in their decisions in the sense that they should not be very rigid in the decision making process. If the situation demands a change in the decision that will be beneficial to the

enterprise, then after analysing the pros and cons of the decision, the entrepreneur should revise or modify or change the decisions.

12. Independence

Successful entrepreneurs do not like to be guided by others. They prefer to work in an environment free from interference. They like to be independent in the matters of decision making of their own business. They want to be their own masters and resist to be pigeonholed.

Suggestions

At present both Center and State governments are giving incentives, concessions and subsidies to entrepreneurs to start their own enterprise, particularly in industrially backward areas. These incentives and subsidies have positively attracted the entrepreneurs to start their units in rural areas. It also includes assistance of varied nature and also financial, organizational and managerial supports.

India needs entrepreneurs for two reasons:

- 1) To capitalize on new opportunities
- 2) To create wealth and new jobs

The country can achieve its economic growth when the women entrepreneurs start rising on the horizon of villages. When women entrepreneurs are more in the rural areas, they can provide better employment opportunities to the public. As a result, per capita income of the country will increase ultimately leading towards overall economic growth.

Network marketing also called, as Multi Level Marketing is the current marketing technique that is definitely an ideal career choice for any women who has the desire and the right attitude to become an entrepreneur. If these type of marketing help the women to become entrepreneur without any risk and financial constraints, it should be encouraged to spread across the country especially in the rural areas. There will be increase in women entrepreneurs in nearing future in India.

Conclusion

Women represent half the world's population, and gender inequality exists in every nation on the planet. Until women are given the same opportunities that men are, entire societies will be destined to perform below their true potentials. The greatest need of the hour is change of social attitude towards women.

"When women move forward the family moves the village moves and the nation moves".

Women empowerment is essential as their thought and their value systems lead the development of a good family, good society and ultimately good nation.

It can be said that today we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate. The Micro, Small and Medium Enterprises are considered as the backbone to the economic growth and development of Indian economy. At this juncture, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. The unexplored talents of young women can be identified, trained and used for various types of industries to increase the productivity of the industrial sector.

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A Study of Corporate Bond Market Reforms and Its Effect on Change in Capital Structure With Special Reference to Resources Mobilized From Initial Public Offerings by The Indian Corporate

Abstract

Capital Markets are the important source of fund generation for Corporate. Various instruments have been used by the corporate for the capital structure of the Organizations. Most popular of capital market instruments being Equity Public Issues, Rights Issue, Qualified Institutional Placements, Corporate Bonds Public Issues and Private placement of Corporate Bonds. When it comes to the Primary Market and fund generation through Initial Public issues, over the years it has been seen that Equity is the most preferred instrument when it comes to fund generation for Corporate, and has been the major component of Capital structure when it comes to funds generated from Initial Public Offerings or Private Placement. But the biggest change in traditional trends of fund generation can be seen with the introduction of Non-convertible Debentures since 2008. The NCD public issues have replaced equity public issues in capital structure of Indian Corporate. Further it has been a significant contributor in overall fund generation as well, increasing the overall resources mobilized by the corporate.

The Introduction of Non-Convertible Debentures in the Capital market has been a significant reform, which has shown its effects in the last few years. The Instrument has become the most favorite instrument of the Corporate for Fund Generation through Public Issues replacing Equity issues. Equity was the most preferred source till 2003-2004 with nearly 25% contribution in overall Fund Generation. But since 2008, after the introduction of NCD's there has been a gradual replacement and in the year 2013-14 the NCD's have contributed nearly 25% in overall Fund generation with Equity contributing just 2% including Private Issues. When it comes to fund generation only through Public Issues, Corporate Bonds have crossed 90% out of Total funds generated through Public Issues.

To analyze and to assess this significant change Correlation between Total Resources mobilized and resources mobilized through Equity Public Issues and through Corporate Bond Public Issues between 2004-05 to 2008-09 and 2009-10 to 2013-14 has been calculated and further Regression tool has been used to prove the reliability of the statement and to prove that it has been a significant contributor in overall fund generation as well, increasing the overall resources mobilized by the corporate.

Keywords

Corporate Bond, Non-convertible Debentures, Primary Market, Initial Public Issue.

Introduction

Capital markets are the financial markets in which corporate equity and long term debt are issued and traded. It is a centre where the demand and supply of long term debt and equity capital meet together. It is a channel to direct the scattered small savings of the investors are directed towards the corporate for its productive application. It is the medium through which corporate can mobilize the resources required and so capital markets are the barometer of the health of the economy. Capital markets work as a facilitator for the sustainable development of the economy, as it does a dual job of providing long term funds to the corporate and an opportunity to invest in financial assets to investors. It is necessary that it should be well organized and regulated.

One of the important segments of Capital markets is Primary Market. It deals with issuance of new securities. The major function of the segment is it helps corporate, public sector institutions as well as the government raise resources (through issuance of debt or equity based securities).

To serve the economy better it is necessary for the capital markets to develop continuously. Indian Capital Market, though one of the oldest and largest capital markets in the world has seen a rapid growth and transformation in last few years. Major of the transformations are deregulation and economic reforms, disintermediation and financial sector reforms, institutionalization of capital markets, investors' preference for better disclosures and corporate governance measures on similar grounds to developed markets, globalization and tax reforms etc.

Market Segments

The securities market has two important segments, namely, the primary market dealing with new issues and the secondary or stock market facilitating the trading of the issued securities.

Another segmentation of Capital/ securities market can be done based on the instruments issued i. e. Stock or Equity Market and Debt (Bond) Market.

Debt or Bond Market: The bond or fixed income securities market where participants issue, buy and sell debt securities, usually in the form of bonds.

Introduction of Non-Convertible Debentures:

One of the big developments in the Primary Capital Market was Introduction of Non-convertible Corporate debentures (bonds).

Corporate Bonds: In broader terms Corporate bonds are fixed income securities issued by corporate i.e. entities other than Government. In general Bonds are also known as debentures. And is defined in Section 2(12) in The Companies Act, 1956 as "Debenture" includes debenture stock, bonds and any other securities of a company, whether constituting a charge on the assets of the company or not;

These are securities issued by private or public sector companies to borrow funds from the market. As per the companies act there is no specific distinction given between Corporate Bonds and Debentures. The term Debentures has been defined in Companies Act 1956 as follows "debenture includes debenture stock, bonds and any other securities of a company, whether constituting a charge on the assets of the company

Corporate Bond Market in India

The Corporate Bond Market in India is in existence since quite a long but in real sense it is in existence since December 2003, with the amendment in disclosure norms to make listing of companies made mandatory and with an initiative to provide a similar trading system for the bond market as like equity market. The objective being to provide a platform for corporate and investors to exchange and fulfill their needs i. e. mobilizing the funds at affordable rate in case of corporate and for investors, a good investment with good long term returns at less risk.

Need for a Well-Developed Corporate Bond Market

Supplement and a substitute to the banking system for funding – It is the need of the economy today to have a well developed bond market to supplement and can even work as a substitute for the banking system for meeting the requirements of the corporate sector for long term capital investment.

Necessity for Infrastructure Funding- Corporate bonds are the most necessary market for generating funds for infrastructure projects. Banking industry fails to do so because of the long term nature of the infrastructure funds which cause an asset liability mismatch for banks.

Bank Funding Regulations- The banking industry faces several lending restrictions such as maximum position exposure, sector exposure etc. which play a role in the lending decisions. Debt market allows the corporate to raise funds directly from the public bypassing the intermediaries.

Mopping Public Savings- Corporate bonds can work as an attractive investment instrument for investors seeking higher but secured returns as compared to time deposits; this would help in accelerating the mobilization of funds to savings which again can be used in the investment by the companies concerned.

Need of the Study

To achieve the expected GDP growth of Indian Economy, Development of Corporate Bond Market has been on the top list of agenda of the Government this being the highly untapped market. Many such reforms are taking place since 2007 in full force. It is important to assess if the reforms are in a right direction by checking the contribution of Debt public issues in to the Total resources generated and also by comparing it with the equity issue market, the most favoured market of corporates in case of public issues.

Review of Literature

One of the major function and very reason for existence of SEBI is to promote the capital market and protect investor interests. Various major far reaching reforms have taken place before the initiation of SEBI as well, but with the availability of a specific dedicated authority the process has speeded up. **Developments in Capital Market Since 1991**

Various reforms have taken place post SEBI reforms. It has helped the capital market reach new highs. Some of the important measures are

- Securities and Exchange Board of India (SEBI) becoming operationalized
- Setting of National Stock Exchange (NSE)
- Dematerialization Of Shares
- Screen Based Trading
- Investor Protection
- Rolling Settlement, Introduction of Clearing Corporation Of India Limited (CCIL) and National Securities Clearing Corporation Limited (NSCL)
- Trading In Central Government Securities
- Credit Rating Agencies
- Accessing Global Funds Market
- Internet Trading
- Derivatives Trading

Since 1991/92 many initiatives in the capital market mainly primary markets of equity and debt were taken by the new authority along with removal of restrictions imposed by the Capital Issues Control Act. To activate the corporate debt market in India the interest rate ceiling on corporate debentures was abolished giving way to market-based pricing of corporate debt issues. The rating was made mandatory In order to improve the quality of debt issues. The role of trustees in case of bond and debenture issues was strengthened over the years. It was made compulsory to list all privately placed debt issues on the stock exchanges and follow the disclosure requirements.

As a result tremendous growth was seen in the primary market the funds raised amount increased to Rs276.21 billion in 1994/95 in comparison to Rs62.15 billion in year 1991/92. Year 1995-96 saw another set of reforms where tighter entry barriers introduced by SEBI for investor protection as a result in 1995/1996 smaller amounts were raised due to the overall downtrend in the market. The number of new capital issues by private sector in 1991\92 was only 364 with 4,312 crores generated from it. It increased to 1,678 in 1994-95 and the amount rose increased to 26,418crore. Since 1995 the capital market was sluggish and the resources raised saw a negative turn and fell to 10,409 crores in 1996-97. In 2003-04, the amount raised from primary equity market was 18,900 crores with only 51 issues. And then the primary equity market saw a steady increase in funds mobilized till the year 2007-08 with around 20percent increase ever year.

During the same period the debt market was losing its shine. The proportion of resources mobilized through Debentures(bonds) went down to -1.2% in 2001-02 to 2003-04 from 11% in the year 1985-90 even after many above mentioned reforms taking place.

With a view to develop Corporate Bonds Market in India many reforms have been suggested and implemented. Many such changes were made since 2003 onwards to make the Corporate Bond Market more vibrant, both primary and secondary market.

But all these did not give the effect required. The biggest boost came in the form of **SEBI (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008**. These were notified in the Official Gazette dated May 26, 2008. The major features of these regulations include rationalization of disclosure requirements, increasing the role and responsibilities of merchant bankers for exercising due diligence and the most important being mandatory listing of private placement of debt issued as per exemption under S.67(3) of the Companies Act. The regulation made provisions for e-issuances of corporate debt and introduction of rationalized listing requirements for debt of a listed issuer. Few of the reforms following these regulations are as follows.

Simplified listing agreement for debt securities were put in place by SEBI in May 2009.

SEBI directed exchanges to present **issuer-related information on exchange websites in a uniform format in March 2010.**

Amendments were made in the Regulations for Mutual Funds, permitting Mutual Funds to set up **Infrastructure Debt Funds under the Mutual Funds Framework in August 2011.**

SEBI gave the directions that **no person connected with the issue shall offer any incentive, whether direct or indirect**, in any manner, whether in cash or kind or services or otherwise to any person making an application for allotment of such securities - **December 2011.**

Amendments were made in the SEBI (Disclosure and Investor Protection) Guidelines, 2000 in 2007 which included the following:

1. Requirement of Credit Rating:
 2. Issuance of below Investment Grade debt instruments
 3. Removal of Structural Restrictions:
 4. Compulsory clearance of trades through (NSCCL) or (ICCL) with effect from 1st December, 2009.
- Along with SEBI, RBI also took some important measures. Those being creating a reporting platform at FIMMDA, allowing Repo in corporate Bonds, increasing the FII investment limits and the most recent being, in January, 2013 permitted credit Default Swap, an insurance against default, on unlisted but rated corporate bonds even for issues other than infrastructure companies.

Recent Developments in Corporate Bond Market In India

- **Finance Bill 2012:** Qualified Foreign Investors (QFIs) are allowed to access Indian Corporate Bond market; A separate sub-limit of USD 1 billion has been created for QFIs investment in corporate bonds and mutual fund debt schemes.
- **Finance Bill 2013:** FIIs will be permitted to use their investment in corporate bonds and Government securities as collateral to meet their margin requirements.
- **A separate bond-trading platform at NSE** will be made operational soon.
- The Securities and Exchange Board of India (SEBI) has taken the initiative to collect all the important data of corporate bonds issued domestically and then create a comprehensive database of all corporate bonds issued in the country.

Capital Structure of Indian Corporates in Primary Market

Primary market has been the major source of funds for corporate Year 2013-14 saw an increase of 16.0% in the resource mobilization by corporates in the primary market i. e. to ` 4,033 billion (US \$ 67 billion). This was the result of an increase in resources mobilized through private placement route; capital raised through private placement saw an increase by 18.1 percent to ` 3,899 billion (US \$ 65 billion). But, resources mobilized through public issues went down by 4.4 percent to ` 133 billion (US \$ 2 billion), accounting for a mere 1 percent of the total resources mobilized domestically.

Objectives of the Study

- To study the meaning of Corporate Bonds, the need of a well-developed corporate bond market and the policy developments related to Corporate Bond Market.
- The study the fund generation pattern of Indian Capital Market and the study of trends and shift in trends in fund generation through IPO's pre and post 2008-09 periods.

Scope and Limitations of the Study

In this paper the researcher has concentrated on the specific part of the Capital Structure only, i.e. the proportion of Equity and Debt public issues in the Capital Structure of the Corporate and the impact of Corporate Bond Markets reforms (Introduction of Non-Convertible Debentures) on the same

The study is limited for the period of 10 years (2004 to 2014) and is limited to the comparison of public issue trends and the contribution of debt public issues in to total fund generation.

Hypotheses

H1: Corporate Bond Market reforms have resulted in change in preference of instruments for Capital with special reference to resources mobilized from Initial Public offerings by the Indian Corporate

H2: The corporate bond market reforms increased the fund generation for the corporate sector in India.

Research Methodology

For the purpose of this research paper the secondary data source was applied for the collection of the data. The sources mainly being SEBI guidelines on issue of Debt Securities, RBI Handbook and SEBI statistics and ISMR statistics, for the period of 10 years i. e. from 2004 to 2014. Data collected are edited and coded by using the excel bars. This helps in converting the gathered data into a tabulated grouped data.

For the purpose of analysis the data is grouped in to two groups' i. e. 2004-05 to 2008-09 and 2009-10 to 2013-14.

The data analysis methods used are as follows:

- Percentage Analysis is applied to represent the collected data for better understanding.
 - Correlation coefficient analysis is used to measure the strength of the linear relationship between two attributes of debt market investments.
 - Regression and R square analysis is used to show the significance of relationship between the variables.
- T test (sample for two means) is used to do the critical analysis.

Analysis of Data and its Interpretation

Capital structure is the combination of debt and equity that funds an organization's strategic plan. Capital Structure management has been impacted by a number of the developments like operational reforms in the area of credit assessment and delivery, interest rate deregulation, changes in the competitive structure of the banking and credit systems, and the emergence of money and debt markets. Based on these factors

the components of Capital structure and their proportion vary. The following table gives us the glimpse of the Resource mobilization by Indian companies divided in Corporate Securities and Government Securities

Figure 1: Resource Mobilization by Government and Corporate Sector

Issues	2011-12 (₹ bn)	2012-13 (₹ bn)	2013-14 (₹ bn)	2011-12 (US\$ bn)	2012-13 (US\$ bn)	2013-14 (US\$ bn)
Corporate Securities	2,336	3,451	4,033	46	63	67
Domestic Issues	2,308	3,441	4,032	45	63	67
Public Issues	129	139	133	3	3	2
Non-Govt. Public Companies	—	—	—	—	—	—
PSU Bonds	—	—	—	—	—	—
Govt. Companies	—	—	—	—	—	—
Banks & Fls	—	—	—	—	—	—
Private Placement	2,180	3,302	3,899	43	61	65
Euro Issues	27	10	1	0.5	0.1	0.02
Government Securities^{*1}	7,590	8,658	8,971	148	159	150
Central Government #	6,004	6,885	7,005	117	126.7	117
State Governments	1,586	1,773	1,967	31	33	33
Total	9,926	12,109	13,004	194	223	217

* This is equity public issue only

*¹ These are gross market borrowings of Central and State Governments.

only includes amount raised through dated securities.

Source: RBI

The data above clearly shows a steady increase in amount collected by corporate through public Issues in last few years.

In this paper the researcher has concentrated on this part of the Capital Structure only, i.e. the proportion of Equity and Debt public issues in the Capital Structure of the Corporate and the impact of Corporate Bond Markets reforms on the same.

The study of literature and the developments made in the Capital market in India and specifically Corporate Bond Market in India are with a view to increase the resources mobilized by the corporates and make the Debt Market a strong debt market. And it can be seen that a major step towards it was taken in the year 2008 with the introduction of Non-convertible Debentures. Despite the policy initiatives, the corporate debt constitutes a small segment of the debt market in India. While the primary market for debt securities is dominated by the private placement market, the secondary market for corporate debt is characterized by poor liquidity, although this has improved just slightly in recent years.

One of the reasons for the unfavoured treatment towards Public issues is Private Placements market. Due to the advantages the Private placement brings with it, it became the most favored source of funding for corporates even taking over the Equity Market Issues and amount generated.

The researcher here aims to analyse the impact of the policy initiatives specially introduction of Non-convertible debentures on the funds generated through Capital markets in India through the comparison of the situation in pre-introduction period that is before the year 2009 when the first public issue of NCDs hit the

market and the post introduction period, till date. For the Analysis the data for 10 years has been collected i. e. since 2003- 04 and divided in to two i.e. 2004-05 to 2008-09 and 2009-10 to 2013-14.

Table No. 1 - Proportion of Equity and Debt IPO's To funds generated through IPO's and Total Resources Mobilized (Rs. In Bn)

Year	Equity Public Issues	Debt Public issues	Total Public issues	% of EPI to TPI	% DPI to TPI	TRM	% EPI to TRM	% DPI to TRM
2004-05	245	39	284	86.27	13.73	838	29.24	4.65
2005-06	274	0	274	100.00	0.00	1092	25.09	0.00
2006-07	329	4	333	98.80	1.20	1322	24.89	0.30
2007-08	797	16	813	98.03	1.97	1968.58	40.49	0.81
2008-09	142	15	157	90.45	9.55	1900.02	7.47	0.79
2009-10	549	25	574	95.64	4.36	2901.28	18.92	0.86
2010-11	607	95	702	86.47	13.53	2882.49	21.06	3.30
2011-12	129	356	485	26.60	73.40	3032.62	4.25	11.74
2012-13	154	170	324	47.53	52.47	4001.97	3.85	4.25
2013-14	137	424	561	24.42	75.58	3394.99	4.04	12.49

Source: SEBI Handbook of Statistics 2004,2005,2006,2007,2008,2009,2010,2011,2012,2013
ISMR 2004 to 2013

The above table shows the data related to the Resources generated by corporates through Equity and Debt Public Issues, Total resources mobilized through Public Issues and Total Resources mobilized by the Corporate overall and Proportions.

The above tables, clearly show the preferences by corporates when it comes to fund generation.

Chart No. 1: Resource Mobilization through Public Issues (Rs.)

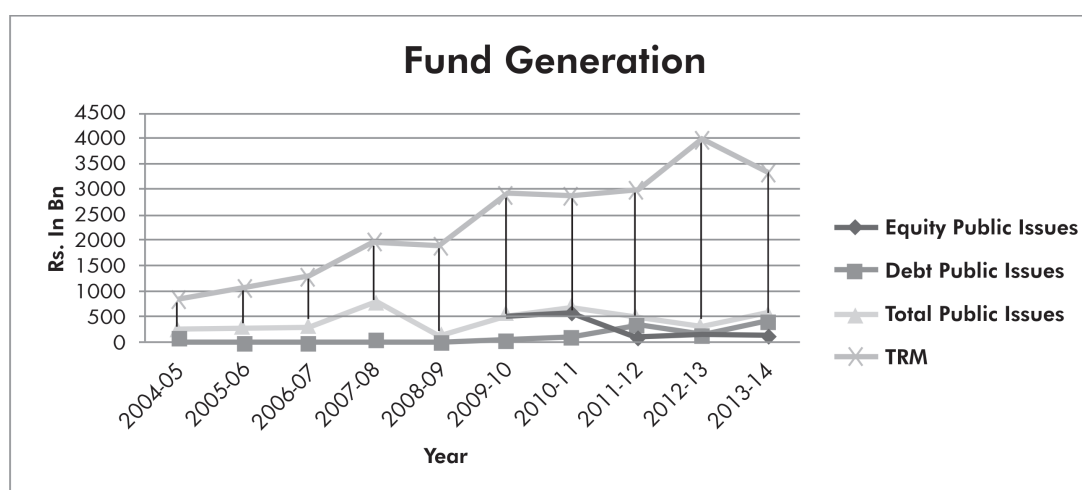
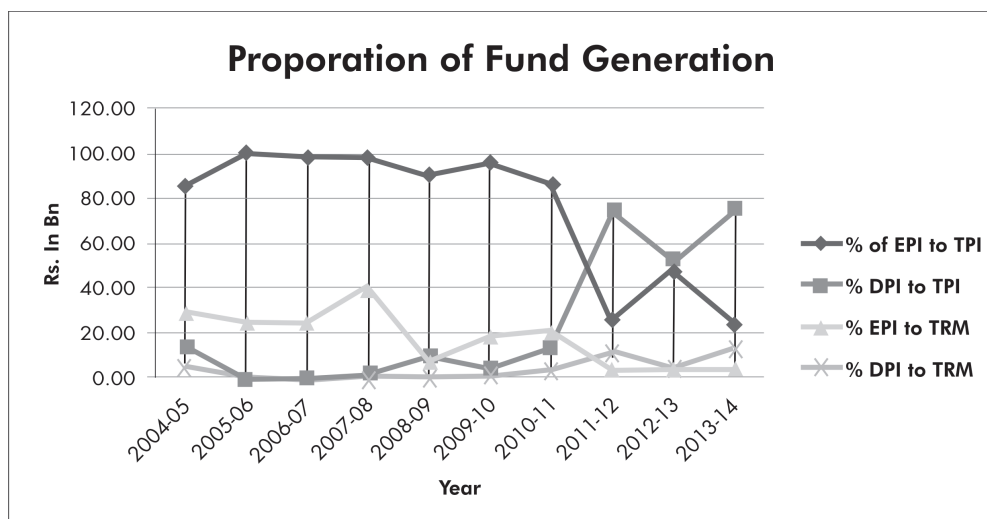


Chart No. 2: Resource Mobilization through Public Issues (%)



The reforms implemented in Corporate Bond Market specially the Regulations on Issue and Listing of Debt Securities gave a new instrument to generate funds for Indian Corporate, Non-Convertible Debentures.

The First Issue of NCD's came in the year 2009 by Tata's. And since then there has been a tremendous growth in using this instrument for resource mobilization. Equity has always been the preferred source of funds generation for the Indian Corporates when it comes to the Primary Capital markets. But as has been seen in Table No. 1 the Private debt placement has taken over drastically over the Equity both in terms of number of issues and amount generated. And now with the introduction of NCD's the change in preferences can be clearly seen. It is not that no steps have been taken to develop the equity markets. Infact it has always got the preferred treatment and many reforms have taken place recently. But with all those drastic changes as well the NCD's have taken over the place of equity as a most favoured instrument.

The proportion of Equity as a source of funds has gone down significantly over the years. If observed it can be seen that there has been a drastic fall in equity proportion in total resource mobilization since the year 2008-09 onwards. At the same time it can be seen that Debt public issue proportion has been growing consistently since the Issue guidelines have been put in force. The proportion of NCD's has gone up from less than 1% to more than 12 % in just a span of 6 years and from less than 5% to more than 75% when compared with Total resources mobilized Through Public Issues. The exactly reverse trends can be seen in equity proportion. The change can be clearly seen in the following tables. The following tables show the change in trends pretty clearly.

The percentage change in resources mobilized clearly is a signal of change in trends. The table shows that the proportion of equity which was increasing continuously and had even reached nearly 100% mark in the years 2005 to 2007 started falling and has reached just 7% in the year 2013-14 and the newly introduced NCD's proportion has gone up drastically to reach 93% in total resources mobilized by the Corporates through public issues.

But at the same time how much this new instrument is contributing to the total resources generated by the corporate and what is the contribution of Non-convertible Debentures in to the growth of funds generated is yet to be tested.

Though the percentage analysis shows a significant increase in the proportion of resources generated through NCD's to total resources generated but if it has been because of the introduction of NCDs only is an unanswered question. For the purpose further analysis is important.

The analysis helps us state that Debt issue have been replacing Equity public Issues over a period of time.

Further it also helps us state that Total resources mobilized are also on an increasing trend.

But it is important to understand the relation between the Debt Public Issues and the Total resources mobilized and Total Resources Mobilized through public Issues to find out if the Introduction of NCDs has been the reason for increase in Total resources mobilized.

The correlation table will help us understand the same.

Table No. 2: Correlation between Total Resources mobilized Resources Mobilized through Public Issues and Debt Public Issues between 2004-05 to 2008-09 and 2009-10 to 2013-14

Table No. 2: Correlation between GDP and Total Resources mobilized and its components between 2004-05 to 2008-09 and 2009-10 to 2013-14

Period		TRM	Equity	Debt	RMTPi	EPI	DPI
2004-05 to 2008-09	TRM	1.00					
	Equity	0.45	1.00				
	Debt	0.86	-0.07	1.00			
	RMTPi	0.45	0.99	-0.07	1.00		
	EPI	0.46	1.00	-0.06	1.00	1.00	
	DPI	-0.25	-0.08	-0.23	0.01	-0.04	1.00
		TRM	Equity	Debt	RMTPi	EPI	DPI
2009-10 to 2013-14	TRM	1.00					
	Equity	-0.80	1.00				
	Debt	0.98	-0.90	1.00			
	RMTPi	-0.30	0.05	-0.23	1.00		
	EPI	-0.80	1.00	-0.90	0.05	1.00	
	DPI	0.41	-0.74	0.54	0.64	-0.74	1.00

From the above correlation analysis we can interpret that

1. The analysis suggests that relation between Debt Public Issues and Total Resources Mobilized has turned positive from negative post reforms.
2. The relation between Debt public Issues and resources mobilized through Public Issues has turned negative from slight positive i.e. from .0147 to -.2074 suggesting negative relation between the two
3. The relation between Total Resources mobilized and Resources mobilized through public issues has turned negative post reforms, from somewhat positive to strong negative.
4. There is an inverse relation between the resources mobilized through Equity and Debt both for the period 2004-05 to 2008-09 and 2009-2010 to 2013-14 which is a post reforms period. In fact it can be observed that the negative relation has become stronger in Post reforms period.
5. Before the Period 2008-09, 99 percent of the total resources mobilized were through equity and only 1 percent through Debt. Post reforms period there is a complete shift in the scenario and Debt Public issues have replaced Equity Public Issues. The debt proportion has increased to 63% whereas Equity has gone down to just 5%
6. But if a detailed analysis is done between the Debt Public issues mainly Introduction of Non-convertible

debentures in the year 2009 and other variables that is total Resources mobilized, Total resources mobilized through Debt and Resources mobilized through public issues, the relation has become positive and stronger in the post reforms period suggesting a significant contribution of Public issues of Non- Convertible Debentures.

Table No. 3: Growth in Total Resources mobilized Growth in Resources Mobilized

Year	TRM	RMPI	Equity PI	Debt PI	Growth in TRM	Growth in RMPI	Growth in EPI	rowth in DPI
2003-04	716	232	189	43				
2004-05	838	284	245	39	0.1704	0.2241	0.2963	-0.0930
2005-06	1092	274	274	0	0.3031	-0.0352	0.1184	-1.0000
2006-07	1322	333	329	4	0.2106	0.2153	0.2007	4.0000
2007-08	1968.58	813	797	16	0.4891	1.4414	1.4225	3.0000
2007-08	1900.02	157	142	15	-0.0348	-0.8069	-0.8218	-0.0625
2008-09	1900.02	157	142	15				
2009-10	2901.28	574	549	25	0.5270	2.6561	2.8662	0.6667
2010-11	2882.49	702	607	95	-0.0065	0.2230	0.1056	2.8000
2011-12	3032.62	485	129	356	0.0521	-0.3091	-0.7875	2.7474
2012-13	4001.97	324	154	170	0.3196	-0.3320	0.1938	-0.5225
2013-14	3395.12	324	137	424	-0.1516	0.7315	-0.1104	1.4941

Table No. 4: Regression analysis Between Total resources mobilized to Debt Public Issues

Year	R Square	Significance F	P-value	
			Intercept	X Variable 1
2004-2008	0.156110976	0.510345926	0.174572249	0.510345926
2009-2014	0.406450393	0.247219729	0.142019686	0.247219729

Analysis

The r-square in Table No 4 has shown an increase from .15 to .40 indicating that Debt public issues were more than the non-debt issues by Indian corporate. Further, the change in the TRM can be largely being attributed to these issues rather than no-debt issues.

But the significance F value and P value do not support the above statement. So to further check the reliability of Data Two tailed sample T test has been used for the analysis.

Table No 5: T test for sample means

Particular	T Value	Critical Value for One tailed test	P Value for One tailed test	Critical Value for Two tailed test	P Value for Two tailed test
TRM	17.21	2.13	3.33773E-05	2.77	6.68E-05
DPI	2.51	2.13	0.032941084	2.77	0.065882

Total Resources Mobilized

T value (17.21) is much higher than the Critical test for a one tailed test (2.13) so we can state that there is a significant increase in Total Funds generated post 2009.

Same result can also be reached because of the p value for one tailed test is less than alpha (0.05). P value is (0.0000333773120038582)

T value is 17.21 is larger than the critical t value for the two tailed test (2.77) means it can be stated with 95% certainty that there has been a change in the means from before to after.

P value for two tail is (0.0000667546240077164) less than alpha supporting the above statement.

Debt Public Issues

T value (2.51) is greater than the critical test for a one tailed test(2.13)so we can state with 95% certainty that there has been an increase in total funds generated through Debt IPO post 2009.

Same result can also be reached because of the p value for one tailed test is less than alpha.

T value is 2.51 is lesser than the critical t value for the two tailed test (2.77) means it can be stated with 95% certainty that there hasn't been a change in the means from before to after.

P value is greater than alpha supporting the above statement

Analysis

From the results of Regression Test and T test it can be said that

H1: Corporate Bond Market reforms have resulted in change in preference of instruments for Capital with special reference to resources mobilized from Initial Public offerings by the Indian Corporate.

H2: The corporate bond market reforms increased the fund generation for the corporate sector in India.

Conclusion

Capital markets are the backbone of the economy of a country because of the major role it plays to generate funds the Corporates. Over the years it was seen that equity was the most favoured instrument when it comes to fund generation through public issue. With the introduction of Non-convertible Debentures there has been a shift in preference by the Corporates. NCDs have now become the most favored source of fund generation through public issue. And further are contributing significantly to the total resources mobilized by the corporate. But at the same time the relation between Debt public issues and resources mobilized through public issues has turned negative post reforms. So it can be said to be a start of new era as far as Total resource generation is concerned. And it can also be said that the efforts are put in a right direction as they are generating expected results. Still the regulatory authorities need to introduce few more corporate and investor friendly reforms to continue the trend by making the issues more corporate friendly so that to end up contributing more to the fund generation.

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To assess Key Drivers Influencing Businesses to Consider e-Learning Technologies in India

1. Introduction

1.1. The Rise of Technological Education and Learning

Learning is a continuous process for any human being throughout his/ her life. Formally or informally learning happens in an individual's life. A learning activity can be defined as an interaction between a learner and an environment, leading to a planned outcome. It is the planned outcome which makes learning a purposeful activity. Learning is defined as a change in behavior. In other words, learning is approached as an outcome – the end product of some process. It can be recognized or seen. Learning is measurable and relatively permanent change in behaviour through experience, instruction or study. Whereas individual learning is selective, group learning is essentially political. Its outcomes depend largely on power playing in the group. Learning itself cannot be measured, but its results can be. In the words of Harvard Business School psychologist Chris Argyris, learning is "detection and correction of error" where an error means "any mismatch between our intentions and what actually happens." Use of technology to facilitate learning is accepted to be of value across educational institutions. Government of India has taken cognizance of the institutional support required for resources in E-learning and formulated the national mission on education through ICT. However, the focus is still largely on getting the infrastructure and creating the e-learning content. It is necessary to consider the individual factors that play an important role in the adoption of E-learning. For example, attitude of students and teachers towards e-learning may affect their acceptance of the technology in the teaching-learning process. While there have been studies to understand the factors of the instructors (e.g. release time for staff to engage in E-learning) and students (e.g. learning style) in acceptance of E-learning separately, a comprehensive view that considers both students and teachers in the same model is lacking (Jung, et. al., 2008; Nanayakkara 2007).

The goal of the Industry Integration of E-Learning business activity is to help industry sectors meet workforce needs through the use of E-Learning. A wide range of learning approaches exists already. For example E-Learning, blended learning, and distance learning which utilize information and communication technology (ICT).

1.2 Rationale

The Concept of E-Learning

American Society for Training and Development (ASTD) described E-Learning as anything delivered, enabled, or mediated by electronic technology for the explicit purpose of learning. It also refers to the technology and services that help create, deliver, and manage those activities (as cited by Piskurich, 2003). The American Society for Training and Development's definition of E-Learning covers a wide set of applications and processes, such as Web-based learning, computer-based learning, virtual classrooms, and digital collaboration. It includes the delivery of content via Internet, intranet/extranet (LAN/WAN), audio-and videotape, satellite broadcast, interactive TV, and CD-ROM.

According to New Ambient Insight Report, the Asian E-Learning market is expected to reach \$11.5 billion by 2016. It is revealed that the 2 countries with the highest growth rates in the world are Vietnam and Malaysia, with 44.3% and 39.4% respectively. Following closely behind these countries are Thailand, Philippines, India and China, with 30%-35% growth rate.

International Data Corporation (IDC) forecasts that the global E-learning market, which was about \$6.5 billion in 2003, is increased to more than \$21 billion by 2008, and will hit \$85B by 2015. According to

an education sector report by Credit Lyonnais Securities (Asia) -CLSA Asia Pacific Markets, the E-learning market size is estimated at \$27 million or Rs. 105crore, which is projected to grow to \$280 million or Rs. 1,592crore by 2015.

ASTD's 2010 State of the Industry Report shows that E-learning is still increasing as it now accounts for 27.7 percent of corporate training, its highest level since ASTD began collecting data on the use of technology for this report 14 years ago and in 2008, it was 23.1 percent. In the 2010 market, corporations are the top buyers of Self-paced elearning. By 2015, corporations will still be the top buyer, followed by higher education.

India has a major role to play in the international E-learning services industry. It is already one of the leading IT service provider countries, and it is now aiming to achieve the same position in the IT enabled services. Comparing to the size of the US E-learning market valued at \$4 billion or Rs 15,600 crore, and it may appear rather small, but the potential for growth in India given the huge population, lack of educators, etc, is much more.

The estimated growth has highlighted the need of implementation of E-learning on a large scale in India. There is also a need to analyse as to how E-learning will contribute to the technical and professional qualifications to meet the individual and professional needs of the industry.

2. Literature Review

Conceptual Approaches of Learning

Objectivism: Objectivist conceptions of learning assume that knowledge can be transferred from teachers or transmitted by technologies and acquired by learners.' Jonassen (1999) Objectivists are primarily concerned with assuring that the content they create and implement is comprehensive and accurate with respect to ultimate "truth" as they know it. [Reeves, T (1994)]

Instructivism: Instructivists stress the importance of goals and objectives that exist apart from the learner. Direct instruction demands that content be sharply defined and that instructional strategies focus as directly on pre specified content as possible. [Reeves, T (1994)]

Behaviorism: "Behaviorism is a worldview that operates on a principle of "stimulus- response.""

Cognitivism: 'The cognitivist paradigm essentially argues that the "black box" of the mind should be opened and understood. The learner is viewed as an information processor (like a computer).

Humanism: Humanism is a paradigm / philosophy / pedagogical approach that believes learning is viewed as a personal act to fulfill one's potential. It emerged in the 1960s, focuses on the human freedom, dignity, and potential.

Constructivism: Constructivism as a paradigm posits that learning is an active, constructive process and that people actively construct or create their own subjective representations of objective reality. New information is linked to prior knowledge, thus mental representations are subjective.

Connectivism: Connectivism is the integration of principles explored by chaos, network, and complexity and self- organization theories. Learning is a process that occurs within nebulous environments of shifting core elements. Learning defined as actionable knowledge can reside outside of ourselves i.e. within an organization or a database, is focused on connecting specialized information sets, and the connections that enable us to learn more are more important than our current state of knowing. Siemens (2005)

Discovery / Inquiry Learning: Discovery Learning is a method of inquiry-based instruction; discovery learning believes that it is best for learners to discover facts and relationships for themselves.

Experiential Learning: A four-stage cyclical theory of learning, Kolb's experiential learning theory is a holistic perspective that combines experience, perception, cognition, and behaviour.

Case Based Learning: Case-based learning has developed a variety of interpretations and applications. The approach is most broadly defined as requiring "students to actively participate in real or hypothetical problem situations, reflecting the kind of experiences naturally encountered in the discipline under study" (Ertmer & Russell, 1995).

Problem Based Learning: Problem-Based Learning (PBL) is an instructional method of hands-on, active learning centred on the investigation and resolution of messy, real-world problems.

Scenario Based Learning: Errington (2008) describes scenario-based learning as educational approaches that involve an intentional use of scenarios to bring about desired learning intentions.

Situated Learning: Collins (1988) defined situated learning most simply as; "the notion of learning knowledge and skills in contexts that reflect the way the knowledge will be useful in real life". The model of situated cognition is based upon the notion that knowledge is contextually situated and is fundamentally influenced by the activity, context, and culture in which it is used (Brown, Collins & Duguid, 1989) cited in McLellan, H (1996) p. 6)

Authentic Learning: For authentic learning to occur, learners must be engaged in an inventive and realistic task that provides opportunities for complex collaborative activities. Authentic learning has its foundations in the theory of situated cognition or situated learning, together with other pedagogical approaches developed over the last two decades, such as anchored instruction.'

Guild Annual Research Report, April 2006 was on the subject of future directions in E-learning. From their survey sample it was noticed that "designing and developing E-learning content" activity will get more focus and attention in future. The second highest priority, according to this report is the "addressing learner requirements and preferences". For an organization, "Extend the global reach of the E-learning content" is the focusing priority area to get the content out

Unified Theory of Acceptance and Use of Technology (Glen Finger, Venkatesh, et. al. 2003). ELAM (e-learning acceptance model) identifies the key factors in acceptance of E-learning as measured by behavioural intention to use the technology and actual usage. The four determinants of E-learning acceptance are – (i) performance expectancy, (ii) effort expectancy, (iii) social influence and (iv) facilitating conditions. Performance expectancy is based on beliefs about perceived usefulness, interactivity and flexibility. Effort expectancy is based on beliefs about ease of learning, perceived ease of use and self-efficacy. Social influence is based on subjective norm and image. The main contribution of the paper is that it presents a framework to understand e-learning acceptance as governed by the teacher, student and institutional factors. "E-Learning exploits interactive technologies and communication systems to improve the learning experience. It has the potential to transform the way we teach and learn across the board. It can raise standards, and widen participation in lifelong learning. It cannot replace teachers and lecturers, but alongside existing methods it can enhance the quality and reach of their teaching." Wagner, N., Hassanein, K., & Head, M. (2008).

Joint SFEFC/SHEFC E-Learning Group: Final Report 2003:

"E-Learning is fundamentally about learning and not about technology. Strategic development of e-learning should be based on the needs and demands of learners and the quality of their educational experience", And in the broadest sense, effective learning is likely to occur when opportunities to learn involve:

- " the right resources
- " the right mode (or blend of modes) of delivery
- " the right context

- " the right learners
- " with the right level of support

E-Learning Types – Internet based mode

Online Learning:

In this type of learning the learner can access the all study material online in form of word documents, visuals, pictures, videos with audio.

Video Conferencing:

In this type of learning the learner can communicate face to face with teacher or instructor who is seating somewhere else. In video conferencing instructor can communicate with multiple learners. As compare to other E-learning technologies this technology is costlier.

Webinars/ Web Based Learning:

This type of learning is like online seminar so it is called as Web-seminar/webinar. In this type of learning the instructor uses the audio, video to instruct multiple learners online as seminar. After whole presentation participants can ask related queries or questions. Generally this form of webinars are industry focus and very beneficial because it saves time of participants and also helps in reducing cost of travelling and other expenditure.

Remote Access:

This form of method is very exceptional. In this method the instructor can access the device of learner and instructor performs all activities on that device instead of learner. Instructor can guides how to perform various tasks on devices for better understanding of learner.

E- Learning Techniques – the Historical Background.

a) Correspondence Teaching- This dates back to 1728, when Caleb Philipps, professor of short hand, published an advertisement in the Boston Gazette offering teaching materials and tutorials. However, the first testimony of an organized correspondence course in which there was bidirectional communication comes from England, in 1840, when Isaac Pitman initiated a short hand course. From those early stages, correspondence institutions appeared in the United States and other European countries.

b) Multimedia Teaching- This stage is a product of the 1960s, when the British Open University was founded (Aretio, 2001 cited by Alcalá, n.d). Here the use of printed materials was joined by audiotapes, videotapes, radio, TV broadcasts, telephone, etc.

c) Telematic Teaching- This dates to the dates the 1980s. This decade marks the arrival of modern telecommunications in the education scene.

d) Teaching Through the Internet- It is the Internet age and e-learning was described as fourth generation distance teaching, virtual campus, virtual teaching, flexible learning model, etc. It involved the application of two-way communication. Added to all these developments ICT supported education quickly became the hot topic in the 1990's due to spreading use of the World Wide Web and its fast developing applications.

Rieber, & Welliver, (1989) defined e-learning as "web-delivered and/or web-supported teaching and learning using computer, multimedia, and internet technologies." E-learning is a means of education that incorporates self-motivation, communication, efficiency, and technology. E-learning is also called Web-based learning, online learning, distributed learning, computer-assisted instruction, or Internet- based learning. E-learning instructional techniques encompass all the instructional approach involving the use of electronic medium for instruction. This will includes Computer assisted instruction (CAI) and web/online/mobile and also learning

through radio, tapes, video tape, internet and television. E-learning literally means electronic learning. The use of E-learning in instruction adopts in its main the principles of artificial intelligence. E-learning in the delivery blend enables teachers to cater to a wide range of learning styles such as auditory learning, visual learning and self-testing through puzzles and quizzes, and kinetic learning through workplace simulations.

Technology is developed to solve problems associated with human need in more productive ways. If there is no problem to solve, the technology is not developed and/or not adopted. Applying this principle to educational technology would mean that educators should create and adopt technologies that address educational problems, of which there are many. Further, a technology will not be adopted by educators where there is no perceived need or productivity gain. This is what Lankshear and Snyder (2000) refer to as the 'workability' principle, therefore when discussing applications of computer technology to education the question must always be asked as to what educational problem(s) needs to be addressed. This question needs to be asked at all levels of decision-making, from the teacher planning a programme, to a school administrator purchasing hardware and software, to an educational system officer developing policy and strategic plans.

E-learning is beneficial to education, corporations and to all types of learners. It is affordable, saves time, and produces measurable results. E-learning is more cost effective than traditional learning because less time and money is spent traveling. Since E-learning can be done in any geographic location and there are no travel expenses, this type of learning is much less costly than doing learning at a traditional institute. Flexibility is a major benefit of E-learning. E-learning has the advantage of taking class anytime anywhere. Education is available when and where it is needed. E-learning can be done at the office, at home, on the road, 24 hours a day, and seven days a week. E-learning also has measurable assessments which can be created so the both the instructors and students will know what the students have learned, when they've completed courses, and how they have performed.

E-Learning Technologies in Classrooms

E-Learning is a thus broad term that covers teaching, learning and the enabling educational environment. It can use a range of pedagogical approaches and electronically supported technologies. Some examples of using technologies in E-learning classrooms are below:

- 1) One-to-Many (communication between the teacher and the class as a whole):
 - a) Online classes. Content can include lecture notes, assignments, message boards, linked bibliographies of readings and websites, quizzes, and chats.
 - b) The viewing of TV shows, videos or other previously prepared material at a central location. The teacher in a multi-media classroom projecting content using a projector or screen, or using an interactive whiteboard. The content can range from PowerPoint slides, news broadcasts, interactive websites, and the teacher drawing graphics, to educational software demonstrating a virtual chemistry experiment.
 - c) Distant learning classroom or video-conferencing, in which a teacher is broadcast live to a single or to multiple remote classrooms. The distant rooms can communicate to the teacher and others through text or audio chatting, or video.
- 2) One-to-One (student and teacher communicate)
 - a) Teachers monitors individual student activity and progress using a feedback program
 - b) Teacher reviews assignments, questions.
- 3) One-Alone (student alone with course content, self-paced)
 - a) E-reading devices with textbook or other reading material

- b) Interactive lessons, exercises, quizzes, games or other software that a student accesses through a computer, mobile phone, tablet or other. Applications may predict and suggest content based on student behaviour and progress.
 - c) Student conducted research, writing and other homework preparation on a laptop or other computer.
- 4) Many-to-Many (students communicate among themselves)
 - a) Students communicate in a class discussion group, share information or communicate with people outside the classroom
 - b) Student group presentations.
- 5) Teacher Training
 - a) Teachers access training materials, exercises and take tests using online or hosted material and software
 - b) Teachers form a “community of practice” to share experiences; get ideas in a social media type of environment.
- 6) School Administration
 - a) Learning management system
 - b) Computer aided assessments (tests, grades).

E-learning Technological Up gradation in Classroom

There are many E-learning settings and technologies available to use in schools, each with their own advantages and applications. Often the best solution is a combination of technologies depending on the particular need and learning environment.

Multimedia Classroom

In a multi-media classroom, educational content is delivered to students in a one-to-many approach. This is cost efficient per pupil, and can provide a large amount of educational resources to students. Classrooms would be equipped with a projector, screen (or large LCD), speakers and a classroom computer. The teacher could display various types of content that is housed either on the classroom computer or on the teacher’s laptop or other device. The teacher would be able to adapt and project various content (e.g., videos, PowerPoint slides, augmented reality, multimedia presentations, the teacher drawing a graph, etc.). A connected classroom would have wireless or wired communications to a “cloud” of resources. The teacher would thus have access to a wide range of content from the library on the cloud. The computer housing the content could be locally based at the school (which would obviate the need for inter-school communications, and be reliable), at a district or national educational headquarters, or elsewhere.

Connected multi-media classrooms would permit distant classroom teaching, in which a teacher in one school or from a studio could deliver live, interactive lectures to classrooms in other schools. The distant classrooms would need to be outfitted with video cameras and microphones, as well as projectors and speakers, to communicate with the distant teacher.

Computer Lab

A computer lab is among the most recognizable form of e-learning technologies. A computer lab usually consists of many single personal computer stations. This is a common arrangement found in schools throughout the world. There are many educational software packages available that could be installed for student use. Separate stations permit individual students to move at their own pace through material. Teachers can also lead students or student teams through guided exercises, with each following on their own station. Free computer time itself is a valuable educational resource. Installing separate computers is an easy

to set up, since it is simply single stations behaving independently. Computer labs can be, however, more expensive per student due to the individual computers and software licenses. They may also have higher power consumption demands, depending on the computer or device, necessitating low-cost power solutions.

Multi-seat computing consists of using one powerful personal computer with extra video cards to support up to eight independent “seats” (each with its own monitor, keyboard and mouse running separately). They can be put in a computer lab for students or teachers to use, or in classrooms. There are several commercially available multi-seat operating system software options including by Microsoft and Linux. This system has the advantage of using much less power than other options. It is usually the least expensive per user as well.

Single Station, Personal Computers

A variety of types of single station devices are available:

- a)** Personal computer (PC). A PC is a common approach for using computers in homes and offices. It consists minimally of a computer, one or two monitors, a keyboard and mouse. Each computer has its own operating system and software programs. From a setup and maintenance standpoint this type of system is advantageous. It is easy to maintain and does not generally require a specially trained computer technician to fix most hardware and software problems. However, if each student were to have a computer, this would be among the more costly options to implement, particularly in rural areas reliant on solar power. This would be useful particularly for teacher stations or single stations in the back of classrooms.
- b)** Micro Computer. A microcomputer is similar to a standard single station except that it uses a small form factor case with a generally slower processor. Power consumption can be much lower than a single station, and thus suitable when power is limited. The computers are, however, difficult to repair and may be prone to theft and overheating; the lifespan of these devices is not yet known. Software maintenance is similar to a standard single station.
- c)** Laptop or notebook. Laptops and notebooks are among the easiest educational solution to set up. They usually come with software preinstalled and only a power outlet is needed to begin using the system. The power consumption is low compared to a personal computer. Hardware maintenance can be difficult, but software maintenance is standard. One of the disadvantages is product lifespan; they are easy to steal and are prone to accidents (a spill on the keyboard can easily destroy it; new rugged laptops reduce this risk). New design and battery technologies are lengthening battery life in some machines. Laptops may be an excellent solution for teachers. Teachers could bring a laptop to work from home, and then connect it to the classroom projector.
- d)** Small, Personal Devices: Small, personal devices such as tablets, smart phones and e-readers are similar in that they are all relatively new technologies. They are rapidly gaining popularity due to their declining price, large number of web-based software applications, powerful graphics, and enjoyment of use. Educational uses could include listening to audio lessons or audio books, gaming, watching videos, and reading. Writing is more difficult if the device doesn't have a keyboard. Schools and teachers can develop teaching material applications for mobile devices using existing software.

Nevertheless, the maintenance requirements and lifespan of smart phone and other small devices in difficult environments are not yet known. Similar to laptops, they can be easily lost or stolen, and are prone to accidents. A difficulty in adapting educational software is that the various brands and styles have different operating systems and screens, and each may require separate configuration. Their batteries need to be frequently recharged, but individual external solar panels could be used. The cost of Internet or telecommunications time for teachers, students or schools may also be a limiting factor. Some of these challenges are being addressed by private companies and others who are designing engineering solutions and new software for the devices.

E-Learning in Corporations

As the Information Age advances, organizations are placing greater emphasis on attributes such as agility,

adaptability and responsiveness. People are valued not only for their skills but also for their ability to embrace change and continuous learning. From an organization's point of view, developing agility is much more than managing existing knowledge. It is about creating learning processes that enable workforce to generate new knowledge and adapt old knowledge to new ends. "Speed is a key element in this process" (Bowles, 2004, p. 119). "E-Learning has progressed from simply delivering learning outcomes to encompassing first knowledge management and now human capital management" (Bowles, 2004, p. 51). E-Learning already has thousands of success stories, E-Learning – the combination of tools, processes, and content - is already helping companies in achieving its learning goals, emphasized Clark Aldrich (as cited by Piskurich, 2003).

3. Gaps Identified

The literature review helped to identify the following **Key drivers influencing businesses to consider E-Learning technologies**

Key drivers influencing businesses to consider E-Learning technologies

Cost: E-Learning can reduce costs of travel and lost productivity associated with face-to-face training, and can also reduce costs of content development because content can be reused and repurposed.

Scalability: Networking or Internet capabilities permit content to be scaled up to large numbers of learners, with multiple presentations of learning material to cater for differences between learners and variations in access to computers and networks.

Modularity: The creation of E-Learning content in short 'chunks' increases potential for flexible access.

Timeliness: E-Learning technologies can be used to enable learners to gain access on an as-needed, where-needed basis and deliver immediate knowledge required for performance-improvement needs.

Relevance: Access methods and content can be customized and adapted to the learner's needs and context.

Accountability: Evaluation can be enhanced by electronic mechanisms for providing feedback on the performance of learners, managers and E-Learning developers.

In addition to lower delivery cost, E-Learning is more cost effective because there is a reduction in training time known as learning compression. This refers to cost of staff attending the training course rather than the direct delivery costs in terms of trainers, course materials, travel and accommodation. E-Learning can deliver benefits by reducing the time it takes to train people. According to Brandon Hall (2000) these factors can add up to an average compression (savings of learning time) of 35 to 45 percent when a course is taken out of the classroom and delivered as E-Learning.

However there is a need to study the impact of these drivers on its stakeholders i.e., learners (students and employees), educational institutions and employers.

The following gaps were identified

E-Learning drivers and its linkage to learners: There is a need to understand the impact of these drivers on learner's needs, in terms of his motives for learning, prior experience of learning, social and interpersonal skills, preferred learning styles and ICT competence to establish the critical success factors for E-learning to be widely accepted by learners.

4. Objective of the Research Paper

The objective of the research is as mentioned:

To study the **key drivers influencing businesses to consider E-Learning technologies and positive and negative aspects of E-learning on stakeholders i.e., learners and educational institutions.**

1. To assess the impact of key drivers influencing **businesses to consider E-Learning technologies** with respect to instructional/ technology support provided by a business/ corporation/ institution
2. To study the positive and negative aspects of e-learning in the light of learner's motives for learning, prior experience of learning, social and interpersonal skills, preferred learning styles and ICT competence

5. Research Methodology

5.1 Nature of research:

The research is Descriptive in nature. The dependent variables in this study have been chosen as:

1. Learner's intended outcomes
2. Learner's satisfaction and employability.

Learner's intended outcomes: To study the effective use of ILT (information and learning technology) on students' intermediate outcomes, namely:-

- acquisition of knowledge and skills and
- development as autonomous learners.

The Learner's Learning Outcomes and Learner's Employability are influenced by the following independent variables or elements (refer pictorial represented below):

1. Learner's qualities
2. E- learning environment
3. The learning activity

Learner's qualities - Age, education, experiences, job profile, needs, motives, prior experience of learning, social and interpersonal skills, preferred learning styles, ICT competence.

The learning activity and approach taken - the means by which the practitioner brings about learning and seeks to influence the development of the learners - learning styles, inclusion, assessment.

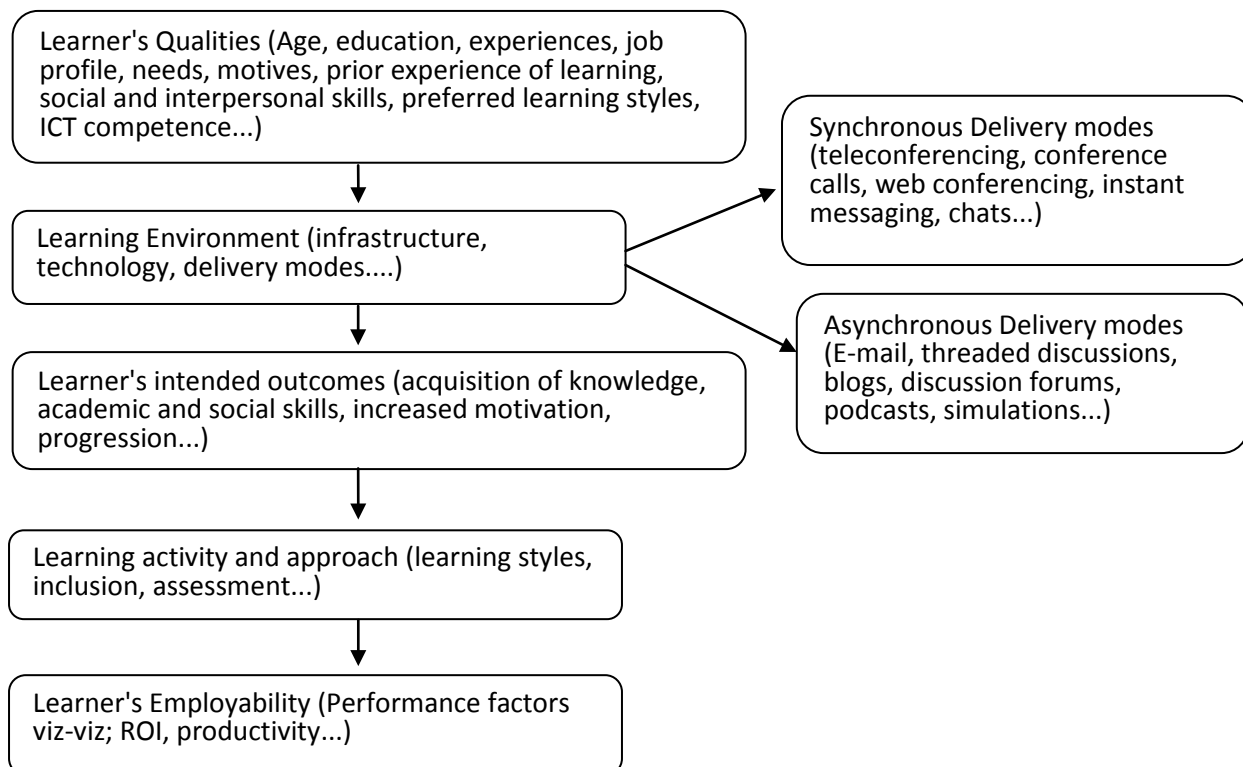


Fig 1: An integrated model developed from previous studies consisting of factors in five dimensions will be used to guide the research.

5.2 Secondary Data Sources

The secondary source of data will be journals, articles, research papers, reference books, organizational records.

5.3 Primary Data Sources

The primary data will be collected through the structured telephone, email questionnaire.

5.4 Sampling Plan

The target population of the study is 150 E-learners and 40 business corporations who have implemented E-learning platforms.

5.5 Research Instrument

The research would be conducted using a coded questionnaire and an Interview schedule for learners and institutions. It will comprise of quantitative and qualitative statements. The quantitative section would be tested using SPSS 20.

Factors for choice of E-learning course

Gender		Location	Technology required to undertake the course	Ease of availability of course material	Institution that provides the course	Author/ Instructor of the course	Cost of the course	Flexibility of time
Female	Mean	1.72	1.88	2.16	2.36	1.95	1.81	1.33
	Median	1.00	2.00	2.00	2.00	2.00	1.50	1.00
	Std. Deviation	1.136	.957	1.056	1.252	1.146	1.034	.604
	N	58	58	58	58	58	58	58
Male	Mean	1.72	1.95	2.04	1.91	2.01	1.73	1.25
	Median	1.00	2.00	2.00	2.00	2.00	1.00	1.00
	Std. Deviation	1.088	.938	1.120	1.053	1.057	.994	.564
	N	95	95	95	95	95	95	95
Total	Mean	1.72	1.92	2.08	2.08	1.99	1.76	1.28
	Median	1.00	2.00	2.00	2.00	2.00	1.00	1.00
	Std. Deviation	1.103	.943	1.094	1.150	1.088	1.007	.579
	N	153	153	153	153	153	153	153

There seems to be no difference between males and females in the mean rating for different factors for choice of E-learning course. Yet we will test below statistically by applying t-test.

T-Test - Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Location	Male	95	1.72	1.088	.112
	Female	58	1.72	1.136	.149
95	Male	95	1.95	.938	.096
	Female	58	1.88	.957	.126
95	Male	95	2.04	1.120	.115
	Female	58	2.16	1.056	.139
95	Male	95	1.91	1.053	.108
	Female	58	2.36	1.252	.164
95	Male	95	2.01	1.057	.108
	Female	58	1.95	1.146	.150
95	Male	95	1.73	.994	.102
	Female	58	1.81	1.034	.136
95	Male	95	1.25	.564	.058
	Female	58	1.33	.604	.079

Independent Samples Test

	t-test for Equality of Means			
	T	df		Sig. (2-tailed)
Location		-.045	151	.964
Technology required to undertake the course		.432	151	.666
Ease of availability of course material		-.619	151	.537
Institution that provides the course		-2.421	151	.017
Author/ Instructor of the course		.342	151	.733
Cost of the course		-.500	151	.618
Flexibility of time		-.776	151	.439

6. Conclusion

In above table t-value, degrees of freedom (df) and P-values (Sig.) are given.

The difference between mean rating of the two groups viz. males and females will be significant if P-value is ≤ 0.05 .

Since all P-values are > 0.05 except for "Institution that provides the course", the rating given by males and females for this factor is statistically significant.

In the first table of t-test the mean rating given by females (2.36) is higher than males (1.91) we therefore can say that females give higher preference for "Institution that provides the course" i.e. BRAND.

7. Annexure

What has been the purpose of pursuing a course through E-learning?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MOTIVATION AND LEADERSHIP	1	.7	.7	.7
	Academic qualification	39	25.5	25.5	26.1
	Hobby/ entertainment	3	2.0	2.0	28.1
	Other (please specify)	1	.7	.7	28.8
	Personal / Self development	40	26.1	26.1	54.9
	Professional certification	69	45.1	45.1	100.0
	Total	153	100.0	100.0	

What has been the purpose of pursuing a course through E-learning? - Other (please specify)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		152	99.3	99.3	99.3
	MOTIVATION AND LEADERSHIP	1	.7	.7	100.0
	Total	153	100.0	100.0	

On a scale of 1-5, rank the weightage of each of these parameters while choosing to pursue a course through e- learning. (1 – Highest ; 5 – Lowest) – Location

		Frequency	Percent	Valid Percent	Cumulative Percent
	1	95	62.1	62.5	62.5
	2	24	15.7	15.8	78.3
	3	17	11.1	11.2	89.5
	4	12	7.8	7.9	97.4
	5	4	2.6	2.6	100.0
	Total	152	99.3	100.0	
Missing	System	1	.7		
Total		153	100.0		

On a scale of 1-5, rank the weightage of each of these parameters while choosing to pursue a course through e- learning. (1– Highest ; 5 – Lowest) - Technology required to undertake the course

		Frequency	Percent	Valid Percent	Cumulative Percent
	1	62	40.5	40.8	40.8
	2	52	33.3	33.6	74.3
	3	29	19.0	19.1	93.4
	4	9	5.9	5.9	99.3
	5	1	.7	.7	100.0
	Total	152	99.3	100.0	
Missing	System	1	.7		
Total		153	100.0		

On a scale of 1-5, rank the weightage of each of these parameters while choosing to pursue a course through E-learning. (1– Highest; 5– Lowest) - Ease of availability of course material

		Frequency	Percent	Valid Percent	Cumulative Percent
	1	53	34.6	35.1	35.1
	2	57	37.3	37.7	72.8
	3	23	15.0	15.2	88.1
	4	11	7.2	7.3	95.4
	5	7	4.6	4.6	100.0
	Total	151	98.7	100.0	
Missing	System	2	1.3		
Total		153	100.0		

On a scale of 1-5, rank the weightage of each of these parameters while choosing to pursue a course through E-learning. (1 – Highest; 5 – Lowest) - Institution that provides the course

		Frequency	Percent	Valid Percent	Cumulative Percent
	1	56	36.6	36.8	36.8
	2	57	37.3	37.5	74.3
	3	20	13.1	13.2	87.5
	4	9	5.9	5.9	93.4
	5	10	6.5	6.6	100.0
	Total	152	99.3	100.0	
Missing	System	1	.7		
Total		153	100.0		

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Cashless Economy – One Step of Digital India

Abstract

Cashless economy is an economy where transaction can be done without physical cash as a means of exchange of transaction but rather with the use of credit or debit card payment for goods and services.

Before the emergence of modern banking system, banking operation was manually done which lead to a slowdown in settlement of transactions. This manual system involves posting transactions from one ledger to another with human hands. But the cashless transaction is functioning, operated, or performed without using coins or banknotes for money transactions but instead using credit cards or electronic transfer of funds and with no money handed from person to person. system where payments were less in cash. Circulation of a large amount of cash in the economy leads to many problems, including corruption. will solve transmission issues of monetary policy as well as cash management issues in the banking system. In a recently concluded study carried out by the India Development Foundation (IDF), it was argued that, in addition to these, the move towards a less cash-using economy will lead to an improvement in financial inclusion, more digital record-keeping of transactions, a reduction in the costs of transactions and encourage greater growth.

Cashless economy policy can enhance the growth of financial stability in the country.

Keywords Cashless Economy, Digital record, Electronic Payment, Economy, Financial Inclusion

1. Introduction

With an aim to make payment and settlement system more safe in the country, the Reserve Bank today proposed to proactively promote electronic transactions for ushering in a 'less-cash' economy.

Seeking public comments on the 'Payments System Vision Document 2012-15', RBI said the document envisages by ways and means of ensuring that "payment and settlement systems in the country are safe, efficient, interoperable, authorised, accessible, inclusive and compliant with international standards".

With the Indian economy expanding rapidly at more than 7.5per cent per annum and the middle-class budding, several financial firms believe and predict that the use of plastic money in India will become very popular. However, according to the recent estimates by the Reserve Bank of India (RBI), the use of cashless transactions through credit card usage among Indians is actually falling .The Reserve Bank of India (RBI) has prepared a road map to provide card swipe machines to more than one crore retail businesses in the next three years to promote electronic transactions for ushering in a less-cash society in the country .According to the road map prepared by the central bank for cash-less transactions, all schools and colleges in the country will also be equipped to handle plastic transactions. According to an RBI estimate, only six lakh retail traders accept credit card in the country. Steps are being taken to make the facility available to at least one crore retailers by 2015.AThe government and its financial institutions will initially bear the cost of each card swap machine made available to retailers. Paper-less transactions are also expected to make household payments, including electricity, telephone, house tax and insurance bills, easy. On an average, each household pays over 50 types of bills per year in India, involving crores of rupees in cash payments The government mandated that all payments by the government departments above Rs 25,000 should to be made electronically.

2. Direct Cost of Cash to Financial System

According to the Reserve Bank of India (RBI), the provisional estimate of the amount of currency in circulation

(as of June 2010) stands at Rs. 8,64,333 crore, out of which only five per cent of the currency is with the bank - implying that almost the entire volume of currency is transacted every day. Over the period April 2006 - June 2010, currency has shown a yearly growth rate of 17 per cent. It is estimated that for 2009-10, the RBI incurred an annual cost of Rs. 2,800 crore to just print the currency notes. This is 0.4 per cent of the total currency in circulation. The need to move towards a cashless payment economy is perhaps more in India because of the cost of printing, distributing and processing cash. This cost does not include the cost of storage, transportation, security, detection of counterfeits, etc. To the printing cost, if we were to add the cost of storage and maintaining these currencies through ATMs alone, the cost of printing and disbursing currency comes to approximately Rs. 70 per person per year. However, the interchange costs are much lower than Rs. 70 per person. As of January 2010 estimates, there are around 60,000 ATMs in India. It costs around Rs. 7 lakh to install an ATM machine and an equivalent amount to maintain it for a year. Given that we plan to add 10,000 ATMs per year, the total cost of printing and distributing currency (through ATMs alone) amounts to Rs. 8,400 crore. In other words, the cost of printing and distributing cash constitutes about 0.2 per cent of India's GDP. Alternately put, a moderate growth of cashless transactions by five per cent a year will save more than Rs. 500 crore annually. Therefore, there is a direct benefit (in terms of cost savings) of moving towards cashless transactions in India. However, it is the indirect benefits that are perhaps much more important for India, especially given the country's objective of inclusive growth.

3. Cashless Transactions only way to Curb Black Money

Recording financial transactions has many advantages. First, it aids the government in its effort to collect appropriate tax revenues; second, it can effectively detect, and help curtail, illegal transactions; third, it will give us a better estimate and understanding of the huge unorganised sector in India; and last, but not least, it will help plug the "leakages" in various government programmes. The Justice Wadhwa Committee Report on the public distribution system recommended the use of computerised platforms that will keep a record of all PDS transactions.

4. Steps Towards Cashless Economy

India Heading towards Cashless Economy in 2015

Technology evolution is continuously and dramatically changing how banking and transactions are conducted. iKaaz, a mobile payments company providing innovative Tap & Pay solutions has unveiled its latest mobile application MOWA- a simple mobile payment enabler through smart phones. The app facilitates consumers and merchants to make and receive payments in an easy and convenient way based on the mobile number. It enables sending money through the mobile to any phone number or to a phonebook contact without sharing private bank account details of sender or receiver. The app supports all banks in India and is available free of cost.

MOWA is launched jointly by iKaaz and DCB Bank, this innovative mobile app helps you manage your cards to make payments as well as bank accounts to deposit money.

The most differentiating feature of this app is it requires no pre-payment of account like other wallets as consumers' money resides in their own bank account until they do the transaction. The users can avail the app by registering with mobile number, name and date of birth. One must then attach the credit or the debit card as a payment medium and start making payments by entering mobile number of receiver.

The money is debited from the payer's card only at the time of the transaction and deposited directly in to the receiver's bank account. People can also request for money and if accepted & paid, the amount gets deposited into the bank seamlessly. One can pay using any of the cards linked to the MOWA account. The app also facilitates small business merchants to accept digital payments which include debit, credit and pre-paid card payments. They can save money by registering with MOWA for an absolutely free POS solution with no need of an additional hardware POS terminal. Millions of merchants who don't have a point of sale (POS) terminal to accept digital payments can now use this innovative mobile app to accept digital

payments. Consumers can use this for paying to the merchants, friends and family. It is a highly secure app with multi level security for authentication and transaction, compliant with RBI regulations.

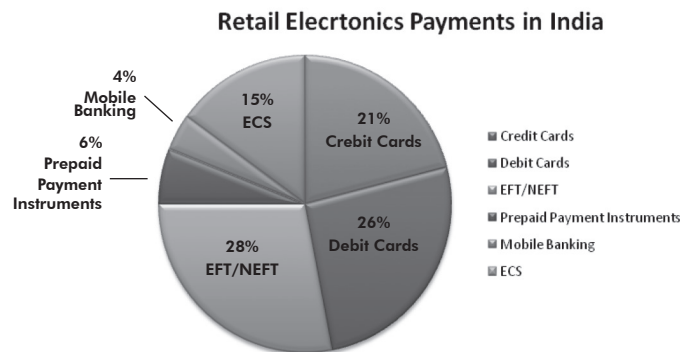
SBI chota-ATM

To encourage cashless transactions, the State Bank of India has deployed mobile point of sale (m-POS) devices, which can be used to swipe and pay or as a chota-ATM to withdraw cash.

Nearly 4,000 of such chota-ATM devices have been installed in semi-urban and rural areas since October 2014. An average of 1.2 transactions are recorded by the bank on these machines every day.

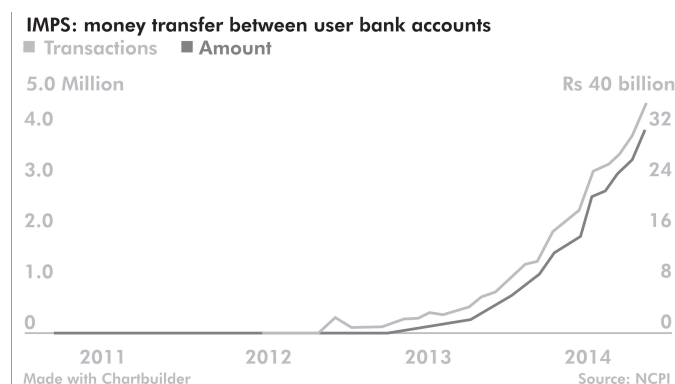
5. The move towards a cashless economy

The government wants India to be a cashless economy it is a move towards greater accountability towards the flow of money, reduction in black economy and bringing more people into the banking system

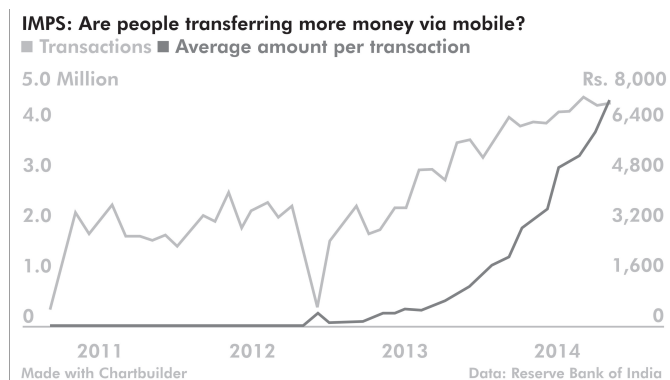


The retail electronic payment space in India is dominated by inter-bank money transfer modes like NEFT or National Electronic Fund transfer, Electronic clearing system, and credit and debit cards. Newer modes of payment like prepaid wallets along with mobile banking are becoming popular. 59% of Indian households are banked while the mobile tele-density is around 74%. The fastest growth is coming from mobile payments. The interbank mobile payments service has increased from just 860 transactions in its first month in November 2010 to 4.4 million transactions in August 2014. In November 2010, six banks, including ICICI Bank, India's largest private sector bank, and the State Bank of India, India's largest public sector bank, launched the Interbank Mobile Payments Service, allowing customers to transfer money between bank accounts, on the basis of mobile money ID's.

Money transfer between user bank accounts

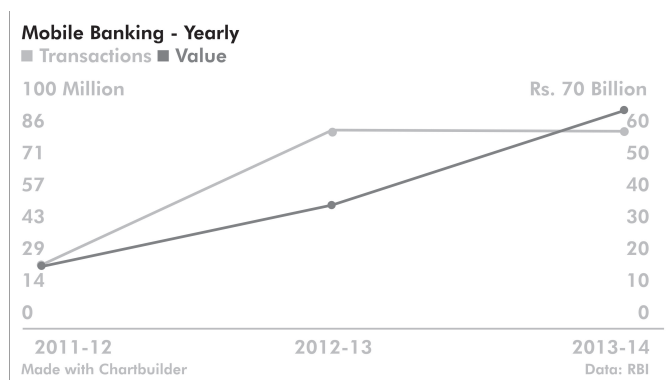


From just 2182 transactions in January 2011, the number of IMPS transactions have increased 987 times to 2,153,883 in January 2014. The amount transacted has grown 1745 times, from Rs 7.9 million to Rs 4.6 billion.

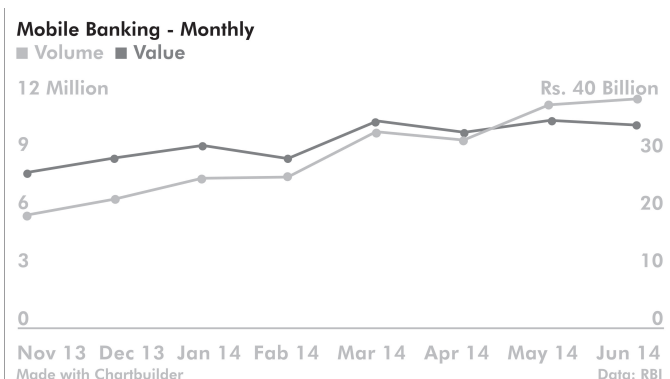


Typically, as the number of active ID's and the number of transactions increase, the average amount transacted declines. In case of mobile money transfers, the average amount per transaction has almost doubled (1.76 times) to Rs 6476 from Rs 3661 per transaction.

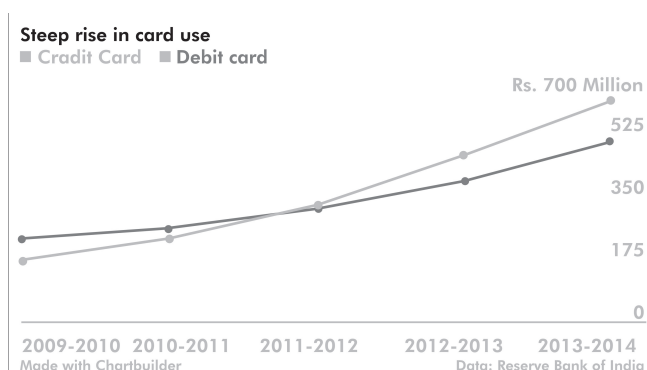
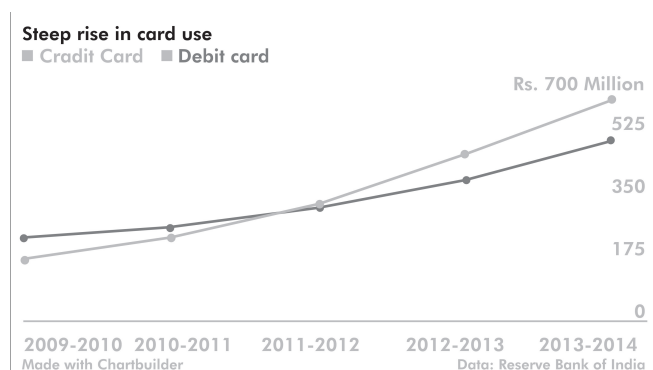
Mobile Banking – yearly transaction and value



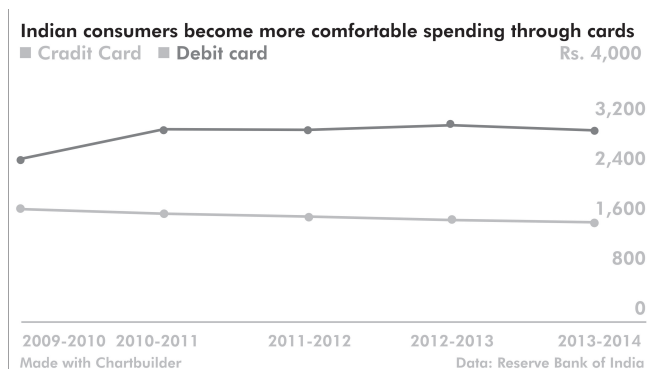
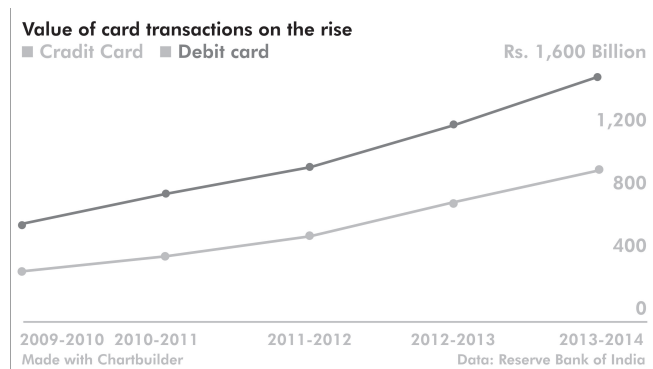
The concept of mobile banking was virtually non-existent five years ago. But in just 3 years, number of transactions using mobile banking has increased 4 times to 95 million while the amount transacted has increased three times to 60 billion rupees.



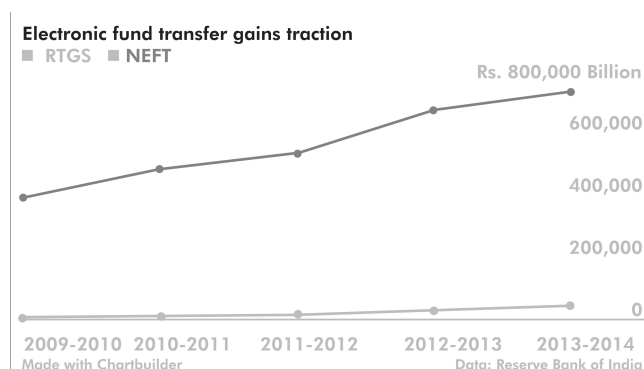
Debit and Credit card users



Value of card transaction



Electronic Fund Transfers



The RTGS system and the NEFT system for inter bank fund transfers has also played an important role in gradually phasing out paper based transactions. Paper based transactions have come down to 34.6% in 2013-14 of all non-cash transactions from 43.4% in the year ago period. While there is growth in the electronic payment systems, going ahead, security concerns versus ease of doing banking will be the major dilemma facing the central bank when it frees up the retail payment space and allows the introduction of new payment instruments.

6. Prospects of Cashless Economy

A variety of benefits are expected to be derived by various stakeholders from an increased utilization of e-payment systems in any country. These include:

- **For Consumers:** Increased convenience; more service options; reduced risk of cash-related crimes; cheaper access to (out-of-branch) banking services and access to credit.
- **For Corporations:** Faster access to capital; reduced revenue leakage; and reduced cash handling costs.
- **For Government:** Increased tax collections; greater financial inclusion; increased economic development. Increased tax collections; greater financial inclusion; increased economic development.

7. Challenges of Cashless Economy

- One of the biggest challenges towards a less-cash society is that dependency on cash is a deep rooted habit in India
- The level of customer protection available in paper transactions and electronic transactions in India varies.
- Hence before cashless system of payment can be widely accepted and used, consumers must trust and have full confidence in the system, which entails:
 - Clear and practical communication.
 - High level of security in the system – difficult for scammers/fraudsters.
 - Simple and easy processes especially for low income customers.
 - Accessible for all.
 - Minimal charges.

8. Some of the possible indicators which would be used for reviewing the Cashless Economy

- a. Increase in value and volume of electronic transactions;
- b. Sharper reduction in use of cheques and their value;
- c. Reduction in the cash to GDP ratio;
- d. Increase in coverage of PoS terminals, ATMs and other acceptance infrastructure;
- e. Increase in card issuance including debit, credit cards and prepaid payment instruments;
- f. Growth in mobile payments;
- g. Use of innovative payment systems/products;
- h. Migration of government payments and receipts to electronic mode.

Conclusion

Electronic payments including e-commerce could be given a fillip if the Government creates an incentive in terms of lower sales tax/service tax/GST for merchants and customers. This would encourage the merchant and the consumers to conduct payment transactions electronically. Several countries such as Argentina, South Korea, Uruguay, Columbia etc, provide tax rebate on spends by debit and credit card and other electronic payment products.

Similarly corporates and utility service providers may consider giving incentives in terms of discounts to

customers for making payments electronically. The concept of convenience fees charged by some of the merchants for using online payments could also be done away with.

Entities in Government and public sector which accept cash receipts for payment of taxes, purchase of services, fees etc, may consider accepting payments through all electronic modes such as cards, internet payments etc. Similarly, colleges, schools and universities could also transition to electronic receipt of fees.

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Business Ethics and Sustainable Development by Adopting Life Cycle Assessment & Analysis Approach: A Case Study of TATA STEEL

Abstract

The Challenges of fulfilling human development needs while protecting the environmental management and life support systems, many believes that science and technology must play a crucial role in sustainable development, yet little systematic and scientific ways exist on how to develop institute that effectively utilized science and technology for sustainable development.

Taking the right course stands for Business Ethics, this includes ethics in production, business processes & company's behaviour. It is all about doing the right thing in everything the company does. The core value that is corporate code of ethics, direct the business activity towards respecting and safe-guarding the environment for economic efficiency, social stability and environmental accountability; these are the basics of sustainable development.

There are many more activities and practises that fosters sustainability of business and help organisation to move along the path from laggard to leader, it include the most important aspect of sustainable development that is Life Cycle Analysis and Assessment this holds health of climate change, biodiversity, prosperity and environmental & social equity.

Tata has following core values that define the ethics of the company: Integrity, Understanding, Excellence, Unity & Responsibility. These values are evident that it drives the ethical behaviour of company. With the help of few cases, the aim of presenting this paper is to understand how responsibility for tackling the challenges of sustainability as a Social Responsibility of corporate in the field of Ethics in production and R & D.

Keywords

Ethics, Business Ethics, Environmental Management System, Life cycle Analysis

Introduction

The world started with 1.6 billion of crowd at the 20th century. We have begun the 21st century with 6 billion people on the earth. This surprising increase in the world population places an unbearable pressure and burden on the natural environment. At the same time, the 20th century was gave new direction to the global economic progress than all the prior centuries together. Every human being of our planet wants the products and services of the new developed economies. While there is much debate about the ways to achieve progress without lowering and hampering environmental management system quality and quality of life, "sustainable development" is still a dream goal.

Sustainable Development need us to think the world as a one system-a system that thinks world as a global village; and a system that connects space and time.

When we think of the world as a system over space, we grow to know that air-polluting activity from North America leaves its impact on air quality in Asia, and those insecticides and pesticides utilized in Argentina could harm fish stocks of the Australian coast.

Moreover, when we think of the world as a system over time, we comes to realize that the decisions taken by our grandparents about how to farm the land without making any effect on agricultural practice today; and the economic policies we proposed today will have an impact on poverty when our children are adults.

We also realize that quality of human life is a system. It is better to be physically healthy and fit, but what if we are poor and don't have exposure to education? It is good to have a secure and fixed income, but what if the air in our continent of the world is polluted and not suitable to breath? In addition, it is good to have freedom of our choice, but what if we can not feed our family with purity?

The aim of this paper is to study with help of few cases of TATA STEEL about the concept of sustainable development is rooted in this sort of systems thinking. It helps us understand ourselves and about the world. The problems we face are critical, complex and serious—and we can't address them in the same way we created them. However, we can address them.

Conceptual Background

According to World Council for Economic Development (WCED) Sustainable Development is development that **“meets the needs of the present without compromising the future generations to meet their own needs.”**

To foster business sustainability there are number of best practices organisation can follows such as

Ethics: To be able to do right things in the right way and must able to analyse what is right and what is wrong? While doing business activity every time and everywhere.

Ethics is the discipline dealing with moral duties and obligation, and explaining what is good or not good for others and for us.

Ethics is concerned with truth and justice, concerning a variety of aspects like the expectations of society, fair competition, public relations, social responsibilities and corporate behaviour.*

Business Ethics: Refers to a 'code of conduct' which businesspersons are expected to follow while dealing with others.*

Life Cycle Analysis: The organisation want to some forward steps must systematically analyse the environmental and social impact of product and procedure through Life Cycle Analysis, which calculate accurate impact

Objective of the Study

The object of this paper is to examine the need and importance of Business Ethics in Sustainable Development and evaluate the initiative taken by TATA STEEL Indian company and concern for Sustainable Development by using Life Cycle Analysis Approach in their core business values.

Research Methodology

This study based on secondary sources of information from various research publications, published newspapers, and conference publications online journals & magazines, web sites, and books. The information has collected from li braries and websites.

Review of Literature

Dr. A Ravi,R. Vandhana, Karpagavalli G. (Dec 2013) In his paper Green Marketing- A tool For Sustainable Development, this includes the need of creating awareness about eco- friendly products amongst consumers, companies become more responsible for manufacturing ecological product this approach make it a part of sustainable development. Miroslav Rusko , Dana Procházková, (2011) in his paper present Solution to the Problems of the Sustainable Development Management, Sustainability is permanent adaption to change, Sustainability considers the nature and human from the viewpoint of optimum development of the whole biosphere.

Charles A. Hopkins, Rosalyn Mckeown (1999) in the paper Education for Sustainable Development, this paper discuss about reorientation of education philosophy that include more knowledge, skills, perspectives, and values related to sustainability. For sustainable development education require vision and mission, with purposeful plan of action, resources, and continues efforts during implementation.

RISUS - Journal on Innovation and Sustainability (2013) This Paper emphasizing on reflections on how the Vision/Approach of Interdisciplinary Education help to build the attitude necessary towards a new global Ethics for sustainable development. Reverence for Life and space will lead to adopt Universal Ethical Principles. It has shown that this attitude is the result of inner transformation.

Arpad Horvath (1999) the title of study was Construction for Sustainable Development - A Research and Educational Agenda the paper expresses the need of engineering and management research benefit from a systems perspective, and from application of standard methods developed for environmentally-safe design, construction and management by other industries such as the electronics, electromechanical products, and the automobile sectors.

Case Study of Tata Steel

The Tata Steel definition of sustainability is 'an enduring and balanced approach to economic activity, environmental responsibility and societal benefit'. Sustainability is about meeting the challenges of ensuring that future generations can enjoy the same kind of lifestyles people enjoy today. This naturally involves taking a long-term perspective on balancing economic, environmental and social impacts of business.

A commitment to ethical behaviour is often shown in the corporate social responsibility (CSR) policy of a business. Businesses are no longer judged solely on their ability to deliver goods and services but also on the manner of delivery and how they impact on society and the environment. The Tata Steel sustainability policy states that:

'Our policy is to conduct our activities in relation to economic progress, social responsibility and environmental concerns in an integrated way in order to be more sustainable and to meet the expectations of our stakeholders.'

A commitment to environmentally-sound practices is part of many businesses' commitment to act responsibly. Social responsibility refers to an organization's obligations to maximize its long-term positive impacts and minimize its negative impacts on society. For Tata Steel, it is a core part of its vision to be 'the global steel industry benchmark for value creation and corporate citizenship.'

Tata Steel is committed to tackling the challenges of sustainability. This means that it takes its responsibility towards both the environment and its communities seriously, balancing these against the need to make a profit. It has put systems in place to meet international standards for environmental management such as ISO14001.

Respecting and safe-guarding the environment is a central principle held by all Tata Group companies and can go hand-in-hand with profitable business.

Making Ethical and Sustainable Decisions

By Implementing the Life Cycle Analysis and Assesment

Tata Steel practice ethical and sustainable methods into all areas of its work. Steel has the advantage of being recyclable but is produced by a technical method that produces CO₂ emissions. Sustainability is about more than CO₂, but the major challenge of sustainability is to minimize or reduce CO₂ emissions

which contribute to climate change. Tata Steel is working to reduce these emissions using new technology and practices.

Case Study 1: The Automotive Industry

A bigger part of the United Kingdom's CO₂ emissions release from cars, referred to as 'tailpipe emissions'. The government has passed laws for the reduction in CO₂ emissions. However, this only looks target car emissions in the 'use' phase, rather than those caused by manufacturing and scrapping vehicles. One way to reduce use-phase emissions is to make the car lighter as lighter weight cars use less fuel so CO₂ Emission will minimize.

However materials such as Aluminium, Magnesium or Carbon-fiber reinforced plastics have high environmental costs in manufacturing and they are not as easy to recycle as steel. The savings made from using them are usually outweighed by the CO₂ produced in the other life-cycle phases. Providing the whole life cycle of the material is taken into account (LCA) - not just the 'use' phase - steel has been shown to be the best material to decrease CO₂ emissions of cars.

Outcome: Tata Steel has joined forces with other steel-makers to produce the 'Future steel vehicle' which showcases the latest advances in steel technology. Using its LCA studies, it is now influencing the next generation of legislation to move towards an LCA approach rather than just looking at 'tailpipe' emissions.

Case Study 2: The Construction Industry

Traditionally, timber was used for constructing frames for buildings but it was difficult to find trees large enough for bigger buildings. New technology means that timber can now be used for large buildings and with increased concerns about sustainability; there has been a revival in the use of timber frames for buildings such as supermarkets, warehouses and schools. Timber is perceived as being a sustainable and 'green' resource.

However, when Tata Steel looked at the LCA of timber in terms of where it came from and how it was recycled, it found that carbon emissions were similar to a typical steel framed building. How the timber is dealt with once the building is demolished was found to have a major impact on the overall sustainability of the building structure. Most timber from demolished buildings is either land-filled or incinerated. The final result shows that using a steel frame (where studies have shown that 99% is recycled) produces less CO₂ over the entire life-cycle than using a timber frame.

Outcome: The results from the LCA study of building structures are being used to provide facts to architects, engineers and legislators regarding material choice.

Case Study 3: The Packaging Industry

Many consumer brands are keen to give an image of environmental responsibility. One way is to try to reduce packaging. It is an area where government regulators have a big influence too. The UK government's goal is to reduce the carbon impact of grocery packaging by 10% by the end of 2012. One legislative approach to this is to reduce the total weight of packaging used.

However, LCA studies by Tata Steel have shown that focusing on weight reduction does not necessarily make for more sustainable packaging. Targets just on weight reduction could lead to the wrong decision, for example, to use alternative packaging materials that could take more energy to produce and are not always completely recycled when they are disposed of.

All steel cans that are collected are truly recycled. Steel does not downgrade when recycled. It can be re-

used over and over again whereas other materials tend to be used only once and, even if recycled, will be used for alternative, lower-grade applications. When adopting the Tata Steel LCA approach, it is clear that steel cans, even though they may weigh more than some alternative packaging, provide a more sustainable packaging material.

Outcome: Tata Steel and its industry partners used their LCA approach to persuade regulators to take a different view on steel used in packaging. This resulted in national recycling targets taking a full life-cycle approach by using actual recycling rate as the measure, rather than reducing the total weight of cans.

Conclusion

Sustainable Development accounts for Economics, Environment and Well-being of human life means stands for profit, planet and people. Firm that are sustainable has an experience to attract and retain employees with less financial and reputation risk. Same firm are also more innovative and adaptive to their environment.

Commitment and systematic approach toward Environmental Management System and Life Cycle Analysis encourages the Sustainable Decision making to an ethically, and socially responsible firm. Laws, rules and regulations are made for well- being of human life and ecosystem but it is the responsibility of every corporate to follow the same rules laid down by home country regulatory and normative system. We have to strengthen the laws of corporate governance for sustainability. Life will become more meaningful if we keep our planet more beautiful

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MET Seva – Total Rural Upliftment Through Holistic-care

MET's commitment to impart value-based education across all levels of society that has catapulted it to an NGO in Special Consultative Status with the United Nations (ECOSOC). The institution has carved a niche for itself amongst the premiere educational institutes in the country.

At MET we have a dedicated cell MET Seva for social outreach programmes where we try to help underprivileged strata of society by providing them support through various activities. The root cause of poverty is unemployment, underemployment and lack of educational opportunities. We are trying to identify their skills and provide training to sharpen them so that they can earn a decent amount to prevent their migration to cities. Hence, revival of tribal arts and providing livelihood to tribals is one of the various activities under MET Seva.

The objective of MET Seva is to create institutional architecture that is both enabling and empowering for the poor to access better livelihoods and improve their standards of living through identifying and implementing innovative programmes.

With the help of students we are identifying, supporting and promoting innovations and scalable interventions for empowering the underprivileged. Our plan is to create an ecosystem for social entrepreneurship and encourage sustainable, scalable and measurable livelihoods so that the problem of poverty and underemployment can be addressed with minimum capital requirement and maximum impact.

Supporting Warli Art

The Warlis or Varlis are an indigenous tribe or Adivasis, living in mountainous as well as coastal areas of Maharashtra-Gujarat border and surrounding areas. They have their own animistic beliefs, life, customs and traditions. The Warlis speak an unwritten Varli language which belongs to the southern zone of the Indo-Aryan languages and the union territories of Dadra and Nagar Haveli and Daman and Diu.

The Warli art is losing its value among the tribe itself due to modernisation and lack of resources. We at MET under the MET Seva are supporting such artists and trying to revive the art by giving training to the young generation mainly women. The objective is to provide them a platform to express their talent and give them opportunity to earn from their skills. The products are entirely made by them and the revenue is directly going to them. This will prevent migration of such tribal people to cities for odd jobs such as construction work where women labours are working almost 14 hours for only Rs. 100.

(For more information contact - Dr. Nirmala Joshi at 022-39554280 or email : nirmalaj_om@met.edu)

Walmart Strategy & Current Retail Industry

Abstract

The study deals with analysing the strategy of Walmart. Since it is operating in different geographical locations, a model which can be used for any firm which is operating globally is arrived as a part of the study. This model deals with in-depth analysis of each module of execution phase of the strategy and the post-correction of the strategy by comparing the targets set and the outcomes got after executing the strategy. Further, analysis of retail industry, latest trends and future of this industry is assessed as a part of this study.

Introduction

Wal-Mart Stores, Inc., is an American international retail company that operates a chain of departmental stores and warehouse stores. It is head-quartered in Bentonville of Arkansas. The company was established by Mr. Sam Walton in 1962 and was incorporated on October 31, 1969. Walmart has around 11,000 stores in over 27 countries, providing a total 71 different brands. The company functions with the name 'Walmart' in the United States of America and in Puerto Rico. While in Mexico, it operates by the name of 'Walmart de México y Centroamérica'. In the United Kingdom, it operates under the name 'Asda', in Japan as Seiyu, and in India as Best Price. The company has wholly owned operations in the countries of Brazil, Argentina and Canada. The company is controlled by the Walton family, with the family holding over 50 percent of Walmart shares through their property company called Walton Enterprises. Thus, Walmart is a family-owned business.

According to the Fortune Global 500 list in 2014, in terms of revenue, Walmart is the largest company in the world; it is also the biggest private provider of employment in the world with over 2 million of employees, and is the largest retailer in the world. Also, in terms of market value, it is also one of the most valuable companies in the world.

Walmart has its operations organized into three divisions, which are Walmart Stores U.S., Sam's Club and Walmart International. Walmart Stores is the company's principal division, and it accounts for \$279 billion of revenue in 2015 of Walmart which is 63.8% of total sales. This particular division comprises 3 retail formats which are the **Discount Stores, the Supercentres, and Walmart Markets.** These department stores sell a range of mostly non-grocery products, with the emphasis now being shifted towards supercentres, which include more of grocery items. The online retail format of Walmart called walmart.com is also part of this division. The Discount Stores are the discount regular departmental stores with a size varying from fifty-one thousands to two hundred and twenty for thousands square feet with an typical store covering around 102,000 square feet of area. These stores generally provide a range of groceries and other general merchandise. Several of these stores also have a pharmacy, a garden centre, one-hour photo processing lab, portrait studio, tire & Lube Express, optical centre, cell phone store, bank branch, and a fast-food joint, usually McDonald's or Subway.

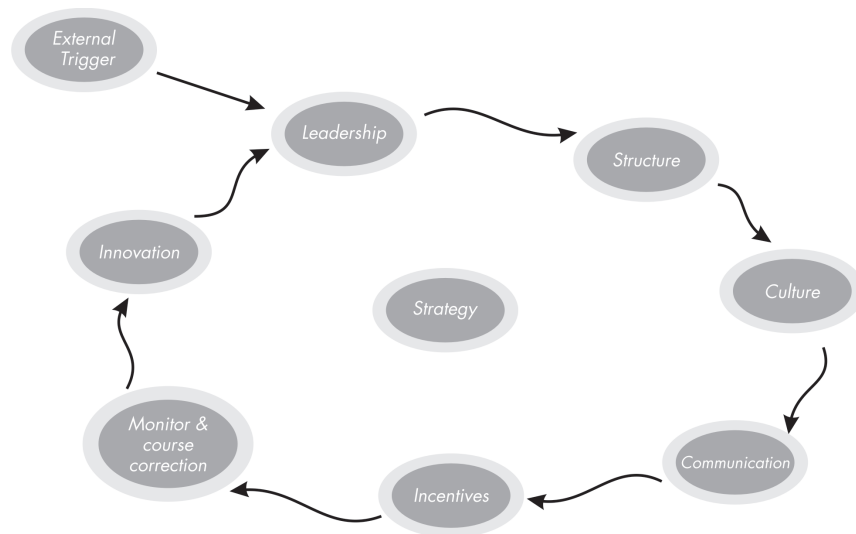
Walmart Supercentres are the hypermarkets having an area varying from 98,000 to 261,000 square feet. Apart from carrying the items which the Walmart discount store provides, these stores also have full-service supermarket, including meat and poultry, baked products, frozen foods, sea-food, and other dairy products etc.

Sam's Club is a chain of warehouse clubs that sell general merchandise and groceries often in large quantities. This particular format of Walmart Sam's Club stores requires membership to purchase the products

and the customers need to buy memberships to avail the services. There are three classes of memberships available in Walmart Sam's Club which are: Sam's Plus, Sam's Business and Sam's Savings. Each of those memberships vary in the benefits and convenience that it provides to customers. For a non-member to purchase from Sam's club, one-day membership card is required or an additional surcharge needs to be paid as per the amount of the purchase.

Walmart's International comprises 6,337 stores in 26 countries of the world excluding the stores in the United States as of 2014. In the FY2010, the total sales of Walmart's international were around \$100 billion which is equivalent to \$108 billion in 2015. Thus, Walmart's international comprises 24.7% of total sales of Walmart.

Strategy model in dynamic environment (proposed model)



The model proposed above is applicable for firms operating at different geographical locations. Each of the units are explained below and in-depth analysis of each of these modules are analysed further in this report.

External trigger This deals with analysis of:

- The current industry status/ trends
- What competitors are doing and how are they positioning themselves in the industry
- Latest technological development

Leadership

Since the firm is operating at different locations, the leadership quality required at different geographic locations is different. Also the leader should be receptive in understanding the dynamic changes in his location.

Also the leader of a division should be in such a way that he has a good blend of the country-of-origin culture and the culture in which he is leading so that all the divisions of the organization operating at different geographic locations have a common objective and similar way of operation.

Culture

This deals with how the organization is blending its corporate culture with the culture of each units at its respective geographical divisions.

Communication

This deals with the value proposition and differentiation in service which is being communicated to the customers.

Incentivize

Deals with incentivizing employees at each levels for meeting the responsibility/ targets laid on them using various tools like balance score card for assessing their performance.

Monitor & Course Correction

This deal with analysing the strategy adapted by the firm for reaching the targets set, analysing the reason for the deviation in outcomes after executing the strategy if present. Propose the course of action to hit the desired targets/ objectives.

Innovation

Deals with technology adoption, unique value creation/differentiating strategy which is not easily immitigable by competitors (This can be process innovation to come up with superior products or operational excellence to have higher control in margins and hence have higher profits.)

External Trigger: Porter's 5 Forces Analysis for Retail Industry

Threat of New Entrants/ Barriers to Entry

- Low to medium competition, a lot of players/grocers can enter to retail industry, given they have required funds.
- However, considering Walmart's exceptional distribution systems, locations, brand name, and financial capital to fend off competitors, the barriers become relatively high.
- Walmart also have cost advantage over other entrants and competitors due to its economies of scale and excellent supply-chain.



Threat of Substitutes

- Online shopping or e-commerce provides another alternative. Online shopping is an altogether different experience, and the customers can also gain price advantages because the company necessarily need not have to have been a brick and mortar store, passing the savings onto the consumers.

Rivalry Among Established Companies

- In North America, the main competitors of Walmart are Kmart, Target, and ShopKo. Amongst these, Target has shown highest growth rate and is the strongest competitor of Walmart. However, Walmart has responded well to its rivals by sticking to its low-price strategy along with launching some other concepts like "Pennies-n-Cents".
- However, Walmart faces huge competition in other markets. It has struggled to export its brand elsewhere, as it rigidly tried to reproduce the same model overseas.
- The industry life-cycle is also in mature stage in North America. Hence, playing on cost is an advantage for Walmart compared to its rivals.

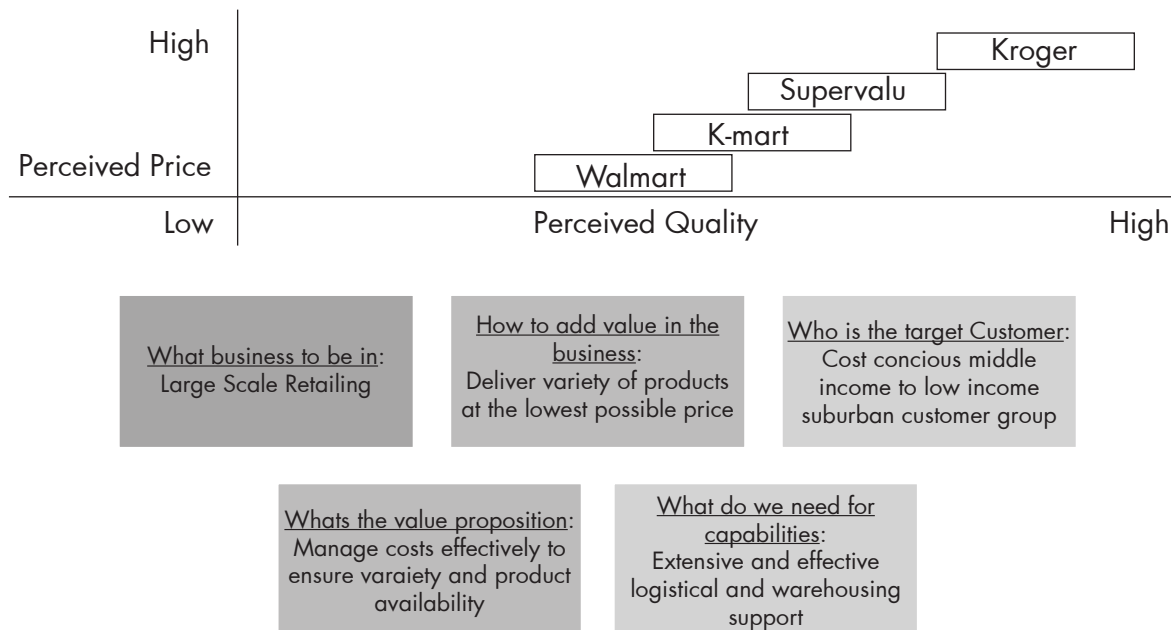
Bargaining Power of Buyers

- The individual buyers have little to no bargaining power, if they want to go for low-priced products. Walmart is the only such player.
- However, often consumers' advocate groups have complained about Wal-Mart's pricing techniques.
- Consumers could shop at other competitors' who offers comparable products at comparable prices, but the convenience is lost.
- Walmart offers a wide range of products with the strategy of 'Every-day Low Pricing'; this appeals to large audience as shopping of FMCG and chores is often less-involvement, and hence consumers usually go for low-price retailers.

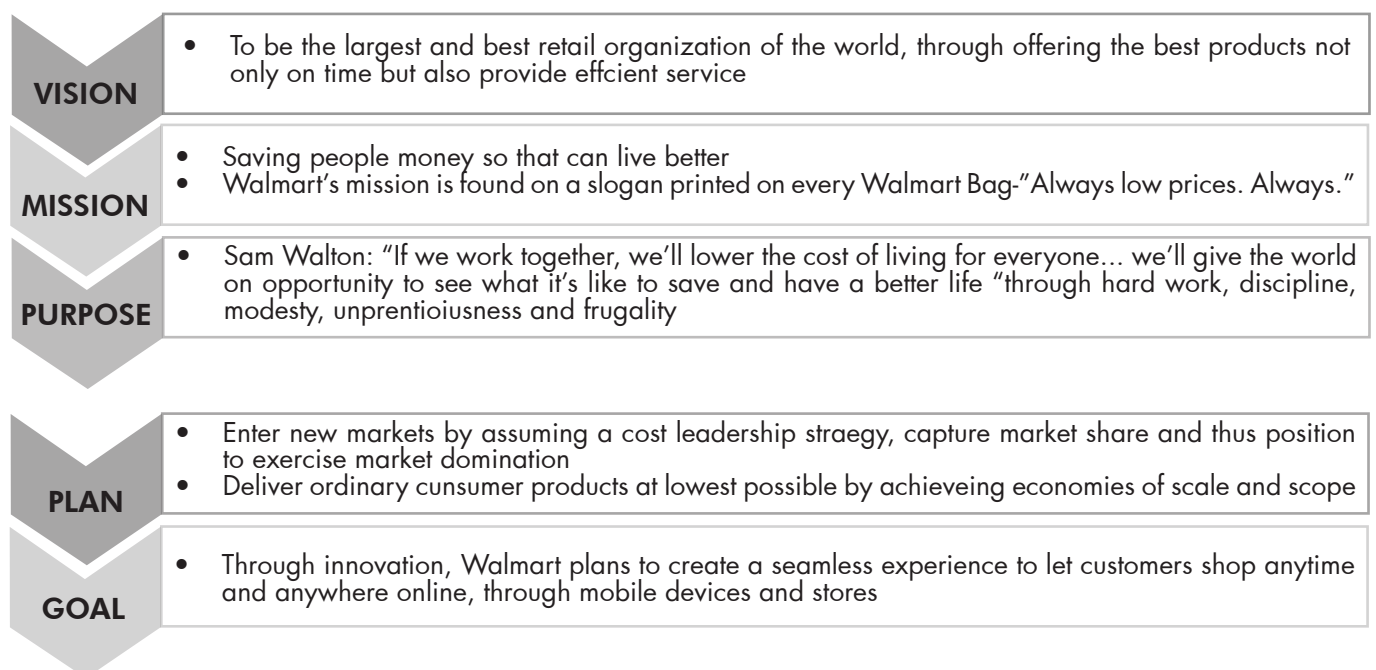
Bargaining Power of Suppliers

- Since Wal-Mart have a larger pie of total retail market-share in North America, they provide a lot of business to their manufacturers, suppliers and wholesalers. This gives Walmart a lot of power as Wal-Mart capacity to switch to different suppliers would create a scare to the suppliers.
- Wal-Mart also have the capabilities to vertically integrate.
- Wal-Mart also deal with some of the biggest FMCG suppliers like Proctor & Gamble, Coke who have more bargaining power than the regional and small suppliers.

Competitors & Positioning



WALMART'S CORPORATE FIVE:



Leadership and Culture

The company has historically bred managers who have been cross pollinated across the organisation in different functions and different roles. Those individuals who were reflective of this strategy are the ones holding senior positions in the company. The depth of the management is something the founder - Sam Walton - propagated and promoted in the early years of the retail giant. However, more recently, the senior management is more of a blend of externally hired managers and internally promoted managers. However, what is common to the entire leadership is an attitude of servant leadership that considers the most important people at Walmart to be the associates who take care of customers.

Sam Walton was hailed as the most influential retailer and for setting the path for modern retail in an undercapitalised economic situation in his early years. He adapted and innovated new models of measuring and maintaining effective use of capital - through efficient inventory management and distribution, finding untapped rural markets which had been discarded, establishing the "everyday low prices" concept thus eliminating the need for advertising.

Sam Walton forged a culture of corporate loyalty by treating employees as associates and developing his employees' knowledge and skill. He took genuine efforts to maintain a cheerful workplace for his employees. He established direct connections with his employees and took sincere interest in engaging them in decision making and learning from them. He also created a culture of belonging by providing stock options to even the lowest rung employee – a significant step towards boosting morale.

- Focus on employees: By enhancing skills and knowledge of individual employees in charge of functions that are critical to maintaining the credibility and integrity of Walmart's business
- Leverage Technology and Processes: Walmart has employed modern technology to create innovative low-cost interventions, which drives sustainable and safer behaviour.

Walmart's Organization Structure

Walmart has been departmentalized by functions and geographic departmentalization. The span of control is narrow and the organization has a centralized management team that determines how the merchandise gets priced, shipped and transported. The company is fairly centralized and hierarchical. The retailer has created four core merchandising areas, each consisting of similar categories. Each merchandising area is headed by an executive vice president. The company has recently launched an aggressive competitive strategy against Amazon.

Innovation

Walmart has realised the importance in improving value proposition and is investing on technology in retailing and is moving from traditional retailing offering just as a sales platform to making shopping more convenient with technology adoption. It has also introduced its own card for financial transactions. Sensing the current trends in retail industry, it has stepped into e-retailing well in advance and is following multi-channel retailing offering services to the customers via e-commerce and brick and motor retail outlets. Further, it has also started exploring into mobile-retailing.

Communication

Walmart has tapped social media as a tool for communicating value proposition as a discount store offering the lowest price in the market. Further it is also using twitter extensively to hear from the customers their views. It is also training its employees to spread positive word of mouth to the customers on its heritage and build credibility in their business by emphasizing 50+ years of operation in this business.

Incentives

To keep the employees motivated, walmart is attaching performance of the store to quarterly bonus of the

employees. In addition to this, they have also started benefit schemes on retirement benefit and medical benefits to mention a few.

Monitor & Course Correction

The basket size in retail is decreasing because of the introduction of specialised retail catering to different segments. Also retailers have started introducing technology in their business and shifting towards multi-channel retailing. Assessing this, Walmart have started operating in both online and brick and mortar store. It is also investing in technology in its retail to make the retailing experience convenient to the customers.

Walmart Profitability Model/Strategy

Walmart began with the goal to provide customers with the goods they wanted whenever and wherever they wanted them. The company then focused on developing cost structures that allowed it to offer low everyday pricing. Walmart then concentrated on developing a more highly structured and advanced supply chain management strategy to exploit and enhance this competitive advantage and assume market leadership position.

Some of the Key Points of Walmart's Strategy

- **Fewer Links in the Supply Chain**

Walmart's supply chain innovation include with the company removing a few of the chain's links. In the 1980s, Walmart strategy is to work directly with the manufacturers to cut costs and then more efficiently manage the supply chain of the company. Walmart introduced a supply chain initiative called as Vendor Managed Inventory (VMI), under this manufacturers became responsible for managing their products in Walmart's warehouses. This helped Walmart was able to expect close to 100% order fulfilment on merchandise. Wal-Mart was named Retailer of the Decade in 1989, the distribution cost of Walmart was estimated at a mere 1.7% of its cost of sales – which was very less as compared to its competitors like Kmart (3.5%) and Sears (5%).

- **Strategic Vendor Partnerships**

Walmart rely on strategic sourcing to get products from suppliers at the best price who are in a position to ensure they can meet demand. This helps company to establish strategic partnerships with most of their vendors, by offering them the potential for long-term and high volume purchases in exchange for the lowest possible prices.

Additionally, Walmart streamlined supply chain management by building competitive communication and relationship networks with suppliers to enhance material flow with less inventories. The huge network of global suppliers, warehouses, and retail stores has been showed as operating like a single firm.

- **Cross Docking as Inventory Tactic**

Cross docking is a logistics method that is the heart of Walmart's strategy to replenish inventory efficiently. Cross docking means direct transfer of products from inbound or outbound truck without extra storage, by unloading items from an incoming semi-trailer truck or railroad car and loading these materials directly into outbound trucks, trailers, or rail cars (and vice versa), with no storage in between. Cross docking helps in keeping inventory and transportation costs down, it lessens transportation time, and removes inefficiencies. Goods will transported from one loading dock to another, usually in 24 hours or less, and company trucks that would else return empty "back haul" unsold merchandise. With the help of cross docking, products are routed from suppliers to Walmart's warehouses, where they are then shipped to stores without sitting for long periods of time in inventory. This helped Walmart's reducing costs significantly and they share those savings on to their customers with highly competitive pricing.

- **Technology**

Technology plays a vital role in Walmart's supply chain, serving as the foundation pillar of their supply chain. Walmart has the largest information technology infrastructure of any private company in the world. Walmart has used technology to become an innovator in the way stores track inventory and restock their shelves, thus allowing them to cut costs.

Its technology and network design allow Walmart to accurately predict demand, track and forecast inventory levels, create highly efficient transportation routes, and manage customer relationships and service response logistics. Technology has helped Walmart to reduce its cost by effectively amalgamating the process with the technology.

For example, the implementation of Universal Product Code bar codes is a perfect example of in which store level information was immediately collected and analysed, and the company then devised Retail Link. With the use of a global satellite system, Retail Link is connected to analysts who predict supplier demands to the supplier network, which shows real-time sales data from cash registers and to Walmart's distribution centres.

Walmart has introduced the new concept of sharing information with the partners to optimize the whole process. This was different as before companies were using third parties and they had to pay for that information. Wal-Mart has used radio frequency identification tags (RFID), which use numerical codes that can be scanned from a distance to track pallets of merchandise moving along the supply chain. As inventory must be handled by both Wal-Mart and its suppliers, Wal-Mart has encouraged its suppliers to use RFID technology as well.

Financial Analysis

Profitability	2009-01	2010-01	2011-01	2012-01	2013-01	2014-01	TTM
Tax Rate %	34.19	32.35	32.2	32.56	31.01	32.87	33.26
Net Margin %	3.3	3.51	3.89	3.51	3.62	3.36	3.27
Asset Turnover (Average)	2.48	2.44	2.4	2.39	2.37	2.34	2.32
Return On Assets %	8.2	8.58	9.33	8.39	8.57	7.86	7.58
Financial Leverage (Average)	2.5	2.41	2.64	2.71	2.66	2.69	2.63
Return On Equity %	20.63	21.08	23.53	22.45	23.02	21	20.76
Return On Invested Capital %	13.69	14.33	15.52	14.2	14.54	13.36	12.92
Interest Coverage	—	11.69	11.67	11.51	12.43	11.56	11.02

Inferences

- Average turnover is decreasing over the period though they are expanding opening new outlets across geography & COGS is more or less same. This indicates that the average retail basket is decreasing over the period.
- Net margins & assets turn over is decreasing which indicates their revenue/ assets is decreasing over the period.
- Sales per square feet has decreased from \$437 to \$420 from 2010 to 2014.
- Since the gross margin is decreasing, they will have to either:
 - a. Be a more volume player to offset decreasing margins with increased sales turn-over
 - b. Move up the value chain so that they can widen the wedge between COGS & customers willingness to pay.

Trends In Retail Industry

- **Mobile adoption**

The mobile usage is increasing globally and hence many retailers started doing their marketing activities in this platform. Many retailers are encouraging the customers to use their mobile application by offering discounts upon making first transaction.

However development cost of a mobile app would range from \$500,000 to \$1,000,000 and takes around 6 months to 1 year for the development of a mobile application for retail. Hence this has remained to be feasible to large / volume players.

- **I-Beacon**

This technology helps retailers in assessing the purchasing pattern of the customers visiting their retail outlets. Based on the customer data, retailers are deciding on store layout, placements of items to making shopping comfortable for the customers and hence increasing sales. This enables them to have personalised one-to-one marketing with them based on customer's interest. It also helps customers to navigate through the retail in identifying the commodities of their interest using their mobile device inside the retail.

- **Geo-fencing**

Based on the past purchasing trends of customers in retail, customised messages on offers/discounts on the items which might be of customer's interest is sent as a message to the customers once she enters the radius of coverage of the retail.

- **Omni channel retailing/Experience stores**

Because of the increasing penetration of internet connectivity and mobile adoption, retailers are following multiple channels of operation be having sales in all the streams. However in doing this, keeping track of inventory, pricing of the products in different channels based on the price offerings of the competitors has remained a challenge and sophisticated software is being developed for the same. (Eg: Amazon for instance has started opening its experience stores so that customers can get touch and feel of the products before making purchase decision.)

- **Polarization in Retail sector**

As the industry is attaining maturity, the retailing is becoming bi-polar. Meaning, for a retail to sustain in the industry, the retail has to be clear in its objective - be a cost player (operational excellence) or should follow differentiating strategy offering unique services (differentiation strategy) charging premium for the same.

- **Personalised pricing**

Home Depot did it based the gadget sort (tablets/ mobile/laptop). Orbitz demonstrated higher costs to Mac clients, maybe accepting they were lesser price sensitive in comparison to Android or Windows clients. Staples showed distinctive costs focused around the geo-area of the customer's IP address –if it is near their competitors, the products were priced lesser.

Future of this Industry

- Dominated by organized retailing
- Shift towards e-retailing
- Omni-channel & multi-channel retailing
- Opening up of drone technology for delivery within 2-3 hours of placements of order (Introduced by Amazon.)
- Retailing becoming more intelligent dealing with understanding individual purchasing pattern and assess the phase of life to have customised one-to-one marketing (Eg: Assessing the purchasing trend of women having new-borns.)

Suggestions

- Since the net margin & assets turnover is decreasing over the period, care has to be taken such that it drives either by volume by attracting more customers by improving the store layout such that it does not cost much.
- Introduce variation in store layout in accordance with the culture while operating at different geographic locations.
- Be more aggressive in mobile adoption in the store to have better operational income and better customer satisfaction during purchase.
- Focus on product quality (private labels – dairy products) because of increasing concerns on the quality of products sold in Walmart when compared to other retail.
- In 2005, Walmart expanded ambitiously building its outlet having not much connectivity and was not much profitable. So further expansion has to be gradual and must be properly planned so that they have the required capability & resources to handle the expansion.
- Should focus on maintaining good relationship with wholesalers/ dealers because industry is in mature state and many players have stepped into the market. Since Walmart is losing its market share to other players, to have sustained growth, maintaining good relationship with dealers & suppliers is imperative.

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Telecom Sector: A catalyst in The Growth of Indian Economy

Abstract

Businesses do not exist in vacuum and so do the societies. Businesses operate in the social domain and establish their identity and image through their conduct while operating in the social domains of the territories whether it's good or bad, ethical or exploitative. Telecom companies have revolutionised the way people communicate with each other, through phone, messaging, e-mails, social media websites, video conferencing or over digital communication. The complete scenario of the communication has been changed thereby saving billions of dollars and massive amount of physical energy thus changing the way people interact and do business. The Governments have also been able to benefit by using the telecommunication facilities in handling the disaster incidents by sending the relief operations, weather forecasts by the satellite pictures, monitoring of social health and welfare programmes, education and sharing of knowledge has become very easy. The Governance has become more effective with the revolution in the telecom sector and its technology which has led to the meaningful contribution in the GDP of the country's economy.

Keywords Telecom sector, communication, economic growth, technology

1. Introduction

In today's information age, the telecommunication industry and its technology have a vital role to play in bridging the huge massive data with the end user and in turn the businesses. It is considered as the backbone of industrial and economic development, the industry has been aiding delivery of voice and data services at rapidly increasing speeds, and thus, has been revolutionising human communication. Since time immemorial the communication has played vital role in progressing the human lives across continents, in the local and global communities. Communication works as a peace maker and also sets the stage on blaze when gone wrong leading to serious conflict even to the extent of going to wars.

Indian telecom sector is more than 165 years old and was first introduced in 1851 in India, when the first operational land lines were laid by the government near Kolkata (then Calcutta), although telephone services were formally introduced in India much later in 1881. Further, in 1883, telephone services were merged with the postal system. In 1947, after India attained independence, all foreign telecommunication companies were nationalised to form the Posts, Telephone and Telegraph (PTT), a body that was governed by the Ministry of Communication. The Indian telecom sector was entirely under government ownership until 1984, when the private sector was allowed in telecommunication equipment manufacturing only. The government made its strong efforts by developing R&D in the sector by setting up an autonomous body – Centre for Development of Telematics (C-DOT) in 1984 to develop state-of-the-art telecommunication technology to meet the growing needs of the Indian telecommunication network. The actual evolution of the industry started after the Government separated the Department of Post and Telegraph in 1985 by setting up the Department of Posts and the Department of Telecommunications (DoT).

The entire evolution of the telecom industry can be classified into three distinct phases.

- Phase I- Pre-Liberalisation Era (1980-89)
- Phase II- Post Liberalisation Era (1990-99)
- Phase III- Post 2000

Now with the opening of the Indian telecom sector for the private sector since the late 90s the entire scenario is of communicating changed, the communication to millions of the people in India is a reality now with a

wide spectrum of media. The communication process itself has undergone sea change. With the services offered by Telcos i.e. advent of internet, web sites and blogs, Digital Social Media, the world has shrunk bringing people closer, becoming like a small village. Today one can find about the company, its services and products through the web search engine like Google, Bing, etc., sitting in any corner of the world and also get the products delivered within few days. Then big companies was wanting to communicate in the local languages with the consumers as technology is changing very fast and the new entrant can make rapid inroads into the existing players market. Gone are the days when companies and brands used to dictate the terms, now customers demand value for money and want to be informed to the maximum.

Today there are close to 15 operators operating in India and our country has the fastest growing telecom network in the world with its high population and development potential. Major operators in India are Bharti, Airtel, Vodafone, Idea, Uninor, Reliance, Tata Docomo, Spice, BSNL, Aircel, Unitech, Sistema, Loop, Videocon, Quadrant, S Tel, Etisalat and MTNL.

The telecommunications system in India is the 2nd largest in the world. Competition has caused prices to drop and calls across India are one of the cheapest in the world. The total number of telephones in the country stands at 957.61 million, while the overall tele-density has increased to 76.75% as of 30 September 2014 and the total numbers of mobile phone subscribers have reached 930.20 million as of September 2014. The mobile tele-density had increased to 74.55% in September 2014. The wire line segment subscriber base stood at 27.41 million.

Further, the urban tele-density stood at over 146.67%, while rural tele-density was at 41.02%, and this gap is increasing. As majority of the population resides in rural areas, it is important that the government takes steps to improve rural tele-density. No doubt the government has taken certain policy initiatives, which include the creation of the Universal Service Obligation Fund, for improving rural telephony. These measures are expected to improve the rural tele-density and bridge the rural-urban gap in tele-density. "Private operators hold 90.05 per cent of the wireless subscriber market share whereas BSNL and MTNL, the two PSU operators hold only 9.95 per cent market share".

Similarly Businesses do not operate in the vacuum and like individuals they also exist and breathe in the society, they communicate with the society at large and also within their own house. In the modern times term Corporate Communication has assumed great importance, as many factors decide its success and failure can hit the business if they are not active and alert. Businesses need to communicate with their stakeholders in a very systematic and effective manner.

The Telecom Services

a) Landlines In India landline service is firstly run by BSNL/MTNL and after there are several other private players too, such as Airtel, Reliance Communications, Tata Teleservices. Landlines are facing stiff competition from mobile telephones. The competition has forced the landline services to become more efficient. The landline network quality has improved and landline connections are now usually available on demand, even in high density urban areas.

b) Mobile Cellular The mobile telephone network has aggrandized greatly since 2000. The number of mobile phone connections crossed fixed-line connections in 2004. India primarily follows the GSM mobile system, in the 900 MHz band, whereas the recent operators also operate in the 1800 MHz band. 3G operations are carried out in 2100 MHz band. The dominant players are Airtel, Vodafone, Idea Cellular, Tata DoCoMo, Reliance Communications and state run BSNL/MTNL. There are many smaller players like Aircel, Videocon, MTS, Uninor etc. with operations in only a few states. International roaming agreements exist between most operators and many foreign carriers. The data reported by service providers indicates that rural India is emerging as the growth driver. Mobile services subscriber base in rural areas increased to

382.50 million in September 2014 from 374.96 million in February 2014.

c) Dialling System On landlines system, intra circle calls are considered local calls while inter circle are considered long distance calls. Government is now working to integrate the whole country in one telecom circle.

d) Visitor Location Register (VLR) Out of the total 930.20 million wireless subscribers, 812.11 million were found active in September, 2014. The total active VLR number excludes the CDMA VLR figure of BSNL, as the service provider has not provided the VLR figures corresponding to their total CDMA subscriber base. The proportion of VLR subscribers is 87.30% of the total wireless subscriber base reported by the service providers.

e) Internet Users Number of Internet users in India is the 3rd largest in the world next only to China and the United States of America. Though the number of internet users is high, internet penetration is still much lower than most countries round the globe. In total there are 24.3 million subscribers at the end of 2014 which is third largest in the world after China & USA.

f) Broadband Subscribers Broadband in India is defined as 512kbit/s and above by the government regulator (New definition of Broadband notified on 18 July 2013). Total subscribers (wireline + wireless combined) were 75.73 million (Sept 2014).

g) Internet Service Providers (ISPs) & Host: 86,571 (2004)

Telecommunication has emerged as a key driver of economic and social development in an increasingly knowledge intensive global scenario. Sustained adoption of technology offers viable options in overcoming developmental challenges in education, health, employment generation, financial inclusion, infrastructure and much more. The unprecedented increase in tele-density and sharp decline in tariffs in the Indian telecom sector have contributed significantly to the country's economic growth. Besides contributing to about 3% to India's GDP, Telecommunications, along with Information Technology, has greatly accelerated the growth of the economic and social sectors.

The last decade is characterised by significant penetration of telecommunications in India. The number of telephone connections has increased to 893 million in January 2013 as compared to 41 million in December 2001. This growth has been primarily fuelled by the cellular segment (mobile phones) which alone accounted for 862 million connections at the end of January 2013. The composition of the telecom sector too has witnessed a structural change, with the private sector accounting for around 88 % of the total connections. While urban tele-density has risen to 148%, rural tele-density has also increased significantly to 40%.

To arise from the challenges in terms of consumer needs, technology and structure of the industry, Government has adopted the National Telecom Policy (NTP) 2012, to drive the next revolution in growth of telecom services and provide a stable policy regime for the years to come.

The policy has set ambitious targets of 100% rural tele-density and 600 million broadband connections by 2020. NTP- 2012 outlines various measures envisaged to develop a conducive ecosystem to achieve these lofty aspirations. To spur this phase of growth of the sector, Government has already launched a National Optical Fibre Network project called NOFN. NOFN will connect over 250,000 gram panchayats through high speed, high capacity optical fibre medium. This network in conjunction with private sector participation at the last mile would result in provision of a range of innovative services to rural India. At the same time, this would enable people in rural areas to participate in, contribute to and derive benefits from the information economy.

Process to implement the various provisions of NTP-12 has already been initiated. Spectrum has been delinked

from the Licenses. While auction was adopted as a methodology for allotment in 2010, the principle has been further refined to allocate spectrum for commercial services through auctions, which were conducted in November, 2012 and March, 2013. To simplify the licensing regime, a Unified Licensing Regime through which the licensee can offer multiple services through a common process has been initiated and expected to be concluded soon.

Conscious of its responsibility towards parts of the country where diffusion of telecom services needs to be accelerated further, the Government is in the process of finalising development plans for extending the reach of telecommunication facilities in Left Wing Extremism (LWE) affected areas. Focus is being given towards implementation of similar plans for the North East Region (NER) and the Islands.

Factors Facilitating Growth of the Telecom Sector

The phenomenal growth in the Indian telecom industry was brought about by the wireless revolution that began in the nineties. Besides this, the following factors also aided the growth of the industry.

1) Liberalisation

The relaxation of telecom regulations has played a major role in the development of the Indian telecom industry. The liberalisation policies of 1991 and the consequent influx of private players have led the industry on a high growth trajectory and have increased the level of competition. Post-liberalisation, the telecom industry has received more investments and has implemented higher technology.

2) Increasing Affordability of Handsets

The phenomenal growth in the Indian telecom industry was predominantly aided by the meteoric rise in wireless subscribers, which encouraged mobile handset manufacturers to enter the market and to cater to the growing demand. Further, the manufacturers introduced lower-priced handsets with add-on facilities to cater to the increasing number of subscribers from different strata of the society. Now even entry-level handsets come with features like coloured display and FM radio. Thus, the falling handset prices and the add-on features have triggered growth of the Indian telecom industry.

3) Prepaid Cards Bring in More Subscribers

In the late nineties, India was introduced to prepaid cards, which was yet another milestone for the wireless sector. Prepaid cards lured more subscribers into the industry besides lowering the credit risk of service providers due to its upfront payment concept. Prepaid cards were quite a phenomenon among first-time users who wanted to control their bills and students who had limited resources but greater need to be connected. Pre-paid cards greatly helped the cellular market to grow rapidly and cater to the untapped market. Further, the introduction of innovative schemes like recharge coupons of smaller denominations and life time incoming free cards has led to an exponential growth in the subscriber base.

4) Introduction of Calling Party Pays (CPP)

The CPP regime was introduced in India in 2003 and under this regime, the calling party who initiated the call was to bear the entire cost of the call. This regime came to be applicable for mobile to mobile calls as well as fixed line to mobile calls. So far India had followed the Receiving Party Pays (RPP) system where the subscriber used to pay for incoming calls from both mobile as well as fixedline networks. Shifting to the CPP system has greatly fuelled the subscriber growth in the sector.

5) Changing Demographic Profile

The changing demographic profile of India has also played an important role in subscriber growth. The changed profile is characterised by a large young population, a burgeoning middle class with growing disposable income, urbanisation, increasing literacy levels and higher adaptability to technology. These new features have multiplied the need to be connected always and to own a wireless phone and therefore, in present times mobiles are perceived as a utility rather than a luxury.

6) Increased Competition & Declining Tariffs

Liberalisation of the telecom industry has fuelled intense competition, especially in the cellular segment. The ever-increasing competition has led to high growth of subscribers and has put pressure on tariffs, which have seen a sharp drop over the years. When the cellular phones were introduced, call rates were at a peak of Rs. 16 per minute and there were charges for incoming calls too. Today, however, incoming calls are no longer charged and outgoing calls are charged at less than a rupee per minute. Thus, the tariff war has come a long way indeed. Increased competition and the subsequent tariff war has acted as a major catalyst for attracting more subscribers. Apart from these major growth drivers, an improved network coverage, entry of CDMA players, growth of value-added services (VAS), advancement in technology, and growing data services have also driven the growth of the industry.

Conclusion

The telecom industry in India has experienced exponential growth over the past few years and has been an important contributor to economic growth; however, the cut-throat competition and intense tariff wars have had a negative impact on the revenue of the telecom players. Despite the challenges, the Indian telecom industry will thrive because of the immense potential in terms of new users. India is one of the most-attractive telecom markets because it is still one of the lowest penetrated markets. The government is keen on developing rural telecom infrastructure and is also set to roll out next generation or 3G services in the country. Operators are on an expansion mode and are investing heavily on telecom infrastructure. Foreign telecom companies are acquiring considerable stakes in Indian companies. Burgeoning middle class and increasing spending power, the government's thrust on increasing rural telecom coverage, favourable investment climate and positive reforms will ensure that India's high potential is indeed realised.

In today's information age, the telecommunication industry has a vital role to play. Below is the key impact as quoted by (Chris Williams):

- A doubling of mobile data use leads to a growth in the GDP per capita growth rate of 0.5 percentage points
- Countries characterised by a higher level of data usage per 3G connection have seen an increase in their GDP per capita growth of up to 1.4 percentage points.
- A 10% rise in 3G penetration increases GDP per capita growth by 0.15 percentage points. In developing markets, a 10% expansion in mobile penetration increases productivity in the long run by 4.2 percentage points.

Considered as the backbone of industrial and economic development, the industry has been aiding delivery of voice and data services at rapidly increasing speeds, and thus, has been revolutionising human communication.

Telecommunication is pivotal to a country's socioeconomic growth. It is one of the main architects of the accelerated growth and progress of different segments of the economy. Narrowing access gaps and removing barriers to information dissemination are prerequisites for promoting equitable and sustainable development as well as political and social cohesion. Increasing connectivity is highly instrumental in improving governance, business communication, security, response to emergencies and in the overall strengthening of the sociocultural ethos of the country. The advantages of the advent of telecommunications are manifold and explicitly verifiable from the phenomenal success of the sector.

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7 Tips for Finance Managers From Ram Charan

Ram Charan has real-world advice for business leaders who want to thrive in disruptive times.

Ram Charan's skill in translating complex business theory into plain English has proved useful to business leaders in the real world. In recent times, Forbes magazine has dubbed him "the most influential consultant alive". The former Harvard Business School professor has spent more than 35 years advising some of the world's top executives.

Here are seven tips from Charan for senior finance managers who want to stay on top in disruptive times.

1. Forget the comfort zone

In a globalised, internet-connected world, "business as usual" quickly leads to having no business at all. Looking for incremental improvements, such as small gains in operational efficiencies or slightly better margins, is not enough anymore. While change has long been a factor in the business environment, disruption has now become structural and ongoing. This requires a new style of leadership, focused not on coping with change but on anticipating, creating and exploiting changes in the environment.

2. Do the maths

A key change of the past decade has been the "maths revolution", in which complex algorithms and related software are used to build direct connections with customers, build and manage global supply chains, and map possible future paths. Business leaders must become familiar with the language and capacities of maths-based tools, even if it means doing some short courses.

"We have barely scratched the surface of the potential uses," says Charan.

"The task is to understand the future."

"The growth opportunities can be immense for those who seize the opportunity."

3. Build agility into the organisation

There is a natural tendency to see an organisation's existing core competencies and competitive advantages as intrinsic to its future, but in reality they have a decreasing shelf life. Leaders have to be on the lookout for new opportunities for profitable growth, even if it means a thorough reform of the company.

Charan's advice: at least four times a year, leaders should ask themselves what new developments can they utilise to create a new need or give the customer a more compelling experience?

4. Look to the long term

An emphasis on quarterly results pushes a company into a reactive, incremental pattern. What is needed is an offensive mindset, even if it means sacrificing short-term profits while a reform program is underway.

A communications strategy has to be built into the re-structuring campaign, to explain to both employees and investors why change is not just desirable but necessary. New metrics to act as "stepping stones" might be needed to make the

direction clear and to judge the results of the campaign.

5. Follow through on execution

Corporate leaders cannot focus solely on strategy; they must ensure that a reform program is executed in line with goals. This requires that they identify areas within the company that are likely to be resistant to change, and then use their authority to push reform in these sectors. Issuing edicts from the corner office is not enough; personal involvement is also needed.

"Once you know where the organisation must go, define the steps that must be taken,"

Charan says.

"It's a matter of working backwards to the present and identifying the steps that will move you along."

6. Look for change signals

Indications of paradigm shifts need to be seen early. Leaders should aim to pick up on anomalies, contradictions and emerging trends in society, business and technology by reading widely and by expanding their information networks. Regularly bringing together people from across the organisation to discuss the future can be a positive step.

But while any person, including a corporate leader, might find it easier to interact solely with people who agree with them and come from a similar background, this tendency should be resisted. Charan recommends that a leader should make a deliberate effort to also communicate with and learn from people unlike themselves in ideology, tastes and origin.

7. Top-level team

To anticipate and positively respond to structural uncertainty, there should be a team of senior people that meets at least several times a month, with the chief executive as the chair. The work of the team must be transparent, so people can see how decisions affect each part of the business and how resources are allocated towards common goals. Team members can better organise their part of the company if they can visualize the progress of the whole, and coordinate responses to any challenges that arise as part of the reform process.

"This cannot be just another committee," Charan emphasises.

"The point of this group is to consider the external environment, and how the company can best move to exploit disruptions. The task is to understand the future."

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