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### Aims & Scope

SAARANSH is an international bi-annual refereed research journal published by RKGIT (MBA), Ghaziabad. The objective of the journal is to provide a forum for discussion of advancement in the area of management. The journal published research papers, articles, book reviews & case studies. The journal invites manuscripts on all aspects of management and business environment.

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## FROM THE DESK OF THE CHIEF EDITOR ✍

The book titled- 'The Management Shift: How to Harness the Power of People and Transform Your Organization For Sustainable Success', author- Vlatka Hlupic, banged in the market. Professor Hlupic argues that organizations now need to adopt a leadership style that focuses on people, purpose and knowledge sharing, creating new types of value and ultimately improving innovation and engagement - leading to improved business performance.

A recent survey of US Forest Service employees about their environmental behaviors at the workplace reinforces many of these ideas. Respondents revealed that a commitment from leadership was important for employees, and those who perceived their leaders were strongly supportive of certain practices were three times more likely to perform the action than those who believed their supervisor was not supportive. Research shows that corporate life expectancy and performance have declined 75% in the last 50 years. Organizations need a different approach if they are to survive, let alone thrive.

While people are often stated as a company's greatest asset, only few businesses have a clear model of leadership that improves engagement, removes barriers to innovation, and uncovers hidden strengths in people and the organization.

The studies in this domain clearly indicate that is an important a support in the form of social norms and expectations from coworkers and the public. Such employees have positive attitudes toward the behaviors, knew how to perform the actions, and reported that supportive policies and procedures were important to the successful implementation of the organizational actions. They also reported that workplace reminders and incentives influenced their behaviors and recommended that rewards be used to engage others.

In this highly turbulent economy, the role of HR is not only limited till the recruitment & development but also extended up to handling their inter-personal issues as well. Imposing authority is not the way to handle the human asset effectively, but delivering authorities to them and inviting these to perform the best as per their competency is the requirement of time.

**-Dr Arvind Singh**



## FROM THE DESK OF THE EDITOR

Wishing you a very Happy & Prosperous New Year 2015!

The customers remain the most valuable asset for any organization. The life of any organization is decided by its association-degree with customer base. Hazel Barkworth, 2014, emphasized in his article published in forbes.com that, it seems that consumers are going to expect more than ever. There is a growing desire for multiplicity and experiences are expected to offer more. The current edition of SAARANSH tries to focus, on the issues of customer & employee satisfaction. The research paper of Bharti Motwani, Sharda Haryani & Sukhjeet Matharu contributes on the factors which are responsible to develop the perception towards online retail services. Similarly Aman Goyal & Anshika Gupta studied customer barriers and product disposition in probiotic market, specifically-Yakult. The journal also enriched with the research work on satisfaction in life insurance & food retail industry contributed by Mukesh Srivastava & Sanjay Medhavi. The current edition of SAARANSH includes the research on employee satisfaction. Leenu Narang & Puja Jain contributed an empirical study on Job Satisfaction level of school teachers in Ludhiana, Punjab.

Few researches on performance of Public offerings & Mutual Fund are contributed by scholar Amit Kumar Singh & Deepika Solanki. Scholar Ikbar Pratama, Rarina Mookda & Dileep Kumar, from Universiti Utara-Malaysia, contributed their case study on Human Assests. This edition of SAARANSH tries to touches all the core segments of business management, viz. Markrting, Finance & HR.

I hope this issue is an essential tool for management professionals for their improvement.

Thanking you.

–Dr Vishal Srivastava

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## Consumer Preferences for Buying Behaviour Towards Modern Food Retailing in India

\* Dr. Rajul Dutt  
\*\*Mr. Imran Khan

### ABSTRACT

Consumer behavior is one of the challenging areas in the field of marketing. It involves activities people undertake when obtaining, consuming, and disposing of products and services. It involves thoughts and feelings people experience and actions they perform in purchasing and consumption processes understanding consumer behavior involves the psychological processes that consumers go through in recognizing needs, finding solutions for these needs and wants, making purchase decisions, interpreting information, making plans and implement them by comparison shopping or actually purchasing a product. This paper highlights the determinants of consumer behavior regarding purchase decision-making and develops a model to understand their relationship. Food retailing has undergone a drastic change in the last two decades due to substantial industry consolidation, globalization, retail format proliferation, alternative delivery options and thin profit margins. Consumer demographics and demand preferences are the most dramatic changes. Therefore, an attempt has been made to analyze the consumers shopping frequency for food products among different occupants. Efforts have also been made to understand the consumers' attitude towards food product brands and to analyze consumers' perception about food safety.

**Keywords:** *Consumer behavior, Demographic, Consumer Needs & Preferences.*

### INTRODUCTION

Modern retail formats have witnessed a tremendous growth in India. Several retail chains have established base in metropolitan cities and across different states in India at a rapid pace. In urban areas, families are experiencing growth in income but dearth of time. More women are taking up corporate jobs, which is adding to family's income and leading a better lifestyle. Rising income has led to a demand for convenience and services. The demand for frozen, instant, ready to cook and ready to eat food is escalating, especially in metropolitan and large cities of India. There is a trend of single shop like supermarkets and departmental stores.

Food retailers have undergone tremendous change in the last two decades. Several factors have contributed to this change: substantial industry consolidation; globalization; retail format proliferation; alternative delivery options; and threatened profit margins. Above all, the changes have impacted food retailing. The change in consumer demographic and demand preferences have driven consumers to demand greater convenience, higher quality, more variety, and

better nutrition and more services while maintaining a price. Retailers experimented with new ways of selling. They brought some key ideas that formed the basis of self-service operations in grocery retailing; a layout that encouraged the circulation of customers throughout the store; the arrangement of products that permitted customers to compare and handle all the items. Recently, food retail trade has tended to become more concentrated, operating through larger and fewer outlets. This development has been driven both by factors internal to the retail trade and by consumers factors; a few examples of factors affecting the trend are economics of scale, better storage possibilities and increased mobility. Consumer preferences have also contributed to this concentration of the retail trade; more mobile, better-off consumers often prefer the supermarkets.

So it becomes imperative to discuss consumer behavior, being a human activity focused on the purchasing, consuming and using of products and services, as one of the stimulating and challenging areas in marketing studies.

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## **DETERMINANTS OF CONSUMER BEHAVIOUR TOWARDS FOOD RETAILING**

Consumer behavior is one of the most stimulating and challenging areas in marketing studies being a human activity focused on the purchasing, consuming and using of the products and services. There are so many variables involved in the consumption process that establishing a model to understand it makes it a difficult task. Further human behaviors based not only on personal characteristics, but also on the psychological, environmental, social and cultural environment that they are submitted. However, in general it can be said that customer behavior comprised of technical, economic, demographic, institutional and cultural developments, and thus describe the world the consumers are living in. There are different factors and that would affect the behavior of customers and there are various different aspects to study these behavior and attitude. However, some of the determinants mentioned below, which would influence the behavior attitude and perception of the customers.

Consumers incorporate social issues into their purchase decisions by evaluating the consequences of their consumption upon society. Consumer who consider environment important will therefore evaluate the environmental consequences associated with the purchase of products. For Example, an individual concerned about garbage generated (environmental issue) could consider the disposal of a product's packaging (environmental consequences) to be important when shopping for products. Moreover, by considering the environmental issues, customer may just purchase an environmentally responsible product. These products not only satisfy customer's immediate needs and wants but also serve to benefit the environment in long term.

One of the efficient factors that can be mentioned which may change the habit of customers to food products' purchasing is rising the household income. Increased income boost up the consumers' confidence and tend towards basing purchase decisions on lifestyle preferences rather than price. Although price is still an important consideration among food shoppers, conveniences and health consciousness has attained importance recently. The growing emphasis on a healthy lifestyle has enforced the

customer to look for more fresh products.

In case of food products the impact of the factors such as product information and labels, quality, price and demographic variables is remarkable. The product information has influenced the perceived benefit on customers; therefore, their willingness to buy and use a product may change according to that. The name of the product, its price and its nutritional benefit information had a significant effect on the intention to buy it. Product labels are primarily responsible for conveying the food information to customers. The basic motive of legal regulation of labeling and advertising is to inform and protect the consumer therefore customers can make an informed choice. The food label is a prime marketing tool. It is a key source of information for the purchaser. It is a regulatory control vehicle in respect of consumer protection and fair trading.

Quality also includes elements of perception. Consumer knowledge and expectations are huge variables but it is fully understood that the average consumer understands by quality. It may relate to any or all viz. nutritional value, taste, health aspects, method of production, preparation and presentation, ethical and social responsibility, authenticity, welfare protection and environmentally sensitive production systems. However, it can be taken into consideration that quality also can be a factor that affects significantly the purchasing decision. Price cannot be excluded from the factors influencing the willingness to use foods. Price plays a crucial role in the decision of consumers to purchase.

Demographic variables such as gender and age can also be taken into consideration in this aspect of the issue of purchasing behavior and decisions – making. The consumers socioeconomic attributes, such as income, sex, age, household size, which frame their consumption habits. The consumption of food is quantitatively limited: while no individual can survive without a minimum of food, one's capacity to eat is finite, regardless of the increase in one's wealth. Therefore, if individuals have a larger budget at their disposal, they will be able to buy goods. Furthermore, factors such as individual preferences, habits, attitude and lifestyles influence consumer behavior.

One way of differentiating individual behavior is to address the locations of the shopping agents by incorporating distance into the decision



process. One can group the attributes of the supply side, in hard and soft ones. Hard attributes may include size of the store, store format, price, location, accessibility, level of service (product information, opening hours), and the quality of the products. The image of the store chain or operator and the atmosphere of the shop are the soft factors. People in different countries belonging to different cultures have various perceptions about food products and cooking them. Throughout history, the food consumption patterns have been changing continuously. Remarkable changes took place as regards the type of food people eat, the way food grows (e.g. the introduction of pesticides, bio-industry), the way food processes (e.g. frozen food, microwaves) and the table manners (e.g. the introduction of the fork in medieval Europe, fast food). All these changes more or less slowly conquered the food consumption habits of the masses, may it be in centuries (the use of the fork) or within a decade (the microwave). Many factors determine the speed and degree to which such changes diffuse through the population. The factors like: innovation in food products, communication channels involved, nature of the social system can have effective influence in change of the consumer's habit and behavior.

Therefore, purchasing the food products can receive the additional value and attention, which would lead to spending more time and money to that, because having a nice and lovely meal needs fresh and healthy ingredients. However, shopping food products and cooking them can also turn to be a routine activity which customers would like to neither finish as quickly as possible without spending more time neither money for that. Cultural background, age differentiations and education, can influence a customer and make them have various attributes and translation of food products nature, originality and safety.

## OBJECTIVES OF THE STUDY

- To highlight the determinants of consumer behavior regarding buying decision-making and develop a model to understand their relationship.
- To analyze the consumers shopping frequency for food products among different occupants.
- To know consumers attitude towards food product labels.

- To analyze consumers' perception towards food safety.

## RESEARCH METHODOLOGY

The present study contains both primary and secondary data for investigation. All the information, data and opinion are collected which have a direct or indirect relevance to the information. A questionnaire survey was conducted through questionnaires to test the attitude of 200 consumers towards food retailing in Meerut region. The study focuses on the population comprising professional class, business class, service class, households and students with various other demographic variables. Non-probability convenience cum purposive stratified sampling method has been used to collect the primary data on the basis of five point Likert scale i.e. strongly agree, agree, neutral disagree, strongly disagree regarding various factors. Overall ranks were assigned on the basis of weighted average score for each factor. Besides, substantial desk research into consumer's behavior was undertaken to develop a model of determinants of consumer behavior towards food retailing. The views of respondents have been quantified by percentage method. Chi-square test has been applied to know the significance or relationship of certain variables at 5 per cent level of significance as well as at 1 per cent level of significance.

## HYPOTHESIS USED IN THE STUDY

**Null Hypothesis ( $H_{01}$ )** - There is no difference between gender and their shopping frequency.

**Alternate Hypothesis (H1)** – There is a difference between gender and their shopping frequency.

**Null Hypothesis ( $H_{02}$ )** – There is no difference between shopping frequency for food products and different occupations.

**Alternate Hypothesis (H2)** – There is a difference between shopping frequency for food products and among different occupations.

**Null Hypothesis ( $H_{03}$ )** – There is no difference in between shopping frequency for food products and different age groups.

**Alternate Hypothesis (H3)** – There is a difference in relationship between shopping frequency for food products and different age groups.



**Null Hypothesis (H<sub>04</sub>)** – There is no difference in between gender and their preference about shopping outlets.

**Alternate Hypothesis (H4)** – There is a difference in relationship between gender and their preference about shopping outlets.

**Null Hypothesis (H<sub>05</sub>)** – There is no difference in consumer’s preference regarding shopping outlet and age of consumers.

**Alternate Hypothesis (H5)** - There is a difference in consumer’s preference regarding shopping outlet and age of consumers.

**Null Hypothesis (H<sub>06</sub>)** - There is no difference in consumer attitude towards price among gender.

**Alternate Hypothesis (H6)** - There is a difference in consumer attitude towards price among gender.

## ANALYSIS & RESULT

An initiative is taken to find the preferences, purchase frequency, gender and income of the customer while making their purchase decision. It has been observed that consumer take into consideration a lot of factors while making a purchase decision particularly in case of food products. So the initiative is taken to measure and evaluate the factors responsible for purchase towards food retailing with the application of Chi-square test based on certain hypothesis.

From Table-1 it is observed that there is a significant difference in males and females regarding their shopping frequency.

**Null Hypothesis (Ho1) - There is no difference between gender hypothesis and their shopping frequency.**

Alternate Hypothesis (H1) - There is a difference between gender and their shopping frequency.

Calculated Value- 9.09

Degree of freedom (d.f) - (3-1) (2-1) = 2

Table value at 5% level of significance-5.991

As calculated value is less than table value at 5% level of significance, it is observed that our hypothesis (Ho) does not hold good. So alternative hypothesis (H1) stands good i.e. there is significant difference in males and females regarding their shopping frequency.

According to Table 2, professionals and service people prefer to buy their food products weekly.

However, households prefer to shop daily. Therefore, it can be said that households are more concerned about food safety and freshness than other groups of occupation.

**Null Hypothesis (Ho2) - There is no difference between shopping for food products and occupations.**

Alternate Hypothesis (H2) - There is a significant difference between shopping frequency for food products and among different occupations.

Calculated value = 44.93

d.f. - (5-1)(3-1) = 8

Table value at 5% level of significance = 15.507

The customers’ attention to food safety and freshness would be more in concern by aged customers, while younger prefer to buy more in weekly manner.

**Null Hypothesis (Ho3) – There is no difference in between shopping frequency for food products and different age groups.**

Alternate Hypothesis (H3) – There is a difference in relationship between shopping frequency for food products and different age groups.

Calculated value = 30.53

d.f. - (4-1)(3-1) = 6

Table value at 5% level of significance = 12.592

As table value on 6 degree of freedom at 5 per cent level of significance is less than the calculated value, so our hypothesis stands rejected. We can say that there is significant difference in shopping frequency of food products among different age groups.

**Null Hypothesis (H<sub>04</sub>) – There is no difference in between gender and their preference about shopping outlets.**

Alternate Hypothesis (H<sub>4</sub>) – There is a difference in relationship between gender and their preference about shopping outlets.

Calculated value  $[O-E]^2 = 9.09 E$

Degree of Freedom - (3-1)(2-1) = 2

Table value at 5% level of significance = 5.991

Our hypothesis does not hold good at 5% level of significance as table value is less than calculated value. So it can be interpreted that there is significant difference in consumer’s preference between gender and shopping outlets.



It is evident that younger people are more likely to purchase from hypermarkets/ big supermarkets than older ones. This might be due to products' varieties, access to other products and the modern appearance of the hypermarkets.

**Null Hypothesis (H<sub>05</sub>) - There is no difference in consumer's preference regarding shopping outlet and age of consumers.**

Alternate Hypothesis (H<sub>5</sub>) - There is a difference in consumer's preference regarding shopping outlet and age of consumers.

Calculated value or " $[O-E]^2 = 52.64$

E

Degree of Freedom -  $(4-1)(3-1) = 6$

Table value at 5% level of significance = 12.592

Results do not support the hypothesis at 5 per cent level of significance. So alternate hypothesis (H<sub>1</sub>) stand good i.e. significant difference has been found in consumer's preference regarding shopping outlet and age of consumers.

Different customers with different attitude have different perception about food safety. From Table 6, it can be observed that the most frequent factors representing the safety of the product to customers are Expiry date. Freshness of the products, low fat and label information having weighted average score more than one.

Women are more concerned about the low fat of the products as safety of the food. On the contrary, men are concerned about the necessary vitamins, freshness and label information whereas both are concerned about expiry date as most important aspect toward food safety.

The important factors that make customers pay attention to food products is general health interest, followed by special dietary requirement, fitness interests and attention to organic food as their weighted average score is more than one. Food related allergy and religion are in least groups of attention.

From Table – 9 it can be observed that use by date, price and ingredients have been considered significant factors in food labels to influence the purchasing decision. However, product name, brand, processing and number of calories also affect the customer's decision about buying a particular product as their weighted average score are more than one. Fat content, sugar content, storage instructions, organic and taste enhancers/

preservatives are the least considerations for making to buy that product.

From Table-10 it can be observed that women are more price sensitive as compared to men.

**Null Hypothesis (H<sub>06</sub>) - There is no difference in consumer attitude towards price among gender.**

Alternate Hypothesis (H<sub>6</sub>) - There is a difference in consumer attitude towards price among gender.

Calculated value or " $\{(O-E)^2\} = 8.82$

E

Degree of Freedom -  $(r-1)(c-1) = (2-1)(2-1) = 1$

Table value at 5% level of significance = 3.841

As calculated value is more than table value at 5 per cent level of significance. So, null hypothesis is rejected and alternative hypothesis holds good that there is significant difference in consumer's attitude towards price among males and females.

It seems that people mostly check the food labels and almost understand the labels but they don't trust the manufacturers about the labels on the product as weighted average score is less than one. Customers are desired to know more about the ingredients and the food and the information available on the label about the product influences their decision-making regarding purchase.

## FINDINGS

1. There is a significant difference in males and females regarding their shopping frequency.
2. On the basis of profession, professionals and service class people prefer to buy their food products on weekly basis.
3. There is a remarkable difference in shopping frequency for food products and among different occupations.
4. The aged customers pay high attention towards food safety and freshness as compared to younger customer who prefer to buy on weekly basis.
5. The shopping frequency customers differs among different age groups. Aged prefers to buy on routine basis whereas younger on weekly basis.
6. The younger people prefer to purchase from supermarkets as compared to the old people who prefer to buy from local retailers.

7. The consumer has awareness and concern towards food safety and freshness. They give weight age to the nutritional value of the food.
8. Women concern about the low fat food as safety product whereas men concern about nutritional value like vitamins, etc. But both men and women consider expiry date as a safety tool.
9. It has been observed that expiry date, price and ingredients have been considered significant factors in food labels to influence the purchasing decision among all consumers.
10. It has been observed that fat content, sugar content, storage instructions, organic and taste enhancers/preservatives are the least considerations for making to buy that product.
11. The study reveals that there is significant difference in consumer's attitude towards price among males and females customers.
12. The study shows that the customers understand the label but does not fully trust the manufacturer labels. They expect more information on the labels.

## CONCLUSION

Consumer behavior is a stimulating sphere consisting of the consumers themselves, the structure of the retail environment including

service infrastructure and the social context comprising behavioral rules. This triangle is subject to change in time, occupation and space which means that the area of simulation practices is extensive. The food label being a prime marketing tool is considered as a regulatory control vehicle in respect of consumer protection and fair – trading. Companies are required to emphasize more on explaining the ingredients of the food products on the labels and the message should be conveyed in proper manner. Labels must be presented in precise and attractive way. Reality should be shown to the consumers as fake labels can adversely affect the goodwill of the company. Manufacturers are required to mention some additional information which the customers need to know about the products viz. preservation, processing of food and calories contained. Although price is still an important consideration among food shoppers, convenience and health consciousness has attained importance recently. The growing emphasis on a healthy lifestyle has enforced the customer to look for more fresh products. Moreover Americanization of retailing has very much represented by the coming of self-service methods and especially the development of the super markets which helped transforming the culture of retailing, the way people shopped. Consequently, the consumer's relationship to food and other everyday goods changed dramatically, not only in the way they are purchased, but also the way they are consumed.



**Table 1 Analysis of Consumers Shopping Frequency For Food Products**

Gender	How often do you shop for food products			
	Daily	Weekly	Monthly	Total
Female	48	60	12	120
Male	40	40	0	80
Total	88	100	12	200

**Table 2 Analysis of Consumer Shopping Frequency for The Food Products Among Different Occupations**

Occupation	How often you are shopping food products			
	Daily	Weekly	Monthly	Total
Professional	20	40	8	68
Business	8	8	4	20
Service	16	32	0	48
Household	32	8	0	40
Student	12	12	0	24
Total	88	100	12	200

**Table 3 Analysis of Consumer Shopping Frequency for The Food Products Among Different Age Groups**

Age	How often you are shopping food products			
	Daily	Weekly	Monthly	Total
20-30	28	48	4	80
30-40	8	20	4	32
40-50	40	12	4	56
Above 50	12	20	0	32
Total	88	100	12	200

**Table 4 Relationship Between Gender and Their Preference to Shop from Shopping Outlets**

Gender	Where do you prefer to shop?			Total
	Big Super-market	Independent Shops	Known Independent Shops	
Female	48	12	60	120
Male	40	0	40	80
Total	88	100	12	200

**Table 5 Analysis of Consumer's Preference to Shop from Different Shopping Outlets Among Different Age Groups**

Age	Where do you prefer to shop?			Total
	Big Super-market	Independent Shops	Known Independent Shops	
20-30	40	4	36	80
30-40	0	8	24	32
40-50	36	0	20	56
Above 50	12	0	20	32
Total	88	100	12	200

**Table 6 Analysis of Consumer's Perception Towards Food Safety**

Food Perception	Ranking SA	2 A	1 N	0 D	-1 SD	-2	% of Respondents WAS
Low Fat	3	38	42	12	6	2	1.08
No Colour	7	15	30	28	17	10	0.23
Freshness	2	44	37	6	6	7	1.17
Expiry Date	1	46	35	2	14	0	1.23
Label Information	4	37	34	24	3	2	1.01
Contains Necessary Vitamins	5	21	43	30	6	0	0.88
Product Originality	6	17	32	31	16	4	0.46

**Table 7 Analysis of Consumer's Perception Towards Food Safety Among Genders**

Food Perception	Gender		
	Female	Male	Total
Low Fat	88	16	104
No Colour	8	21	29
Freshness	82	65	147
Expiry Date	114	72	186
Label Information	52	48	100
Contains Necessary Vitamins	46	50	96
Product Originality	28	16	44

**Table 8 Factors Attracting Attention To Food Labels**

Factors Attract Attention to Label	Ranking	SA	A	N	D	SD	% of Respondents WAS
Special Dietary Requirements	2	42	38	13	6	1	1.14
General Health Interest	1	52	23	6	9	0	1.16
Food Related Allergy	5	34	35	9	18	4	0.77
Specific Fitness Interest	3	37	40	21	14	11	1.08
Specific Organic Concern	4	36	37	22	3	2	1.02
Religion	6	22	36	35	2	5	0.68

**Table 9 Factors in Food Labels that Influence Purchasing Decision**

Factors Influencing Purchase	Ranking	SA	A	N	D	SD	% of Respondents WAS
Manufacturer of Brand	5	37	44	13	4	2	1.1
Name of Product	4	39	42	31	2	1	1.16
Price	2	46	41	7	4	2	1.25
Use by Date	1	54	38	7	1	0	1.45
Storage Instructions	9	27	40	23	6	4	0.8
Ingredients	3	42	47	3	6	2	1.21
Number of Calories	7	31	44	22	2	1	1.02



Fat Content	8	25	49	16	7	3	0.86
Sugar Content	10	24	39	28	8	1	0.77
Processing	6	34	42	30	2	2	1.04
Specific Organic	11	22	34	36	6	2	0.71
Preservatives/Taste Enhancers	12	18	38	39	3	2	0.67

**Table 10 Analysis of Consumer's Attitude Towards Price Among Gender**

Factors	Gender		
	Female	Male	Total
Cheap Products	48	16	64
Good Quality But Expensive Product	72	64	136
Total	120	80	200

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# Job Satisfaction of School Teachers of Ludhiana Region

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## ABSTRACT

Job satisfaction is the extent to which one feels good about the job. In the present study, an effort has been made to find out the difference between job satisfaction level of school teachers of Ludhiana. The study also tries to find out the relation between job satisfaction level of respondents and demographic variables like age, tenure and experience. Response from 97 teachers working in the selected schools in urban area of Ludhiana (Punjab) was elicited through a structured questionnaire. Results indicated that the level of satisfaction among teachers is low with regard to comparable benefits and adequate remuneration. It has also been found that there exists a significantly negative correlation between level of satisfaction and tenure of the teachers. Further analysis revealed that graduate teachers were less satisfied with regard to availability of resources, remuneration and parity of authority and responsibility.

**Key words:** *Job Satisfaction, Remuneration, Benefits, Interpersonal relations.*

## INTRODUCTION

Job satisfaction is one of the most widely discussed constructs in disciplines as industrial-organizational psychology, organizational behaviour, human resource management and organizational management. In simple terms, it is the extent to which one feels good about the job. The source of job satisfaction is not only the job but also salary, workload, communication, growth prospects, working environment, supervision style, and interpersonal relationship. Job satisfaction is important not only for employees but reaps benefits for employers too. Many researchers have connected job satisfaction with productivity, employee efficiency, performance and staff turnover (Nelson & Quick, 1995). From a worker to a manager, each one needs to be satisfied from the job. The concept of Job satisfaction is pervasive; it is relevant for all type of organizations. It is not confined to industry alone but it is equally useful in government, armed forces, sports organizations, NGOs, educational institution and the like. In educational institutions teachers constitute the majority of work force. A high quality teaching staff is the cornerstone of a successful society. Attracting and retaining high quality teachers is the primary requirement of any educational institution (Sharma and Jyoti, 2006). In the present era of globalization where there is

fierce competition prevailing in every sphere of life. Quality education becomes mandatory to compete in the international global market, but quality of education depends upon the potential and efficacy of the teachers. It is an established fact that teacher's qualities, personality, character help the pupils to become good human beings thereby, contribute in building a knowledgeable and coherent society. Apart from certain other factors job satisfaction is very important as it affects his teaching and effectiveness. Job satisfaction is important in teaching because frustrated soul in a teacher is capable of producing many frustrated souls in children. These children have to occupy places of significance in society and administration tomorrow, so teacher has to be very conscious about the repercussions of his wrong acts and unwilling performance. So, a teacher who is not satisfied in his job, not only puts the presents of the child but also their future at stake.

In India, teachers form the third largest workforce among white-collared employees. From among country's 64 lakh school teachers, 29 lakh are women. The percentage of women teachers in schools has shown an upward trend in recent years. From 43.46% in 2008-09, it rose to 44.83% in 2009-10 and 45.51% in 2010-11. The escalation started in the 1990s, when the government

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launched Operation Blackboard, reserving 50% of jobs in schools for women (Chhopia, 2013). This changing demographic composition of Indian school teachers' fraternity with more women and young teachers joining raises certain concerns for changing needs and preferences of the school teachers. The present study aims at finding out whether changing demographic profile causes any significant difference in the level of satisfaction of the school teachers.

On the other hand in any case employee dissatisfaction may result into certain consequences for the organization. There is a need to prevent workers from feeling disappointed. Levinson and Moser, (1997) indicated that job satisfaction is so important that its absence often leads to lethargy and reduced organizational commitment. Dissatisfaction from a job is a predictor of more probable job exit. Sometimes employees may switch from one profession to another and may be from public to the private sector and vice versa which they consider as a better option. The former is common in countries struggling with low economic strength and its associated factors such as poor conditions of service and late payment of salaries. In such countries, people tend to migrate to jobs with better conditions and consistency and regularity of emolument payment. People are generally interested to work in the organization where they get more satisfaction. But in reality how far such job satisfaction is ensured in different jobs. Thus, job satisfaction since long has been an important issue. In India, teaching is a considered to be one of the most noble and respectable professions but is it giving required satisfaction to the job incumbents is a matter of concern for researchers. Thus, the present study is carried out in order to achieve the following objectives:

1. To probe into the level of satisfaction attained by teachers working in reputed schools.
2. To find out the difference between job satisfaction level of respondents classified on the basis of gender, qualification and marital status.
3. To find out the relation between job satisfaction level of respondents and demographic variables like age, tenure and experience.

## REVIEW OF LITERATURE

In order to maximize their efficiency and

performance factors affecting job satisfaction are to be identified and then regulated accordingly (Eryaman and Sonmezer, 2008). Plenty of research has been carried out to identify the causes of the vital employee attitude labeled as job satisfaction. Tye and O'Brien, (2002) examined the factors such as teachers' education level, gender, ethnicity, age and socio-economic conditions, their devotion to their jobs as causes of difference between job satisfaction levels. Research has acknowledged the importance of teacher's participation level in decision making process, and of the school culture in which teachers' ideas are valued, in improving the commitment and job satisfaction levels of teachers (Bogler, 2002; Ebmeir, 2003). Mejia and Balkin (1984) examined the relationship of faculty unionism with satisfaction with regard to pay and other job dimensions. Union faculty was more satisfied with their pay than non-union faculty. Other significant determinants of faculty job satisfaction were pay level, tenure, job experience, and gender.

Azumi and Lerman (1987) highlighted the use of rewards to attract and retain teachers. They felt that improving teacher practices and attitudes are also important especially in urban areas. The creation of a master teacher program is one means of both rewarding teachers and enhancing their effectiveness. As part of a master teacher planning project, a survey was conducted of teachers in the Newark, New Jersey, school district to elicit their preferences regarding the criteria and processes for master teacher selection as well as rewards for master teachers. Results indicated that although teachers valued the extrinsic/ ancillary rewards more than intrinsic rewards (professional, collegial, and creative), there were differences in response by educational and school levels. Culver, Wolfle and Cross (1990) brought out that teacher job satisfaction is also dependant on the organizational climate of the school, especially how well teachers cooperate with each other and how they perceive their relationships with their colleagues. Principal's role and actions become one of the causal factors affecting level of job satisfaction among teachers. They have even remarked that an important factor in teachers quitting the profession is the dissatisfaction with principal's role. Borg and Riding (1991) investigated teacher stress, job satisfaction, absenteeism, career intention, career commitment and self-image as teacher. Results showed that



teachers who reported greater stress were less satisfied with teaching, reported greater frequency of absences and a greater number of total days absent, were more likely to leave teaching and less likely to take up a teaching career again. Sim (1990) found that the teaching profession is in serious peril if the majority of teachers are dissatisfied with their job and/or do not regard matters related to their work as being of central concern.

Researchers have established the relationship between job satisfaction and qualification or level of education. Studies by Pandey (1992), Vasagam (1997) and Nazir (1998) used samples of station masters, employees of Neyveli Lignite Corporation and bank clerks respectively and found that the higher the education the higher was job satisfaction. Also, job satisfaction have been found to be negatively co-related with the years of experience. If one goes by general understanding, perhaps a person who is just starting his career would be more satisfied with it because of initial enthusiasm which might wear off after a while. However, as soon as he reaches a period close to retirement, his satisfaction should again increase because of the lack of alternative

opportunities available to him. In a study carried out on 620 Nigerian and 778 Indian employees by Saiyadain (1985) it was concluded that job satisfaction decreases with increasing years of experience. However, it may also tend to decrease after 20 years of experience. Thus the literature review helped in identifying the precedents to job satisfaction among employees working in various organizations.

## RESEARCH METHODOLOGY

The present study is descriptive in nature. The sample for the study was chosen on the basis of convenient sampling method and composed of 97 teachers working in the selected schools in urban area of Ludhiana (Punjab). A well structured questionnaire was developed to collect the primary data. The responses have been measured using five point scales ranging from Strongly Disagree (SD) to Strongly Agree (SA). The 27 items of the questionnaire were tested for reliability and an acceptable value of Cronbach alpha i.e 0.8754 was obtained. Table 1 gives the details of demographic profile of the respondents of the present study.

**Table 1 Demographic Profile of Respondents**

Variable		Frequency	Percentage
Gender	Female	77	79.38
	Male	20	20.62
Marital status	Married	81	83.50
	Single	16	16.50
Qualification	Post graduate or above	78	80.41
	Graduate or diploma	19	19.59
Position	PGT/TGT	69	71.13
	NTT/PRT	28	28.87
Age	Minimum	24	
	Maximum	55	36.22
Experience:	Minimum	1 yr.	
	Maximum	26 yrs.	11.12 yrs.
Tenure:	Minimum	1 yr.	
	Maximum	26 yrs.	7.6 yrs.

Further, in the present study Kaiser-Meyer-Olkin (KMO) – the measure of sampling adequacy was used to measure the adequacy of sample for extraction of factors. As given in the table 2, KMO is greater than .6 which indicates that factor

analysis can be carried out (Kim and Jin, 2002). Bartlett's test of sphericity was used to test the multivariate normality of the set of distributions. It was found to be significant where Chi-Square value is 1031.466,  $df=351$ ,  $p=0.000$ .



**Table 2 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.753
Bartlett's Test of Sphericity	Approx. Chi-Square	1031.466	
	Df	351	
	Sig.	.000	

Principal Component Analysis was carried out using Varimax rotation with Kaiser Normalization.

Commonality values of 0.40 and above have been accepted for extraction of factors from 27 items of the instrument. Eight factors were extracted named as Interpersonal relations, Availability of Resources, Parity of authority and responsibility, Remuneration, Professional support, Communication, Benefits and Salary increments. Table 3 shows the rotated component matrix obtained through factor analysis. 67.225% variance has been explained by the 8 factors.

**Table 3 Rotated Component Matrix**

Items	Component							
	1	2	3	4	5	6	7	8
JS14	.825							
JS 13	.745							
JS 11	.683							
JS 12	.678							
JS 65		.721						
JS 92		.681						
JS 31		.628						
JS 33		.600						
JS 35		.505						
JS 23			.756					
JS 21			.674					
JS 22			.643					
JS 41				.751				
JS 82				.644				
JS 43				.622				
JS 64					.705			
JS 61					.644			
JS 63					.471			
JS 62					.455			
JS 72						.690		
JS 73						.542		
JS 74						.468		
JS 71						.452		
JS 81							.784	
JS 91								.862

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.  
a Rotation converged in 22 iterations.

## FINDINGS

For further analysis average summated scores have been used. It can be seen in the table 4 that factor 7 and 4 have the least values of mean and that too little bit above neutral response. It indicates that the level of satisfaction among teachers is low with regard to comparable benefits and adequate remuneration. But the descriptive statistics also indicate that a very high level of satisfaction could not be seen in any of the factors i.e mean above 4.

**Table 4 Descriptive Statistics**

S. No.	Factors	Mean	Std. Deviation
1	Interpersonal Relations	3.8840	.7483
2	Availability of Resources	3.8557	.5422
3	Parity of authority and responsibility	3.7835	.6940
4	Adequate Remuneration	3.4570	.7396
5	Professional Support	3.7887	.5698
6	Communication	3.6778	.6005
7	Comparable Benefits	3.3093	.9721
8	Salary Increments	3.7526	.8901

Further the relationship between levels of job satisfaction and the demographic variables like age, tenure in the current organization and total experience has been probed. It has been found that there exists a significantly negative correlation ( $r = -.253$ ,  $p < 0.05$ ) between level of satisfaction and tenure of the teachers. It can be interpreted that greater the tenure, lower is the level of satisfaction. If one goes by general understanding, perhaps a person who is just starting his career would be more satisfied with it because of initial enthusiasm which might wear off after a while. However, as soon as he reaches a period close

to retirement, his satisfaction should again increase because of the lack of alternative opportunities available to him. Table 4 and 5 shows the results of independent sample t-test. It can be seen that the satisfaction level varies significantly between the respondents grouped on the basis of qualification. Postgraduate Teachers were found to be more satisfied than those with lesser qualification. As given in table 5, the  $F$  value for Levene's test is 3.983 with a Sig. ( $p$ ) value of .049 ( $p < .001$ ). Because the Sig. value is less than our alpha of .05 ( $p < .05$ ), we reject the null hypothesis (no difference) for the assumption of homogeneity of variance and conclude that there is a significant difference between the two group's variances. That is, the assumption of homogeneity of variance is not met. If the assumption of homogeneity of variance is not met, we must use the data results associated with the "Equal variances not assumed". In other words, we will use the bottom line of the  $t$  test for equality of means results table and ignore the top line of information. Since the  $t$  value (-2.285, which indicates that the second group was higher than the first group) resulted in a Sig. ( $p$ ) value that was less than our alpha of .05 ( $p < .05$ ) – we reject the null hypothesis in support of the alternative hypothesis, and conclude that postgraduates and graduates differed significantly on their levels of satisfaction. By examining the group means for this sample of respondents, we see that postgraduates (with a mean of 29.9632) had significantly higher levels of satisfaction than did graduates (with a mean of 27.6421).

**Table 5 Group Statistics**

QUAL	N	Mean	Std. Deviation	Std. Error Mean
SAT .00	19	27.6421	4.1309	.9477
1.00	78	29.9632	3.2345	.3662



**Table 6 Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower		Upper
SAT	Equal variances assumed	3.983	.049	-2.651	95	.009	-2.3211	.8756	-4.0594	-.5829
	Equal variances not assumed			-2.285	23.655	.032	-2.3211	1.0160	-4.4197	-.2226

## DISCUSSION AND CONCLUSION

The study revealed that the level of satisfaction among teachers is low with regard to benefits and remuneration. There exists a significantly negative correlation between level of satisfaction and tenure of the teachers. It can be interpreted that greater the tenure, lower is the level of satisfaction. The greater the tenure more will be the age and most of them are expected to be married. All the three indicate a major chunk of time and resources taxed by social responsibilities added to work/job related responsibilities leading to low level of satisfaction with regard to remuneration and benefits etc. Postgraduates have been found to be significantly more satisfied than graduates. Further analysis revealed that graduate teachers were less satisfied with regard to availability of resources,

remuneration and parity of authority and responsibility. The reason might be that though much difference does not exist in the work load but more qualified teachers are comparatively better placed in terms of resources, remuneration and authority granted to them. Most of the research studies suffer from certain limitations and the present study is no exception to it. Limitations of this study are primarily individual response bias that may exist due to the study being primary study based on survey of individuals. Secondly, the findings of the present study cannot be generalized. For the present study only teachers from schools of Ludhiana have been considered. In future a comparative study between rural and urban school teachers' level of satisfaction can be conducted.

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# Customer Barriers and Product Disposition in Probiotic Market – A Case Study of Yakult in India

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## ABSTRACT

Probiotics are bacteria, which when consumed as food enhance our digestive system as well as immunity. Probiotics market in India is at a nascent stage, and for Probiotic giants like Yakult who have established a great empire in other Pacific and Asian countries, to establish in the Indian market would require an analysis of consumer demands and strategic means to break past these consumer barriers. This study, covers the various challenges faced by Yakult while creating ground in the Indian market, and the various marketing strategies adopted by them while dealing with these challenges. Also, this study reviews the impact of the subsequent marketing strategies of Yakult on the Indian population.

**Keywords:** *Probiotics, Yakult, consumer barriers, marketing strategies*

## INTRODUCTION

With the Indian market and the disposable income of the middle and upper class growing, the consumption for new and better products is increasing, bringing new and global products to the lucrative Indian Market. One such market is the Food industry, which is becoming the hot spot for investors as increased money flow has taken a paradigm shift of customers from disease specific medication to preventative therapies. Yet there are certain barricades that hinder their smooth growth in the new Indian market. In order to penetrate this huge market, it is essential for the companies to identify these barriers and bring about certain marketing innovations which can dissolve these barriers.

Yakult, the focus of this study, is one such company. This company is a global leader in the probiotic drinks market with a large range of probiotic products using bacterial strains. Being a pioneer in probiotics, Yakult has astounding research capabilities and product technologies in the field of intestinal bacteria as a factor in health maintenance. The worldwide market of probiotics is centered mainly in the European and Asia Pacific markets, of which the Indian market, till 2007, had not been explored. Yakult began marketing its probiotic product in India in 2008, when the Indian probiotic market was enjoying its infancy. But to create a market share in India, similar to its global market, it needs to develop some strategies through which it can diffuse

through the Indian market and cut-through the customer barricades.

## INDUSTRY OVERVIEW

The global probiotics market is expected to be worth \$32.6 billion by 2014, with the Europe and Asia accounting for nearly 42% and 30% of the total revenues respectively, while the Indian Probiotic Industry accounts for less than 1% of the total world market turnover as published in a new market research report, 'Probiotics Market' (2009-2014), by Markets and Markets. But this industry is progressing at a steady pace and the Indian market is emerging as a major probiotic market with an indicative annual growth rate of 11% until 2015, with a few players like Amul, Mother Dairy, Nestle and Yakult, trying to capitalize on the cheap labour and large availability of raw materials like milk powder and raw sugar that India provides. The first probiotic product in India was launched in 2007, with Amul's probiotic ice-cream. With Amul achieving success with its probiotic ice-cream, it then launched probiotic lassi. Probiotic products contribute nearly 10% to its ice-cream sales and 25% of its Dahi (Indian yoghurt) or pouched Lassi sales. Mother Dairy's b-activ probiotic Dahi, b-activ Lassi, Dahi and Nutrifit (strawberry and mango) contribute to 15% of turnover of their fresh dairy products. Nestle too has launched probiotic milk in various flavors, named as Nesvita and Actiplus. Yakult, a new player in probiotics market in India, started in

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January 2008, is slowly gaining popularity through its Fermented Probiotic Milk. According to Indian Consumer Survey, 2010, 62% of the market share of probiotic products in India is occupied by milk and fermented milk products.

The entrance of Yakult in India, is seen to increase the visibility, awareness about probiotics in India and the growth of probiotic industry in India. The increase in ageing population and pharma retail growth, the growing in-hand money, acceptance of preventive medication and self-medication by few people, are factors that can enhance the growth of this market. Indian economic survey, 2010, indicates that the Indian per capita income has risen from Rs. 48,856 from Rs.22, 792 in 1991, increasing the dispensability of money towards this sector. But it still has a long way to go before it can achieve a similar feat as the global market, primarily because of the myths that surround probiotics. One of the foremost being the belief that 'bacteria is bad' and 'the attitude to health being reactive than preventive', The strong and ignorant belief existing in the Indian culture that natural foods like curd, milk, lassi provide the required immunity which the probiotics claim to deliver, are all factors that restrict the incoming probiotic companies from seeping within the Indian market. Another huge hitch in the establishment of probiotic market in India is the specific requirement of refrigeration conditions for the product, which is missing in most of the Karyana shops in the market, especially in the non-metropolitan cities, thus restricting the product's market. Thus, cold-storage of probiotic products becomes a constricting factor. Distribution costs of the products and inter-state taxes too add to the costs of the companies. Another factor influencing the buying decision of Indian customers in buying the product is their taste consciousness as well as the physical appearance of the product, its packaging and color. Once the product is disliked, there is very less probability for trying that product again and also they have inclination towards multiple product flavors. As this industry enters into its growth stage, new players are emerging who are trying to cash onto the name of probiotics falsely and the lack of standardization and regulations by the government is bringing abuse to this industry.

## COMPANY OVERVIEW

Yakult was first launched in Japan in 1935 by Dr.

Minoru Shirota, a Japanese scientist, who isolated a probiotic strain which when reaches the intestines alive, imparts healthy benefits to the consumer.

Yakult's benefits have been improving health of 30 million people in more than 30 countries every day. In India, Yakult-Danone India, a 50:50 Joint venture between the leading probiotic manufacturers in the world, Yakult Honsha, Japan and Danone Group, France was launched in 2008. The company's first plant was set up in Sonapat, Haryana, which produces about 200,000 bottles per day, with the plant functioning 2-3 days a week to meet their current sales demand. The Yakult fermented milk drink was first launched in January 2008 in Delhi NCR and then expanded to Mumbai in September 2009, Bangalore in August 2010 and Hyderabad in February 2012, as Yakult Danone India established sales bases in these major cities. Yakult is currently delivered to households or sold at retail stores in most of the metropolitans of India and as of December 2011 the number of stores selling Yakult totaled about 2,100 stores and Yakult Ladies numbered around 230. They chose Delhi as their first market, as it being a metro city was the most suitable market and provided various facilities like availability of fresh water, cold storage, efficient distribution system, educated population etc. and then expanded their markets to other similar cities.

The dispersion of Yakult in these cities has been successful because of their unique marketing strategies. Yakult uses the two-point strategy to crack the Indian market, i.e., both ATL (Above The Line) and BTL (Below The Line) form of promotion is done. Before entering the Indian Market, Yakult utilised Print media i.e., magazines and newspapers like HT Brunch, India Today, Prevention, Good Housekeeping, Grih Shobha and Readers Digest, to its fullest in breaking the barricades of unawareness amongst Indian consumers about probiotics, thus creating a base for Yakult before launching its product in the Indian market. Yakult has also roped in famous Bollywood Actress Kajol Devgan as the brand ambassador for its product. The target population of Yakult includes urban households SEC A&B of age group, 20-45 years, primary focus being women, as they are more health consciously evolved, and young adults. But what has worked the most for Yakult are their unique BTL strategies. Their special sales agents team, popularly known as



the 'Yakult Ladies', is a team of 250 ladies across various cities of India. Yakult ladies promote probiotics and are provided scooters with chiller boxes to deliver their products from door to door without any spoilage and are responsible for 50% of the total sales of Yakult in India. Women are preferred over men for this job as it is believed that women are more health conscious and can thus effectively communicate the benefits of the same to their target group, which mainly comprises of women, who are also believed to be responsible for the health of their families and are also more accepted by families, thus establishing a bond with the customer. This team works with the motive of creating brand visibility at the doorsteps of the customers, generate trials, grow awareness about the probiotic category, their relevance and involve in high levels of customer engagement. Yakult believes in the philosophy of building and maintaining customer connect, which they accomplish not just by their team of Yakult Ladies, but also through other BTL activities like sampling at various events, shopping malls etc. They have also conducted several workshops and lectures over the years in various schools and colleges like IIT Delhi to create a youth market for their product and creating awareness through BTL means. Also, they conducted radio and in-between ad campaigns for brand recall. As the industry is entering its growth phase, reasonable pricing is a tool which is helping it compete with other big, Indian players like Amul, Mother Dairy, etc. in the probiotic market. Yakult believes in the daily consumption of their product for maximum benefit, and so does not retail variants with artificial flavors, bringing it in a face-off with the mindsets of Indian,

who prefer multiple flavored products. This unique journey of Yakult in India, won them the 'Frost & Sullivan Emerging Company of the year' Award in 2011 in the Indian food and beverage market.

## PRODUCT OVERVIEW

Probiotics are beneficial microorganisms like gut bacteria which have been proven to improve the overall health when taken regularly, by improving the intestinal microbial balance. They play an important role by serving as a major line of defence against invading pathogens, improving digestion, enabling suitable absorption of nutrients and producing vitamins such as Vitamin K. They have been used to modulate immunity, treat cancer, diarrhoea, constipation, obesity, lower cholesterol, and improve lactose intolerance. The star product of Yakult is a 65 ml bottle which contains over 6.5 billion beneficial bacteria (*Lactobacillus casei* strain Shirota) which imparts gut health and improves immunity. It does not contain any preservatives, colorings, stabilizers, or conditioners, which can easily catch the attention of people seeking a healthy lifestyle. Heating of milk and sugar imparts it the color that Yakult has. It is fat free and contains 0% cholesterol and has a low Glycemic Index which means that the sugar in a Yakult drink enters the bloodstream gradually and does not increase blood glucose levels rapidly. The bacterial strain, *Lactobacillus casei* is imported from Japan, while other raw materials like milk powder and sugar. This world's number 1 probiotic drink, is sold in India at the price of Rs. 55/pack (set of 5 bottles), and requires refrigeration for maintenance of its bacteria. The

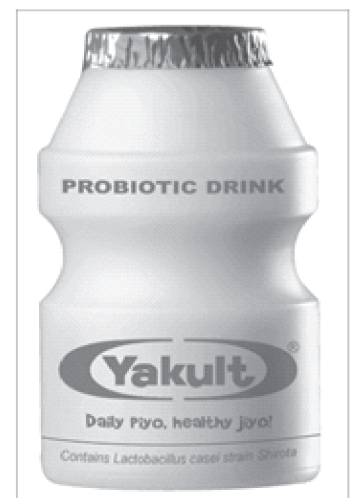
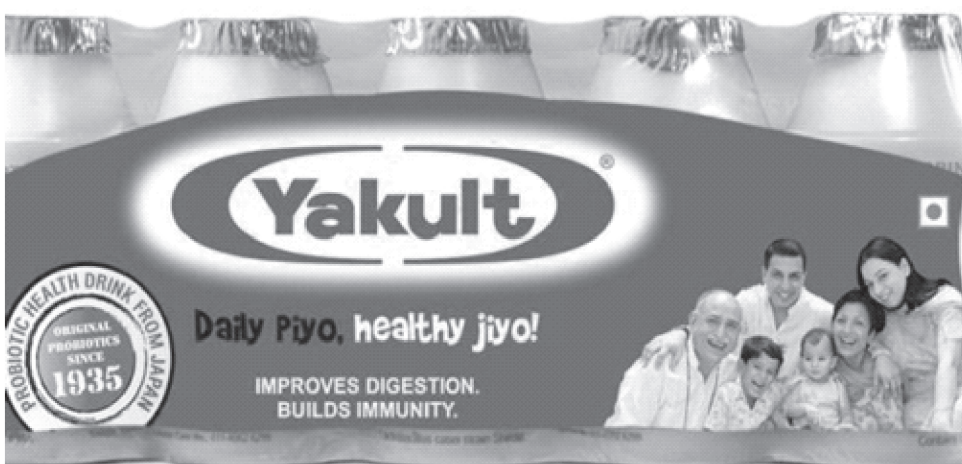


Figure 1 Yakult's Probiotic Drink

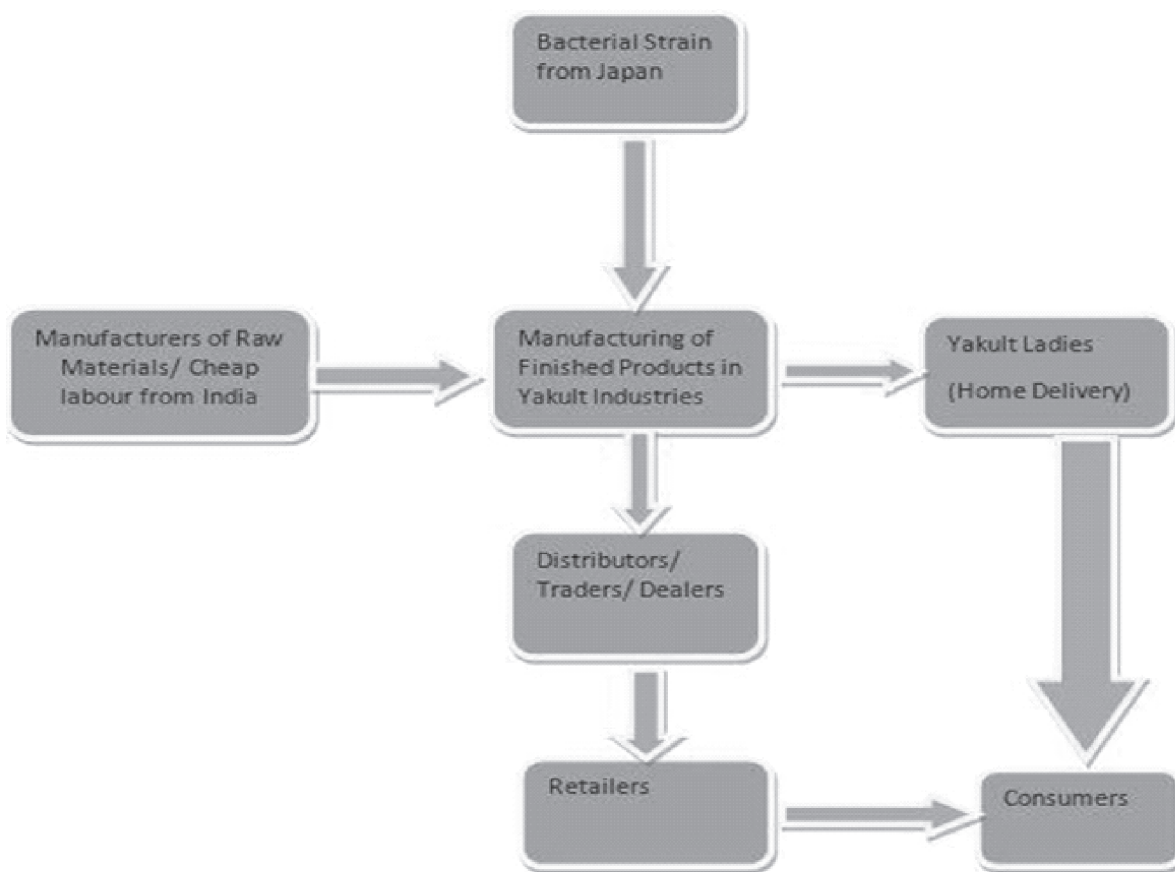


shrink wrapped packs in which these bottles are available all have a picture of an Indian family on it, appealing to the traditional and collectivistic Indians, yet the packaging appears dull and non-attractive to the Indian consumer. Along with it is a slogan of, 'Daily piyo, healthy jiyō', insinuating their motto of general health.

### EMERGING SCENARIO

The success of Yakult in the global arena is world

renowned, yet establishing a strong foothold in the Indian market, is still a long journey to be covered. The Indian market which has big Indian dairy giants like Amul, Mother Dairy stepping in the field of probiotics, and launching probiotics in the food category, has paved way for other international players like Yakult-Danone, to also land in this market. The probiotics in the pharmaceutical sector have been established, but in the food category, they still need acceptance from Indian people.



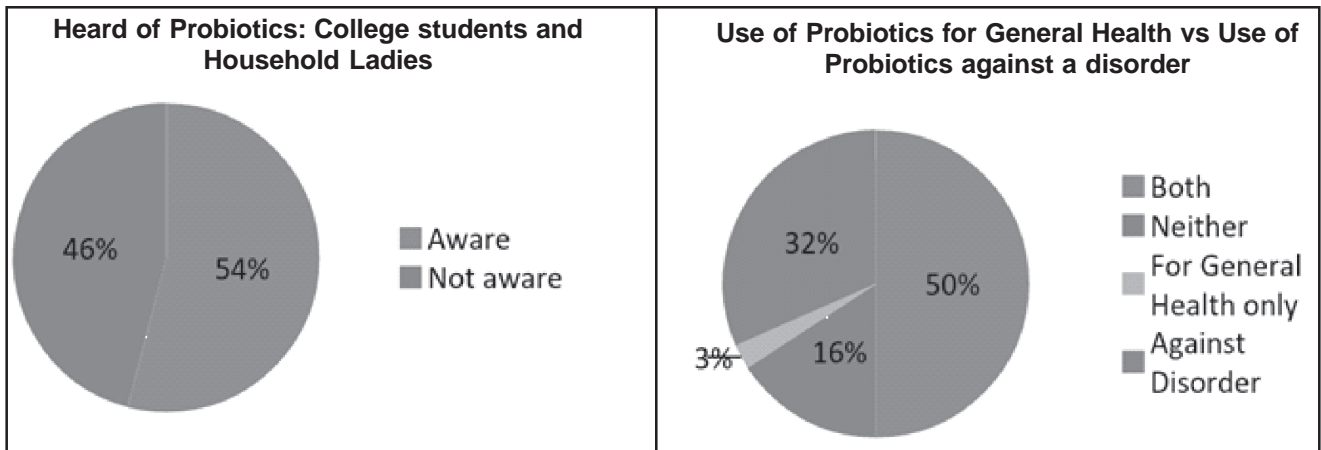
**Figure 2 Typical Supply Chain Management of Yakult Company in India**

Unlike other FMCG companies, the company's unique marketing strategy comes into focus with its home delivery system through Yakult ladies, who are not only responsible for generating sales but also for creating awareness among a major section of society and thus, needs regular attention. The company's major concern are the retail outlets as its product requires 24\*7 cold storage facilities as the product has low shelf-life and thus the options are very limited.

Based on a survey done on a sample in Delhi comprising of Yakult's target population (young adults and household ladies), awareness levels

of probiotics among the people were recorded(see APPENDIX). Approximately half of the target subjects are still unaware of the benefits of probiotics in a metropolitan city like Delhi. Moreover, Yakult's promotional campaigns are primarily based on improving general health which deprives them of approximately 30% of the target population. Use of fear marketing can play a critical role in this field for the probiotics market in India.

Based on the same survey, the popularity of various probiotic companies in India were also measured. Surprisingly, Yakult here is leading by a big margin over its competition while Yakult's



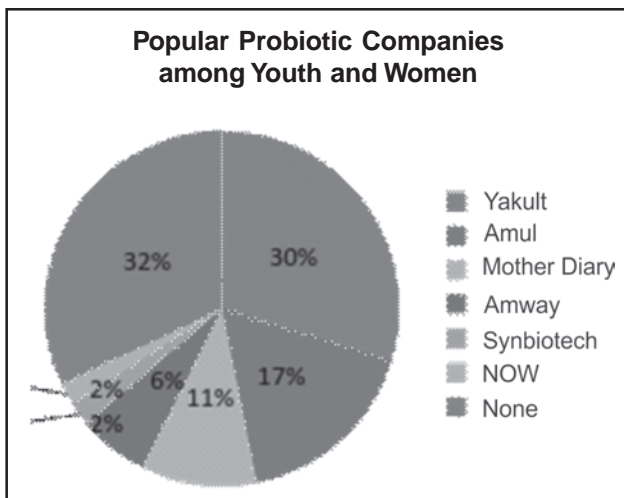
**Figure 3 Graphical Analysis of Probiotics among its Target Population**

market share of the probiotics market in India tells a completely different story. Thus, it would be safe to tell that Yakult has been able to create more awareness about its product in its niche category of target population than any other probiotic company. But still there is a large section of targets still left where Yakult has not been able to reach.

pricing but diversity of flavors and taste is still missing unlike other players in the market.

**Table 1 Preferences of Traits in a Probiotic Product**

Favoured Attributes of Brand
1. Health and Nutrition
2. Quality or Freshness
3. Brand Value
4. Taste or Flavors
5. Price



**Figure 4 Leading Companies in the Probiotics Market in India**

When it was asked about in absolute terms about the preferences while buying a probiotic product, the following preferences were observed. The target population is mainly concerned about the health and quality factor, but the brand value also plays a vital role which Yakult has been able to build graciously over the years. As mentioned before, it has also adopted a policy of reasonable

## CONCLUSION

Indian market presents a classic picture for the probiotics market. Although there are a number of challenges to be faced, the opportunities appear bright. If the companies can create awareness and proper distribution and marketing strategies, along with standardization of products by the government, Probiotics market can really prove to be a winner. Yakult, one of the leading players in the probiotics market globally, with its unique marketing strategies and promotional campaigns, too can emerge as the face of Indian probiotics market. Following its philosophy of creating brand relevance in the market, by generating awareness among the consumers, thus creating its own brand value and gradually growing its own market in India. But it still has various customer mindset challenges which it needs to overcome in order to make its mark in the FMCG market in India.

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## APPENDIX

### MARKETING OF PROBIOTICS IN INDIA

Probiotics are beneficial Lactic Acid Bacteria which are scientifically proven to improve overall health when consumed regularly in large numbers.

\* Required

1. Are you aware of the benefits of Probiotics on your health? \*

**Mark only one oval.**

Yes

No

2. What do you intake daily for your general health?

Like milk, curd, lassi, etc.

.....

3. Would you prefer probiotics over curd and other dairy products for health?

**Check all that apply.**

Yes

No

4. What are the probiotic companies you have heard of?

.....

5. What is your 1st preference while buying a probiotic product? \*

**Mark only one oval.**

Taste

Brand

Health and Nutrition

Flavour

Quality or Freshness

Quantity



Price

6. What is your 2nd preference while buying a probiotic product? \*

**Mark only one oval.**

Taste

Brand

Health and Nutrition

Flavour

Quality or Freshness

Quantity

Price

7. What is your 3rd preference while buying a probiotic product? \*

**Mark only one oval.**

Taste

Brand

Health and Nutrition

Flavour

Quality or Freshness

Quantity

Price

8. Let us assume you are suffering from a medical disorder. Would you like to intake a probiotic product DAILY if it contains substances that are beneficial against that disorder? \*

**Mark only one oval.**

Yes

No

9. Would you like to intake a probiotic product DAILY if it is beneficial for your general health?\*

**Mark only one oval.**

Yes

No

10. For how long have you been taking probiotics daily?

**Mark only one oval.**

A day or two

A week

A month

Regularly since the day started it

Never

# Factors Affecting Consumer Perception Towards Online Shopping

\*Bharti Motwani

\*\*Sharda Haryani

\*\*\*Sukhjeet Matharu

## ABSTRACT

Increase of Online customers reflect that online shopping may now overshadowing traditional shopping, and may well dominate in the future. The growth in online sales can be partially attributed to the Internet's advantages of providing large amounts of information quickly and inexpensively and its growing accessibility. Companies need to recognize reasons due to which, people prefer online shopping and factors due to which they are reluctant to do online shopping. This study focuses on identifying different factors that contribute to online shopping. Online survey was done and data was collected from 250 respondents from different cities of India and USA for understanding the perception of consumers. The study identified seven factors which contributed to online shopping namely Product Constituent, Financial Instrument Risk Association, Wide Accessibility, User Friendly Interface, Convenience and Physical Absence .

**Keywords:** *Online Shopping, online consumers, Accessibility, online products*

## INTRODUCTION

Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service, over the Internet. Sultan, F. and Henrichs, R.B. (2000) states that online shop, e-shop, e-store, Internet shop, webshop, webstore, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping centre. The process is called business-to-consumer (B2C) online shopping. Online buying could be a substitute for traditional shopping media, and may well dominate the exchange of certain products (e.g., digital assets) in the future (Cao and Mokhtarian, 2005). Peterson, R. A., Bal Subramanian, S., and Bronnenberg, B. J. (1997) explored the implications of the Internet for consumer marketing and expressed that through on-line shopping, business houses have been able to reach out to more customers at less cost.

According to AcNielsen (2007), more than 627 million people in the world have shopped online. Forrester (2006) research estimates e-commerce market will reach \$228 billion in 2007, \$258 billion in 2008 and \$288 billion in 2009. By 2010 e-commerce will have accounted for \$316 billion in

sales, or 13 percent of overall retail sales. The growth of e-shopping has changed the perception of consumers and is well reflected in their shopping behavior. Online buying could be a substitute for traditional shopping media, and may well dominate the exchange of certain products (e.g., digital assets) in the future (Cao and Mokhtarian, 2005). To promote e-shopping, companies are eager to identify its advantages and limitations compared to traditional shopping, the factors affecting the adoption of e-shopping and the role of demographics in online shopping. Chang et al. (2005) classified the determinants of e-shopping behavior into three categories: perceived characteristics of the web as a sales channel, online consumer characteristics, and vendor and product characteristics.

## LITERATURE REVIEW

According to Kargaonkar & Wolin (1999), factors contributing to online shopping include social escapism, transaction based security and privacy concerns, information seeking interactive control, socialization, non transactional privacy concerns and economic concern. Zhou et al. (2007) expressed that shopping motivation, innovativeness, perceived outcome, shopping

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orientation and normative beliefs are the factors contributing to online shopping. A study by XtraMSN (2002) found that the important factors that drive online shoppers to make purchase decisions include time saving, convenience, user friendly interface, price comparison availability, abundance of information and selections. Shergill and Chen (2005), Kim and Lee (2002) and Than and Grandon's (2002) identified web site design characteristics as the dominant factor which influences consumer perceptions of online purchasing. Ranganathan and Ganapathy (2002) found four key dimensions of online shopping namely web sites; information content, design, security and privacy.

According to Colin & Enos (2000) accessibility to shop during off-hours, avoiding trip to the stores, saving time, being able to purchase from non local merchants, competitive prices, avoiding salesman pressure and easier product-comparison were the main advantages contributing to online shopping. Some factors also de-motivate consumers for online shopping. These include lack of physical product, privacy invasion, lack of knowledge of shopping channels, unwillingness to pay and wait for delivery, website reliability, lack of satisfaction with products, lack of ability to use online shopping, desire for recreational shopping experiences, absence of physical store exposure, Internet fraud and transaction security (Ellen, Bearden & Sharma, 1991; Pastore, 1999, 2000,2001; Jeandrain, 2001; Lynch, Kent & Srinivasan, 2001; Fuscaldo, 2003). Also, according to Lucie Pokoma, an analyst at Czech based Research company found that three quarters of show owners.

## OBJECTIVES

- To determine the factors affecting consumer perception regarding online shopping.

## RESEARCH METHODOLOGY

- **The Study:** The Study is aimed to understand to determine the factors contributing to the perception of customers regarding online shopping.
- **The Sample:** The data was collected from 250 respondents belonging to different demographics (Table 4).
- **Tools for data collection:** A structured questionnaire was used to collect the relevant

data from different individuals. The questionnaire included 26 questions for collecting the information describing the different characteristics of the online shopping. All items were measured by responses on a likert scale, ranging from 1 = Strongly Disagree to 5 = Strongly Agree.

- **Tools for data analysis:** The Cronbach's alpha test is deemed acceptable when its reliability coefficients exceed the 0.8 level (Sengupta and Zviran, 1997). Our instrument had a reliability of 0.886. Besides, Item coorelation was found for each item and since none of the items had a coorealtion less than 0.196 hence no item was dropped . The value of Kaiser-Meyer-Olkin Measure of Sampling Adequacy was 0.848 while value of Bartlett test of sphericity is .000. The Bartlett's test of sphericity was large and the associated significance level was zero and therefore the correlation matrix was an identity. The KMO measure of sampling adequacy was very high, suggesting that factor analysis was appropriate for these data sets (Kaiser, 1974). Factor Analysis was used for the data analysis of the collected data.

## RESULTS AND DISCUSSION

Seven factors emerged from the study and the total percent of variance for factors was found to be 60.579 % and the Eigen values for each factor was more than one. The details of these factors tabularized with their item loads, Eigen values and percent of variances and shown in Table 3. The first factor Product Constituent (% of var= 11.974) consisted of 7 items namely Online shopping offers products with better quality (Item Load= 0.759), Online shopping has more variety of products to offer than traditional shopping (Item Load=.697), Information regarding expected delivery of product is an add-on in online shopping (Item Load=.674), Online shopping does not offer trial ability (Item Load=.551),The guarantees & warrantees offered are authentic (Item Load=.541), The extra visibility features to showcase the products is an add- on to online shopping (Item Load=.464) and Description of goods shown online are accurate(Item Load=.394). The factor seems to be valid since product categories are closely associated with internet usage and motivations.

Financial Instrument (% of var= 10.190) emerged

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out to be a second factor and consisted of 6 items namely Online shopping is economic (Item Load=0.750), The delivery charges by many sites is a criteria for comparison in shopping online (Item Load=.599), Discounts and other offers affect your purchase (Item Load=0.582), The delivery charges charged are economic (Item Load = 0.530), The online payment system is safe and secure (Item Load=0.527), The cost mentioned at the time of purchase is different from the cost of product at the time of delivery (Item Load=0.485). Companies need to find ways to break through these barriers and help people become more comfortable with this technology, if they want to encourage traditional consumers to become online shoppers (Page and White, 2002).

Risk Association (% of var= 9.480) was identified as third factor and consisted of 3 items namely Paying for the product in advance and not getting it delivered is a risk involved with online shopping (Item Load=0.764), Online shopping involves the risk of receiving the wrong product (Item Load=0.728) and The 'return policy' scheme of getting back the money for wrong product adopted by many sites affects my shopping decisions (Item Load=0.705). Risk seems to be a major factor in online shopping . Jayendra Sinha (2010) in his PhD Thesis identified ten factors out of which 4 factors were related to types of risk namely Financial Risk, Product Risk, Convenience Risk and Non-delivery Risk. Other factors identified were Infrastructural and Service factors, Return-Policy, Domain Specific Innovativeness, Subjective Norm, Attitude and Perceived Behavioral Control. According to WorldPay (2001) also, Security and trust are the fundamental concerns users have when they are buying online.

The fourth factor was Wide Accessibility (% of var= 9.369) and consisted of 3 items namely Online shopping is easily accessible (Item Load= 0.829), Masses & classes can be reached easily through online (Item Load=0.749) and Online shopping is not restricted to any age group (Item Load=0.602). User Friendly Interface (% of var= 6.729) was identified as fifth factor and consisted of 2 items namely The screen of many shopping sites is interactive and user friendly (Item Load=0.774) and The shopping sites are enough informative about their products and prices (Item Load=0.510). According to Yang and Lester (2004), most websites are not user friendly, but they are

informative and companies providing online products and services consider users to be rational consumers. Hence, this factor is very important for the companies to lay stress on this important factor.

Convenience (% of var= 6.595) was the sixth factor and consisted of 4 items namely Online shopping saves time (Item Load=0.717), Manpower availability to handle the query related to online shopping is fast and better (Item Load=0.574), Online shopping can overshadow traditional shopping since it is easy to do (Item Load= 0.446) and My online shopping experience has been satisfying (Item Load=.420). According to Flick Kenneth (2009), Speed of use and ease of access were related to the convenience factor, which played a dominant role in online shopping. Other finding suggest that important factors that influence the increasing amount of online shopping spending are convenience (49%), price (2%) and both convenience and price (30%). The last factor was Physical Absence (% of var= 6.241) and consisted of only one item namely Online shopping is affected since we are not able to touch the products (Item Load= 0.819).

## SUGGESTIONS AND CONCLUSION

Online Shopping has created powerful platform for consumer's engagements towards e-commerce. The study presents a basket of consumer perceptions towards the factors of using online shopping. Seven factors emerged out namely Product Constituent, Financial Instrument Risk Association, Wide Accessibility, User Friendly Interface, Convenience and Physical Absence . Now a days, there are ample of shopping websites available. With the change in taste and demands of the consumer there is tough competition between the different websites. The consumer now a day's need more range, reliable, economic, informative product for shopping. Besides, every website has got different features, but the consumer searches for the full package. The study could help the companies who desired to do online business and wanted to know about the different features of online shopping and the products designer to understand on which factor they are lacking behind. According to Nucifora (1997) and Roha and Henry (1998), business owners who use ecommerce as a distribution channel need a clearer understanding of who buys online, what they buy online, why they buy online, and how the



non-Internet buyer can be transformed into an online buyer in order to increase online sales. Once this information is available, the retailers can develop a clear strategy to retain existing and attract future consumers.

## LIMITATIONS

The study was done by taking the views of the

250 respondents. Respondents for the survey were taken from different cities of India and USA. The study could have more reliable and would have yield different results if the target demographic was broader than now. Like every study involving human feedback, there is always a big room for bias. Respondents could have provided with false information due to the thought that it might reflect their personality.

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## ANNEXURES

**Table 1 Rotated Component Matrix**

	Component						
	1	2	3	4	5	6	7
Online shopping offers products with better quality	.759	.063	.190	-.068	.349	-.031	.033
Online shopping has more variety of products to offer than traditional shopping	.697	.170	.205	.053	-.033	.160	.037
Information regarding expected delivery of product is an add-on in online shopping.	.674	.210	.259	.146	.116	.013	.102
Online shopping does not offer trial ability.	.551	.304	.179	.340	-.086	-.118	.294
The guarantees & warrantees offered are authentic.	.541	.170	-.230	.257	.088	.251	.043
The extra visibility features to showcase the products is an add- on to online shopping	.464	.033	-.116	.463	-.094	.284	.097
Description of goods shown online are accurate.	.394	.027	.289	.199	-.157	.318	.358
Online shopping is economic	.167	.750	-.112	.168	.093	.181	-.031
The delivery charges by many sites is a criteria for comparison in shopping online.	.350	.599	-.163	-.014	.092	.139	.177
Discounts and other offers affect your purchase.	.315	.582	-.133	.207	.107	.193	.086
The delivery charges charged are economic.	.118	.530	.102	.082	.317	.034	.404
The online payment system is safe and secure.	-.083	.527	.371	.033	-.240	-.045	.029
The cost mentioned at the time of purchase is different from the cost of product at the time of delivery.	.116	.485	.229	.149	.301	-.112	.325
Paying for the product in advance and not getting it delivered is a risk involved with online shopping.	.044	.004	.764	.090	.209	.141	-.116
Online shopping involves the risk of receiving the wrong product.	.103	.025	.728	.033	-.039	.138	.241
The 'return policy' scheme of getting back the money for wrong product adopted by many sites affects my shopping decisions.	.285	-.058	.705	.047	.087	.070	.008



Online shopping is easily accessible.	.067	.074	.171	.829	-.026	-.012	.243
Masses & classes can be reached easily through online.	.068	.229	.123	.749	.167	.127	.000
Online shopping is not restricted to any age group.	.216	.109	-.067	.602	.386	.124	-.048
The screen of many shopping sites is interactive and user friendly.	.072	.051	.069	.072	.774	.070	.211
The shopping sites are enough informative about their products and prices.	.047	.367	.185	.237	.510	.114	-.009
Online shopping saves time.	-.067	.052	.299	-.044	.042	.717	.225
Manpower availability to handle the query related to online shopping is fast and better.	.277	.222	.101	.207	.055	.574	-.140
Online shopping can overshadow traditional shopping since it is easy to do.	.229	.039	-.107	.306	.294	.446	.394
My online shopping experience has been satisfying.	.208	.301	.263	.199	.278	.420	.023
Online shopping is affected since we are not able to touch the products.	.121	.197	.041	.098	.175	.111	.819

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization

Rotation converged in 10 iterations

**Table 2 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.848
Bartlett's Test of Sphericity	Approx. Chi-Square	1.781E3
	Df	325
	Sig.	.000

**Table 3 Table showing Variance of different factors**

no	Total Variance Explained								
	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	7.064	27.170	27.170	7.064	27.170	27.170	3.113	11.974	11.974
2	2.212	8.507	35.678	2.212	8.507	35.678	2.649	10.190	22.164
3	1.577	6.065	41.743	1.577	6.065	41.743	2.465	9.480	31.644
4	1.474	5.670	47.413	1.474	5.670	47.413	2.436	9.369	41.013
5	1.203	4.629	52.041	1.203	4.629	52.041	1.750	6.729	47.743
6	1.126	4.330	56.371	1.126	4.330	56.371	1.715	6.595	54.338
7	1.094	4.208	60.579	1.094	4.208	60.579	1.623	6.241	60.579
8	.977	3.757	64.335						
9	.835	3.212	67.548						
10	.776	2.985	70.533						
11	.745	2.865	73.397						
12	.701	2.697	76.094						
13	.685	2.636	78.730						
14	.661	2.544	81.274						

15	.578	2.224	83.498
16	.547	2.104	85.603
17	.523	2.011	87.614
18	.468	1.801	89.415
19	.442	1.700	91.116
20	.413	1.589	92.705
21	.387	1.488	94.193
22	.361	1.390	95.582
23	.336	1.293	96.876
24	.298	1.144	98.020
25	.263	1.012	99.032
26	.252	.968	100.000

Extraction Method: Principal Component Analysis.

**Table 4: Demographics of Respondents**

	India	USA	Total
15-30	73	45	118
31-45	34	51	85
46-60	25	22	47
Total	132	118	

Income Groups	India	USA	Total
Low level	39	19	48
Middle level	20	65	85
High level	73	34	107
Total	132	118	250

Gender	India	USA	Total
Male	74	60	134
Female	59	57	116
Total	133	117	250



## India's Mutual Fund Growth of Assets

Deepika Solanki\*  
Ram Prakash\*\*

### ABSTRACT

Mutual Fund in India not increased manifold in last few decades, this resulted in overall growth of the assets generation of mutual fund industry. Increasing scope of mutual fund industry provide an avenue to small savings of Indians to reinvest. In same regime, mobilization of fund towards mutual fund industry also increases that become cause of greater inflow of fund for growth of mutual fund industry. In this study, result shows that inflow of fund is more important than mobilization of fund for growth of mutual fund industry to increase its assets. The linkage between inflow, mobilization of fund and growth of mutual fund industry in India investigated. It is also analysis that why people of India mobilize their funds towards the Mutual Fund. The relationship between inflow, mobilization and growth of assets of mutual fund industry of India also analyzed.

**Key words:** *Unit holder, Mobilization, Inflow of fund and Growth of Mutual Fund in India.*

### INTRODUCTION

**M**utual Fund Industry of India is growing rapidly; last few decades are the golden era of it. As Indian capital and money market growing scope of mutual fund industry become more aware to its investor. It leads mutual fund industry towards consciousness of frame plans and schemes for people to provide wider choice. Product offer by mutual fund industry become quantitative as well as qualitative to fulfill needs of Indian mutual fund unit holders. Management experts, regulations of SEBI and competitive era of mutual fund industry have constraint it to revisit its plans and schemes, which become a cause to enhance the efficiency of Indian Mutual Fund Industry. Where education and aware of the Indian people regarding financial market and their increasing trends of reinvestment is open a new horizon for it.

Mutual fund was start in India in year 1964. After it, govt. of India allows public bank and other financial institutions in it. To protect interest of people revise its regulations and Security Exchange Board of India (SEBI) become the regulatory body for mutual fund industry of India. After this act of govt. private sector of India, enter in this market. Over the time, no. of mutual fund companies has increased in massive rate. In present time, it becomes an intermediary for those people who want help in reinvest their

income with expert's advices.

People of India become more aware in selection of investment source and they are investing their savings and surplus amount in best suitable option of investment. Their education and awareness of financial matter increases the pre study of investment. Their perceptions regarding safety, returns, easy availability and flexibility of funds are growing with the financial system. Customers of financial system are not thinking about the returns and income but they are thinking about the growth of their funds in financial market of India. Mutual fund of India regularly, revises its plans and policies to meet with the expectations of customers of financial system and Endeavour to satisfy them.

### MUTUAL FUND: EMERGENCE AND CONCEPT

Mutual fund is a portfolio investment, which works as a pool of funds that collected from many investors and invested in securities such as stock, bonds, money market and other instruments of financial market. In this concept funds is collected from many investors who are willing to invest their small savings in diversified portfolio of equities, debentures and bonds which would not in their access with scanty assets. Investors of mutual funds enjoys the facility of experts to invest their funds in appropriate schemes and securities

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whereas portfolio safe their funds from the hazards of losses by diversified investments in different securities. Mutual fund industry has opened new horizon for the investors to invest due to lower risk in it, plans and schemes, which is a mixture of many securities and industries equities. It also contributes for financial market to create capital, enhance market efficiency and transparency of financial market.

Person who invest their funds in mutual fund known as unit holder or shareholder of Mutual Fund Company. Unit holders entertain gains on it as rewards of their scarification of funds. Each participant of Mutual Fund gains on proportion of his units from the income of company or he can redeem it in needs on current asset value (NAV). Calculations of NAV and open market selling gives flexibility and transparency to its investors and market focus to satisfy customers. Furthermore, in India, Stock Exchange Board of India (SEBI) regulates mutual fund industry in India and its functioning is within the SEBI mutual fund regulations 1993 to protect interest of investors.

## MUTUAL FUND IN INDIA: ORIGIN AND GROWTH

Mutual fund concept was introduced in India in 1963 with Govt. of India and Reserve Bank of India (RBI) efforts with formation of a public company Unit Trust of India (UTI) as a specialized company under a Parliament Act. In year 1978, it was delinked with RBI and a new company

Industrial Development Bank of India (IDBI) took over its regulatory and administrative system. Further, in year 1987, non-UTI, associations and companies enters in mutual fund industry to popularize it. State Bank of India (SBI) was the first non-UTI company enters in this market and launched its first mutual fund scheme in June 1987 after that many more companies, banking institutions and life insurance corporations enter in it. With entry of new public and private companies to protect, interest of investors revised its regulatory set-up and passed a new Act, by parliament of India to regulate it with assistance of SEBI. Now, mutual fund industry of India is executing under the SEBI Regulations 1996.

After 20 years of its inceptions, govt. allows public bank and other public institution and later, allowed private companies in operation of mutual fund business. Many public and private companies show their interest in mutual fund market and enter in it to expand asset management industry of India as well as provide wider choice of mutual fund products. Wider choice and optimum portfolio of companies allure Indian investor, catch their eyes, and offer investment options to invest their small savings and funds. Entry of private institutions in it leads towards the competition in the market, which enhances its operation and efficiency with help of experts. Rapid growth of economy and liberalization create pressure on mutual fund industry to face the challenges of foreign institutional investors to revisit their plans and schemes with expectations of investors.

**Table 1 Mobilization of Resources by Mutual Fund in India**

(Rs.crore)

Year	Mobilization	Redemption	Net Inflow	Assets at the end of Period
2013-14	97,68,100	97,14,318	53,782	8,25,240
2012-13	72,67,885	71,91,346	76,539	7,01,443
2011-12	68,19,678	68,41,702	-22,024	5,87,217
2010-11	88,59,515	89,08,921	-49,406	5,92,250
2009-10	1,00,19,022	99,35,942	83,080	6,13,979
2008-09	54,26,353	54,54,650	-28,296	4,17,300
2007-08	44,64,376	43,10,575	1,53,802	5,05,152
2006-07	19,38,493	18,44,508	93,985	3,26,292
2005-06	10,98,149	10,45,370	52,779	2,31,862
2004-05	8,39,708	8,37,508	2,200	1,49,600

Source: Annual Reports SEBI



The performance of mutual fund companies in India affected with the structure of capital market and with its boom and depression. When BSE-Sensex jumps than we seen, that the demand of mutual fund schemes also enhances and companies introduce new schemes in the market. In year 2000, it has clearly seen in capital market and mutual fund industry. Whereas with needs govt. put its efforts and it grow in right path. Revision of regulation and regime change in it has grown it rapidly and it kept pace with the liberalized environment of India.

## LITERATURE REVIEW

Mutual fund is fast growing sector of Indian financial system. It is an intermediary, which works for its customer who has less time and knowledge of financial market (Geetha, 2012). It provide number of schemes to customers, which can be broadly catered as open end and close end schemes by nature and contents of schemes. It is an avenue for small saving people and it provide assistance of experts to choose proper plans that matched with their requirements (Kumar N. P., 2014).

Mutual fund is a financial activity due to its functioning and dealing in money market. In it, Mutual Fund Company collects money from the public and invests it in proper place to earn optimum revenue on it. It is an activity of investment as well as collection of fund from the investor or the unit holder of it. Growth of mutual fund are depend on the return rate of its schemes and plans. Mutual fund industry in India is working from 1964 but its operation are growing at higher rate from the revision of its regulatory framework and after entry of public and private banking institutions (Tripathy, 1996). Mutual Fund Industry of India is working under strict regulations of SEBI and it enhance the market of it. Revisions of regulations increases safety in it as well as changes the perception of public toward it due to safety of investment (Goel & Gupta, 2014). SEBI regulations and supervision enhances safety of fund and its guidelines increases transparency in operation of mutual fund. Whereas, SEBI guidelines regarding investment, operation and marketing enhances smoothness in operation and efficiency of management of Mutual Fund Companies.

Mutual fund market is flourish day by day because

it have stability, liquidity and growth of funds whereas unit holder influences with creditability, return and management efficiency of industry (Subrahmanyam, 2008). Mutual Fund Industry offer a option to small investor to invest their saving. Its proper selection of small and mid cap companies for re-investment of unit holders small savings (Wermers, 1999). Financial literacy of people (Chakrabarti, Malik, Khairnar, & Verma, 2014), employed people focus of growth rather than income from own business and investments in security market (Chalam, 2003), regular income people opt it as re-investment source (Kumar, 2005), growing income and status of middle class families and people (Sudhaka & Sasikumar, 2005), higher service standards and desirable disclosures of mutual fund plans (Sharma, 2014). Diversification of products, experts management and lower cost of investment (Kaushik, Brinckman, & Rose, 2013), economy of scale by huge investment from small saving of people (Subrahmanyam, 2008), and advantageous tax policies (Sundar, 2014) lead Mutual Funds companies and grow it in market.

Mutual fund is a portfolio that invest money that deposited with it to gain from diversified investment. It created wealth of money that invested or mobilized by unitholders. Priyanka & Singh (2012) identified that mutual fund mobilize fund from small saver to financial system. Its working depends on the mobilization of funds from unit holder to financial system. Its proper mobilization of funds enhances gaining as well as the assurance of investors. Mutual fund have basic principal transfer of money from surplus resources to scarce resource to earn gain on it (Umarani, 2012). Higher returns of mutual fund is not a cause of trust of it but safety is a cause of trust for the mobilizers of mutual fund companies. However, without mobilization of fund survival of mutual fund companies is not possible. Further, its mobilization of fund is under the proper vision of SEBI and its guidelines also allure people to buy mutual fund plans and schemes. From past few decades people attract towards the mutual fund due to safety and profitability on their funds as well as proper selection of sources for reinvestment by mutual fund companies.

## OBJECTIVE OF STUDY

1. To analysis growth of Mutual Fund in India.

2. To identify relationship between mobilization of fund and asset of Mutual Fund Companies.
3. To provide suggestions to improve demographic profile based insurance plans to join insurance schemes.

## HYPOTHESIS

Ho: There is no relationship between mobilization of fund and Assets Growth.

## RESEARCH METHODOLOGY

The data of study is based on secondary source, which collected from the SEBI reports. The study cover the 10 financial year from 2004-5 to 2013-14. To determine the growth of Mutual Fund Industry of India researcher take help of correlation and regression test to tested frame hypothesis of study. In research uses, correlation to measure the relationship of mobilization of fund and the growth of assets of Mutual fund industry and regression test is uses for the study of more suitability of inflow and mobilization of fund for the growth of mutual fund industry of India.

## RESULTS AND FINDINGS

### GROWTH OF MUTUAL FUND IN INDIA

Growth of mutual fund is measure with the mobilization of fund, growing mobilization, evidence for the growth and its penetration. Mobilization of Mutual Fund companies was in year 2004-05 was Rs. 8,39,708 crore which increases in year 2013-2013-14 to Rs 97,68,100 and increases over the period Rs 89,28,333 (1063.27%) corore. Whereas per year growth is also recorded Rs. 917780 crore. Assets of Mutual Fund was in 2004-05 was Rs 1,49,600 crore which increases in year 2013-14 to Rs. 8,25,240 and increases over the period Rs. 672940 (449.83%) crore. It recorded growth in assets per year Rs. Approx 75000.

Table 2 showing the results of growth and the per year change in the mobilization of fund, redemption by companies, Net inflow of fund and Assets of Mutual Fund Companies at the end of each year.

**Table 2 Change in Mobilization of Resources by Mutual Fund in India**

(Rs. crore)

Year	Mobilization	Redemption	Net Inflow	Assets at the end of Period
2013-14	2500215	2522972	-22757	123797
2012-13	448207	349644	98563	114226
2011-12	-2039837	-2067219	27382	-5033
2010-11	-1159507	1027021	-132486	-21729
2009-10	4592669	4481292	111376	196679
2008-09	961977	1144075	-182098	-87852
2007-08	2525883	2466067	59817	178860
2006-07	840344	799138	41206	94430
2005-06	258441	207862	50579	82262
2004-05	249518	294177	-44608	9984

## THE PROPOSED HYPOTHESIS WAS EXAMINED WITH CORRELATION

Mobilization of fund in Mutual Fund is as an independent variable and assets of Mutual Fund Company is dependant variable. To find out relation, it is calculating on basis of mobilization of fund and assets of Mutual Fund Companies of

India of 2004-05 to 2013-14.

Rule: One (1) shows perfect relationship, .75 to .99 is high, .0.25 to 0.75 is moderate and 0 to 0.25 is low relationship of variables.

Table 3, is based on data of table – 2, mobilization of fund and assets of Mutual Fund Companies, that calculated by help of SPSS software.

**Table 3 Correlations**

		Mobilization	Asset
Mobilization	Pearson Correlation	1	.723*
	Sig. (2-tailed)	.018	
	N	10	10
Asset	Pearson Correlation	.723*	1
	Sig. (2-tailed)	.018	
	N	10	10

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

## FINDING

- By applying Pearson Correlation between Mobilization of Fund and Assets of Mutual Fund Companies, where Mobilization was a dependant variable and Assets was an independent variable, we get Pearson correlation equals to .723 that was greater than 0.5 and less than 1, that mean Mobilization of funds and Assets of Mutual Fund Company or market is highly correlated. They showed high relationship.
- Moreover, since 0.723 is a positive value therefore it means there is a positive or direct relationship between Mobilization of funds and Assets of Mutual Fund Company, which means with increase (decrease) in Mobilization of

funds, there would be an increase (decrease) in Assets of Mutual Fund Industry and Company.

## THE PROPOSED HYPOTHESIS WAS TESTED WITH REGRESSION

Mobilization and inflow of fund in Mutual Fund is as a constant variable and assets of Mutual Fund Company is dependant variable. To find out relation, it is calculating on basis of mobilization of fund and assets of Mutual Fund Companies of India of 10 previous years.

Employment =  $f$  (No. of Working Enterprises, Fixed Investment)

i.e.,  $Asset = \alpha + \beta_1 \text{ Mobilization of fund} + \beta_2 \text{ Inflow of fund} + e$

Where,  $\alpha$  = intercept value

$\beta_1$  = regression coefficient of Mobilization of fund

$\beta_2$  = regression coefficient of Inflow of fund

$e$  = error term

**Table 4 Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.950 <sup>a</sup>	.903	.875	32439.163

a. Predictors: (Constant), Inflow, Mobilization

## ANOVA<sup>b</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.867E10	2	3.434E10	32.629	.000 <sup>a</sup>
	Residual	7.366E9	7	1.052E9		
	Total	7.604E10	9			

a. Predictors: (Constant), Inflow, Mobilization

b. Dependent Variable: Asset

## Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	46821.452	11664.667	4.014	.005	
	Mobilization	.023	.006	.482	3.815	.007
	Inflow	.631	.120	.663	5.247	.001

a. Dependent Variable: Asset

We get,  $Assets = 46821.452 + .023 \text{ Mobilization of Fund} + .631 \text{ Inflow of Fund} + e = (11664.667) \quad (.006) \quad (.120)$



## FINDING

The intercept value, 46821.452, means that if both are independent variables, that mobilization of fund and inflow of fund, are fixed at zero, the Asset generating would be grow to 46821.452. Mobilization and inflow of fund explain the R<sup>2</sup> value is .950 that means 95% of Assets generation. 0.631 is the coefficient regression of inflow of fund shows that with influence of Assets held constant, as inflow of fund increase by one then Assets generation goes up by .631 or 63.1%. The coefficient .023 showed that holding or the influence of Mobilization constant, Assets increase by .023 as Mobilization increased by one. By this it can be intercepted both. Inflow of fund has a more impact than Mobilization of fund, as beta value of Inflow of fund (.631) was greater than beta value of Mobilization of fund (.084).

## SUGGESTIONS

It is best investment options for those people who are not interested to take more risk and have not much time to spend in selection of securities to invest their savings and surplus income. People who are investor or unit holder of mutual fund, company must suggest them better option to invest their funds as well as people who needed security of their investment, company should invest their funds in regular income source rather than more risky sources. Mutual fund industry of India as a better portfolio investor must choose those companies, which are ethical and social services interested that can provide security of returns as well as safety of the invested money. On other hand, mutual fund companies should provide right information to its unit holder when he needed and in time of contract of mutual fund.

Mutual fund industry is required to frame its self-guidelines to invest money and must need to follow it strictly, when it is investing money and contracting with the customer. As service provider industry, it is requiring framing of better plans and schemes to provide higher returns to customer with less risk. Furthermore, mutual fund industry of India should focus on market needs, economic, political, social and technical scenario of country to understand economic and financial environment of India in better way to analysis and find out its strengths and shortcomings.

## CONCLUSION

Mutual fund market in India is large. It succeeds to grow its business manifold especially in last decade. Its role increases in Indian financial market due to more mobilization of fund on wish of its investors and unit holders. Mobilization of fund plays a vital role in the business and growth of mutual fund industry. As the results shows that Mobilization of fund and fund inflow in mutual fund are lifeblood, but inflow of fund is more important than mobilization to grow assets of mutual fund companies or growth of mutual fund industry of India. Mobilization of fund is the base for the inflow of fund but inflow of more and more fund is a larger scope of mutual fund companies to invest fund in different companies and securities.

It can be concluded that along with mobilization and inflow of fund as a strategic component of mutual fund Industry is needed sustaining growth and generating assets in Indian financial market. Where inflow provide money from households, mobilization helps it to receive money as well as invest it in best suitable option of investment in view of its investor or unit holder.

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# Personal Factor Relation with Customer Satisfaction in Indian Life Insurance Industry

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## ABSTRACT

The growing number of academic studies on customer satisfaction and the mixed findings they report complicate efforts among managers and academics to identify the antecedents to, and outcomes of, businesses having more versus less-satisfied customers. Many studies suggest that it costs three to five times as much to attract a new customer as it does to retain an old customer. Capturing new customers from competitors is costly because a greater degree of service improvement is needed to induce customers to switch from a competitor.

Here in the current study we are trying to specifying the different personal variables affecting the satisfaction level of the customers in the life insurance industry. We have found the demographic variables and psychographic variables on which experimentation will be performed to evaluate how these variables are going to create positive or negative satisfaction index for the customers in the whole life insurance industry.

**Keywords:** *Customer Satisfaction, Personal Factors, demographic variables, psychographic variables, Life Insurance Industry*

## INTRODUCTION

The growing number of academic studies on customer satisfaction and the mixed findings they report complicate efforts among managers and academics to identify the antecedents to, and outcomes of, businesses having more versus less-satisfied customers. These mixed findings and the growing emphasis by managers on having satisfied customers point to the value of empirically synthesizing the evidence on customer satisfaction to assess current knowledge. To this end, the authors conduct a meta-analysis of the reported findings on customer satisfaction.

*"Consumer satisfaction can be defined as a post consumption evaluative judgment."* -Atila Yuksel

Many studies suggest that it costs three to five times as much to attract a new customer as it does to retain an old customer. Capturing new customers from competitors is costly because a greater degree of service improvement is needed to induce customers to switch from a competitor. A study found that a 5 per cent increase in customer retention resulted in more than 25 per cent increase in profits in a number of service industry groups studied. Repeat customers may

also benefit businesses by influencing others through positive word-of-mouth advertising. Studies have also revealed that repeat customers are more likely to be loyal to the business. Furthermore, to keep and advance their competitive edge, modern business organizations should better understand and profile their customers. This is more imperative in the insurance sector, where the variety of the products and services offered concerns particular groups of customers.

## REVIEW OF LITERATURE

With the liberalization and internationalization in insurance, Customer satisfaction has become an important means of differentiation and path to achieve business success. Such differentiation based on Customer satisfaction can be a key source of competitiveness for insurance companies and hence has implication for leadership in such organizations.

Customers' emotions can also affect their perceptions of satisfaction with products and services. These emotions can be stable, preexisting emotions- for example; mood state or

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life satisfaction. Think of times when you are at a happy stage in your life (such as when you are on vacation), and your good, happy mood and positive frame of mind have influenced how you feel about the services you experience. Alternatively, when you are in bad mood, your negative feelings may carry over into how you respond to services, causing you to overreact or respond negatively to any little problem. (et.at Zeithaml, Bitner, Gremler, Pandit, 2010; Pg.112)

A better understanding of consumer's behavior through demographic analysis can play an important role in predicting demand for insurance. However, emerging new complex financial products and changes in the preferences of people for preventing their risks make it difficult. The study aims to find out the relationship of demographic characteristics of the respondents with five important factors influencing the purchase of a life insurance product namely product quality and brand image, service quality, customer friendliness, brand loyalty and commitment. Product Quality and Brand Image came out as the highest ranking factors while Brand Loyalty has been rated as the least important factor. It has been further observed that these factors vary significantly across various demographic characteristics of the respondents. (et.ai Negi Divya & Singh Praveen, 2012)

Life Insurance sector has a lot of potential both in terms of sales, revenue and employment generation and difficult to estimate the required customer expectation. Customers realize two basic types of expectation such as desired and adequate service. Life insurance is generally purchased through advisors or simply agents in india. Their personal as well as technical knowledge catalyzes the acceptance of life insurance products. The different functional benefits that come to customers mind are critical for all insurers to take into account considering the credence qualities. Also various reasons for which customer expectation fluctuates cannot be neglected for the existing and new entrants to the Indian life insurance industry. Today security is no more only a reasons for life insurance, investment also in the customers mind along with the previous basic concept in Indian life insurance because of changing life style, globalization and customers' value perception for this intangibility product. (et.at Barik Bhagabat, 2012)

## RESEARCH OBJECTIVES

To serve the purpose the research work carried out the objective framed out is "***To study the impact of various Personal measures affecting customer satisfaction in life Insurance Industry.***"

**Description:** in the literature review section; various attributes have been discussed. Using content analysis of the secondary data available we will try to find out the personal factors that affect the customer satisfaction.

## METHODOLOGY & RESEARCH DESIGN

Descriptive research design is used to study the characteristics of consumer segment of life insurance industry, viz., demographic, socio-economic, geographic, psychographic and benefits sought. This Research design portray buyer perception of brands; buying power of customers; Availability of agents; product consumption patterns; price sensitivity of consumers; market share etc.

According to the above literature review, these consumer characteristics are the sum up of psychographic factors and the demographic factors. Psychographic factors of the consumers which are the individual feelings and beliefs, the services experienced in the past, consumer's perception about the life insurance services, and his/her motivation factors and personality traits. The demographic factors consist of the Age, Gender, Marital status, educational qualifications, Income (Refer Table 1)

## SUB CONSTRUCTS (DEMOGRAPHIC INFORMATION)

The demographic factors consist of the age, gender, Marital status, educational qualifications, Income. After identifying the factors, mean score of all the variables was calculated using SPSS software, and cross table analysis was carried out to find the significance of variance across key demographic characteristics i.e. age, gender, income and education of the respondents. MANOVA test was used to check the variance of mean among different factors.

## RELIABILITY OF THE DATA

Gliem & Gliem, (2003) suggests in their research that a set of items, composed of approximately an equal number of favourable and unfavourable statements concerning the attitude object, is given to a group of subjects. While most individuals utilizing Likert-type scales will report overall scale and subscale internal consistency reliability estimates in the analysis of the data, many will analyze individual scale items. Cronbach's alpha is a test reliability technique that requires only a single test administration to provide a unique estimate of the reliability for a given test. Cronbach's alpha is the average value of the reliability coefficients one would obtain for all possible combinations of items when split into two half-tests.

## QUESTIONNAIRE DESIGN

Questionnaire was designed to collect primary data. The questionnaire was developed by identifying the variables based on literature review and keeping in view the objective of the study. Before conducting the field study, the questionnaire was pre-tested. All the questions were analyzed on the nominal, ordinal and Interval scales. For understanding the importance and satisfaction of each service quality dimension a nine point Likert scale was used:

**Strongly disagree (1), Disagree (2), Moderately Disagree (3), Just disagree (4), Neutral (5), Just disagree (6), Moderately disagree (7), Agree (8), Strongly Agree (9)**

In order to gain objective views and guard against faulty assumptions and detect flaws in the questionnaire, consultation with the experts was done. Further the questionnaire developed by the researcher was pre tested on 50 respondents. Few minor modifications were made based on their feedback regarding the clarity of some items.

## DATA INTERPRETATION & ANALYSIS

### Personal Factors

#### *a. Demographic Characteristics of the Respondents*

As far as age of respondents is concerned, the data collected comprises of mostly between the

age groups of 31-40, 41-50 & 51-60, having contribution 29.4%, 29.4% & 29.4% respectively. This shows the great number of respondents from whom the responses are collected. (Refer Table 2)

#### *b. Gender of respondents*

The gender of the population comprises of two categories of male & female. 41.2% data comprises of female respondents and 58.8% data comprise and it is rated on a nominal scale. The descriptive statistics consists tells us the normality and mean & standard deviation of the data. The mean 1.5 tells us about the male respondent dominated data and standard deviation is 0.5 which suggest us the bell shaped curve. (Refer Table 3)

#### *c. Marital status of respondents*

Marital status of the respondent comprises the four point scale. (Never married (1), married (2), separated (3) widowed (4)) In which never married respondents are only 8.8%, married respondents gets the count of 79.4%, separated respondents amounts of 2.9% and widowed respondents are having 8.8% of the total population. If we find the descriptive statistics of the data the most of the respondents are married that means the persons who are married having more consciousness towards insurance policies and life coverage. (Refer Table 4)

#### *d. Income level of the respondents*

As per as income level of the respondents is concerned; it is a four point scale data where less than 5,00,000 (1); 5,00,000 – 10,00,000 (2); 10,00,000 – 15,00,000 (3) and more than 15laks(4). Most of the respondents belongs to the category(1) that is below 5,00,000 which is 76.5% of the respondents are in this category 17.6% respondents are in second and only 2.9% belongs to 3 category. (Refer Table 5)

#### *e. Education level of respondents*

The education level of the respondents suggests that maximum number of respondents is from the category of graduation degree and post graduation degree level. As the results show as the percentage of 41.2% respectively the mean suggest that the sample cloud of the respondent lies around education level of respondent which is on category (2) & (3). (Refer Table 6)



## **Regression Analysis of Demographic Factors with Overall Satisfaction**

### *Correlation matrix (Refer Table 7)*

Multiple regression uses only the participants who have complete data for all the variables. The table is a correlation matrix in which the first column shows the correlations of the *Overall Satisfaction* with *Age, Gender, Marital Status, Income and Education* and that are all significantly correlated with *Overall Satisfaction*.

The highest coefficient of correlation in this research between demographic variables and customer satisfaction is .422, however, which is with Education that means there was a significant positive relationship between Education and customer satisfaction ( $r = .422, n = 315, p \leq 0.05$ ). The negative correlation were for Age and customer satisfaction ( $r = -.112, n = 315, p \leq 0.05$ ), Gender and customer satisfaction ( $r = -.002, n = 315, p \leq 0.05$ ), between Income and customer satisfaction ( $r = .124, n = 315, p \leq 0.05$ ) and between Marital Status and customer satisfaction ( $r = -.344, n = 315, p \leq 0.05$ ). In other words, the results indicate that the most important demographic variable on customer satisfaction was *Education*, which goes to prove that *Education* was perceived as a dominant demographic variable. The findings displayed that the insurance companies should look after the education level of the customers and accordingly they should make their strategies to offer their life insurance policies.

### **Multiple Regression Analysis (Refer Table 8)**

Multiple regression uses only the participants who have complete data for all the variables. Multiple regression analysis was employed to test the impact of service quality on customer satisfaction. It is a useful technique that can be used to analyze the relationship between a single dependent and several independent variables.

**The Model Summary** table shows that the multiple correlation coefficient (R), using all the predictors simultaneously, is .589 ( $R^2 = .347$ ) and the **adjusted  $R^2$**  is .230, meaning that 23% of the variance in Overall Satisfaction can be predicted from *Age, Gender, Marital Status, Income and Education* combined.

The ANOVA table shows that  $F = 2.975$  ( $p\text{-value} = .028$ ) and is significant. This indicates that the combination of the demographic variables significantly predict *Overall Satisfaction*.

One of the most important tables is the **Coefficients** table. It indicates the **standardized beta coefficients**, which are interpreted similarly to correlation coefficients or factor weights. The  $t$  value and the **Sig** opposite each independent variable indicates whether that variable is significantly contributing to the equation for predicting *Overall Satisfaction* from the whole set of predictors that are demographic variables. Thus, *only Marital Status and Education* are the only variables that are significantly adding anything to the prediction when the other three variables are already considered. It is important to note that all the variables are being considered together when these values are computed. Therefore, if we delete one of the predictors that is not significant, it can affect the levels of significance for other predictors.

From these analyses, it can be concluded that multiple regression model of this study met the assumptions required to ensure validity of its significance test. This indicates that there was a statistically significant link between demographic variables and customer satisfaction. The proposed model was adequate as the  $F = 2.975$  ( $p\text{-value} = .028$ ) was significant at the 5 percent level ( $p \leq 0.05$ ). This indicated that overall model was statistically significant relationship between demographic variables and customer satisfaction.

## **HYPOTHESIS OF THE STUDY**

### **Across different age categories of respondents**

**Hypothesis for the study:** *There is an association between the different psychographic factors influencing customer satisfaction in favour of a life insurance product and different age categories of respondents.*

A multivariate analysis of variance was conducted to assess if there were association between the Overall satisfaction of the customers on a linear combination of Psychographic factors and Age. A insignificant association was found, Wilky's Lambda = .012,  $F = 1.477, p = .035$ . (Refer Table 9.1) Examination of the coefficients for the linear combinations distinguishing Overall satisfaction of the customers groups indicated that grades in Psychographic factors and Age contributed most to distinguishing the groups. In particular, both psychographic factors contributed significantly toward discriminating group. (Refer Table 9.3) Follow up univariate ANOVAs indicated that both

Psychographic factors and Age were significantly associated with Overall satisfaction of the customers,  $F = 1.161$ ,  $p = .422$  and  $F = 1.954$ ,  $p = .107$ , respectively.

#### **Across different gender categories of respondents**

**Hypothesis for the study:** *There is a significant association between the different Psychographic factors influencing customer satisfaction in favour of a life insurance product across different gender categories of respondents.*

A multivariate analysis of variance was conducted to assess if there were any association between the Overall satisfaction of the customers on a linear combination of Psychographic factors and Gender. An insignificant association was found, as Wilky's Lambda = .016,  $F = 1.445$ ,  $p = .041$ . (Refer Table 10.1) Examination of the coefficients for the linear combinations distinguishing Overall satisfaction of the customers groups indicated that grades in Psychographic factors and Gender contributed most to distinguishing the groups. In particular, both psychographic factors contributed significantly toward discriminating group. (Refer Table 10.3) Follow up univariate ANOVAs indicated that both Psychographic factors and Gender were significantly associated with Overall satisfaction of the customers, as  $F = 1.159$ ,  $p = .4215$  and  $F = .403$ ,  $p = .871$ , respectively.

#### **Across different income categories of respondents**

**Hypothesis for the study:** *There is a significant association between the Psychographic factors influencing customer satisfaction in favour of a life insurance product across different income categories of respondents.*

A multivariate analysis of variance was conducted to assess if there were differences between the Overall satisfaction of the customers on a linear combination of Psychographic factors and Income categories. A insignificant difference was found, Wilky's Lambda = .012,  $F = 1.468$ ,  $p = .037$ . (Refer Table 11.1) Examination of the coefficients for the linear combinations distinguishing Overall satisfaction of the customers groups indicated that grades in Psychographic factors and Income categories contributed most to distinguishing the groups. In particular, both psychographic factors contributed significantly toward discriminating group. (Refer Table 11.3) Follow up univariate ANOVAs indicated that both Psychographic

factors and Income categories were significantly association for Overall satisfaction of the customers,  $F = 1.161$ ,  $p = 0.427$  and  $F = .140$ ,  $p = .379$ , respectively.

#### **Across different Marital Status categories of respondents**

**Hypothesis for the study:** *There is no significant association between the different Psychographic factors influencing customer satisfaction in favour of a life insurance product across different Marital Status categories of respondents.*

A multivariate analysis of variance was conducted to assess if there were associations between the Overall satisfaction of the customers on a linear combination of Psychographic factors and Marital Status categories. A significant association was found, Wilky's Lambda = .009,  $F = 1.744$ ,  $p > .004$ . (Refer Table 12.1) Examination of the coefficients for the linear combinations distinguishing Overall satisfaction of the customers groups indicated that grades in Psychographic factors and Marital Status categories contributed most to distinguishing the groups. In particular, psychographic factors contributed significantly toward discriminating group. (Refer Table 12.3) Follow up univariate ANOVAs indicated that Psychographic factors were significantly different for Overall satisfaction of the customers,  $F = 1.159$ ,  $p = 0.422$  and but the Marital Status categories were not significantly different for Overall satisfaction of the customers  $F = 2.860$ ,  $p = .026$ .

#### **Across different education categories of respondents**

**Hypothesis for the study:** *There is no significant association between the different Psychographic factors influencing customer satisfaction in favour of a life insurance product across different education categories of respondents.*

A multivariate analysis of variance was conducted to assess if there were associations between the Overall satisfaction of the customers on a linear combination of Psychographic factors and Education categories. A significant association was found, Wilky's Lambda = .013,  $F = 1.538$ ,  $p = .021$ . (Refer Table 13.1) Examination of the coefficients for the linear combinations distinguishing Overall satisfaction of the customers groups indicated that grades in Psychographic factors and Education categories contributed most to distinguishing the groups. In particular, both psychographic factors contributed significantly



toward discriminating group. (Refer Table 13.3) Follow up univariate ANOVAs indicated that both Psychographic factors were significantly different for Overall satisfaction of the customers,  $F = 1.159$ ,  $p = 0.422$  and but the Education categories were not significantly different for Overall satisfaction of the customers  $F = 3.211$ ,  $p = .015$ .

Regression Analysis through relative weightages of Demographic Factors with Overall Satisfaction

Relative weight of the factors

A relative weight for each dimension can be calculated from the standardized coefficients presented in Table:

$$\text{Relative weight of the factors } i = \frac{\beta_i}{\sum_1^k \beta_1}$$

(Refer Table 14) The highest importance attributed to “**Education (42.73%)**” is consistent with the findings of several other authors, including Parasuraman *et al.* (1991).

However, the factor “**Marital Status (37.41%)**”, which shows the maturity level of the life insurance customers, also reveals a very high weight which is not surprising according to the type of service. Therefore, it seems that the married persons have an anxiety to purchase life insurance plans; now whether it could be for self, wife, kids or it could be another family member as they show more responsible behaviour towards their family.

Curiously, the variable representing the “**Income (0.09%)**” and “**Age (2.04%)**” factor were not so significant at the regression. And the rest of the factor “**Gender (17.73)**” has also non-negligible weightage. Although a further study is needed, it is not possible to exclude “**Income (0.09%)**” and “**Age (2.04%)**” as they are a sort of basic demographic variables.

The analysis is showing that the different demographic factors are having a synchronized importance order in checking the customer satisfaction in Life insurance Industry. That is shown below:

Education>Marital Status>Gender>Age>Income

And the Regression equation is as follows:

**Regression Equation of Overall Satisfaction on Demographic Factors**

**Overall satisfaction on Demographic Variables (S) = (.023) Age + (-.200) Gender + (-.422) Marital Status + (.001) Income + (.482) Education + k**

## FINDINGS & DISCUSSION

The study shows that the combined effect of the Psychographic factors and Age do not hamper the level of customer satisfaction so much but if we check the independently age groups effect and individual's psychographic factors effect on customer satisfaction then it take into much account. Like wise the combined effect of the Psychographic factors and Gender do not hamper the level of customer satisfaction so much but if we check the independently Gender groups' effect and individual's psychographic factors effect on customer satisfaction then it take into much account. If we see the combined effect of the Psychographic factors and Income categories do not hamper the level of customer satisfaction so much but if we check the independently Income categories groups' effect and individual's psychographic factors effect on customer satisfaction then it take into much account. In the same way, the combined effect of the Psychographic factors and Marital Status categories hamper the level of customer satisfaction so much but if we check the independently Marital Status categories groups' effect and individual's psychographic factors effect on customer satisfaction then we see that Psychographic factors are not having that much of impact over customer satisfaction but Marital Status plays a vital role there. As the Marital Status level indulges with psychographic factors this starts affecting the individuals' satisfaction level. Nevertheless, the combined effect of the Psychographic factors and Education categories hamper the level of customer satisfaction so much but if we check the independently Education categories groups' effect and individual's psychographic factors effect on customer satisfaction then we see that Psychographic factors are not having that much of impact over customer satisfaction but education plays a vital role there. As the education level indulge with psychographic factors this starts affecting the individuals' satisfaction level.

## IMPLICATIONS OF RESULTS & CONCLUSION

Using data from the Indian Life insurance industry, we empirically test whether the relative influence on customer satisfaction is moderated by customer characteristics. We conclude that, the



demographic factors we have taken for the purpose of the study are age, gender, marital status, education, income and the research proposes the combined effect of the Psychographic factors with age, gender, marital status, education, and income. the combined effect of the Psychographic factors and age, gender, marital status, education, income do not hamper the level of customer satisfaction so much but if we check the independently age groups effect and individual's psychographic factors effect on customer satisfaction then it take into much account.

The Demographics and Psychographics are the factors where we see the very important area to look upon. These factors play an important role in building satisfaction of the consumers in Life insurance industry. Especially **Education and Marital Status** are the factors who are the key factors. As we see in the analysis that there is a very strong correlation between these two factors and the level of customer satisfaction in the life insurance industry and it can be judgemental as the person is awared through his knowledge level as much he is knowledgeable and educated he thinks twice and thrice to purchase a product of any kind. And when he is going to make any investment in the insurance product then he researches a lot, compare the prices, go through all facts and figures related to the product then only he is ready to purchase. And when we talk about the satisfaction level; Education level again affect the same. So as to pacify his or her needs, this should be fulfilling with the purchase. Apart from education, Marital Status is also recognized as a factor which makes an effective impact on the satisfaction level of the consumers. As we all know in India, Marriage is the activity we do for our children to make them responsible towards his/her life, for wife, for children, for parents and also for him/herself. This responsibility leads to the probing nature of the consumers about the product, its outcomes, and the end results of the purchase. So Satisfaction Level comes with outcome of the purchase of insurance product. If end results are giving fruitful outcomes then positive satisfaction level will come otherwise it will create a negative satisfaction that is Dissatisfaction.

## RECOMMENDATIONS FOR FUTURE RESEARCHES

Consumer satisfaction is the focus of the investigation in this research study. It can be defined as the extent to which consumers perceptions of the life insurance product shopping experience confirm their expectations. Most consumers form expectations of the product, life insurance provider, service, and quality of the product that they patronize before engaging in life insurance product shopping activities. These expectations influence their attitudes and intentions to purchase a life insurance product through a certain agent of Life Insurance Company and consequently their decision-making processes, purchasing behavior and loyalty as well. If expectations are met, customers achieve a high degree of satisfaction, which influences their purchase of life insurance offerings, attitudes, intentions, decisions, purchasing activity and loyalty positively. In contrast, dissatisfaction is negatively associated with these variables. As we have discussed the variables which are solely responsible for the level of satisfaction are **Marital Status (MS), Income (INC) and Gender (GEN)**. These cater the situations of dissatisfaction in the purchase and the repeat purchases as well.

## MANAGERIAL IMPLICATIONS

On the basis of the conclusion and findings; the life insurance marketer may drive the following implications;

1. Marketer should go for target marketing on the basis of socio- economic variables, than a consideration of the income, marital status, education and age of the buyer.
2. The independent age groups effect and individual's psychographic factors effect on customer satisfaction then it take into account. So marketers should try and make up strategies to fulfill the needs of every age-group separately.
3. The independent income groups effect and individual's psychographic factors effect on customer satisfaction then it take into account. So marketers should try and make up strategies to fulfill the needs of every income-group separately.



4. Marketer should cater the life insurance products to the customers after complete information about them like education, income, marital status, past experiences etc.
5. Higher the education level, higher the satisfaction level. So education can be the most important criterion for the marketer to study their customers.
6. If a customer is a married person, he is more inclined towards purchase of life insurance product; so always try to trap up the married person and through proper and quality service retain them.
7. While dealing with this study we found the insurance companies should take care of gender category of the customer. Thus insurance companies should have different strategies for male and female customers.

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## APPENDIX

**Table 1 Sub Constructs (Psychographic Information)**

Constructs	Description
<b>Individual feelings and beliefs</b>	<i>I feel that Insurance is my major investment I feel that Insurance is a form of retirement savings plan. I feel that Insurance is a form of forced savings to ensure a continual stream of income to family in event of death or accident.</i>
<b>The services experienced in the past</b>	<i>I feel that assistance provided by the insurance agent was great. I feel that Service quality provided by agents is quite excellent. I feel that I have an adequate insurance value.</i>
<b>Consumer's perception</b>	<i>I feel that If I should ever become disabled; replacement income insurance would be essential. I feel that Range of coverage offered by the insurance company is adequate. I feel that fringe benefits offered by the company have increased my satisfaction.</i>
<b>Self-Personality Traits</b>	<i>I feel that I often have difficulty in making decisions about purchasing life insurance products. I feel that I wish to have more added benefits with the insurance plan. I feel that I plan to purchase insurance only when it is a tax requirement.</i>

**Table 2 Age of the respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30(1)	19	5.9	6.1	6.1
	31-40(2)	95	29.4	30.3	36.4
	41-50(3)	93	29.4	30.3	66.7
	51-60(4)	94	29.4	30.3	97.0
	61-70(5)	10	2.9	3.0	100.0
	Total	311	97.1	100.0	
Missing	System	4	2.9		
	Total	315	100.0		

**Table 3 Gender**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female(1)	130	41.2	41.2	41.2
	Male(2)	185	58.8	58.8	100.0
	Total	315	100.0	100.0	

**Table 4: Marital Status**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never Married(1)	28	8.8	8.8	8.8
	Married(2)	250	79.4	79.4	88.2
	Separated(3)	9	2.9	2.9	91.2
	Widowed(4)	28	8.8	8.8	100.0
	Total	315	100.0	100.0	



**Table 5 Income**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<=500000(1)	241	76.5	78.8	78.8
	500001-1000000(2)	56	17.6	18.2	97.0
	1000001-1500000(3)	9	2.9	3.0	100.0
	Total	306	97.1	100.0	
Missing System		9	2.9		
	Total	315	100.0		

**Table 6: Education**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Intermediate(1)	19	5.9	5.9	5.9
	Grad degree(2)	130	41.2	41.2	47.1
	Post Graduate Degree(3)	130	41.2	41.2	88.2
	Doctoral Degree and Above(4)	36	11.8	11.8	100.0
	Total	315	100.0	100.0	

**Correlations**

**Table 7 :Regression Analysis of Demographic Factors with Overall Satisfaction**

		Overall Satisfaction	Age	Gender	Marital Status	Income	Education
Pearson Correlation	Overall Satisfaction	1.000	-.112	-.002	-.344	.124	.422
	Age	-.112	1.000	-.208	.280	.253	-.123
	Gender	-.002	-.208	1.000	-.255	.043	.197
	Marital Status	-.344	.280	-.255	1.000	-.184	.043
	Income	.124	.253	.043	-.184	1.000	.100
	Education	.422	-.123	.197	.043	.100	1.000

**Table 8: Multiple Regression Analysis**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.589 <sup>a</sup>	.347	.230	1.370

**ANOVA<sup>b</sup>**

Model		Sum of Squares	F	Sig.
1	Regression	27.917	2.975	.028 <sup>a</sup>
	Residual	52.553		

a. Predictors: (Constant), Education, Marital Status, Income, Gender, Age

b. Dependent Variable: Overall Satisfaction

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	5.417	1.779	3.045	.005			
Age	.039	.291	.023	.134	.894	.786	1.273
Gender	-.621	.505	-.200	-1.229	.229	.878	1.139
Marital Status	-.896	.362	-.422	-2.474	.020	.800	1.250
Income	.003	.449	.001	.007	.995	.842	1.188
Education	.841	.278	.482	3.023	.005	.916	1.092

a. Predictors: (Constant), Education, Marital Status, Income, Gender, Age

b. Dependent Variable: Overall Satisfaction

**Table 9 Across different age categories of respondents**

**Table 9.1: Multivariate Test**

Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Wilks' Lambda	.022	54.064 <sup>a</sup>	13.000	16.000	.000
Rate Overall	Wilks' Lambda	.012	1.477	78.000	94.327	.035

a. Exact statistic

**Table 9.2 Levene's Test of Equality of Error Variances<sup>a</sup>**

	F	Sig.
Insurance is my major investment	1.294	.292
Insurance is a form of retirement savings plan	1.281	.298
Insurance is a form of forced savings to ensure a continual stream of income to family in event of death or accident.	1.804	.134
Assistance provided by the insurance agent was great.	2.086	.087
Service quality provided by agents is quite excellent.	1.226	.323
I have an adequate insurance value.	1.124	.374
If I ever become disabled; replacement income of insurance would be essential.	1.766	.143
Range of coverage offered by the insurance company is adequate.	2.323	.060
Fringe benefits offered by the company have increased my satisfaction.	4.426	.003
I often have difficulty in making decisions about purchasing insurance products.	1.176	.347
I wish to have more added benefits with the insurance plan.	2.236	.069
I plan to purchase insurance only when it is a tax requirement.	3.284	.014
Age	1.197	.337

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + Rate Overall



**Table 9.3 Tests of Between-Subjects Effects**

Source	Dependent Variable	F	Sig.
Rate Overall	Insurance is my major investment	1.214	.328
	Insurance is a form of retirement savings plan	2.528	.044
	Insurance is a form of forced savings to ensure a continual stream of income to family in event of death or accident.	1.109	.382
	Assistance provided by the insurance agent was great.	1.360	.265
	Service quality provided by agents is quite excellent.	1.145	.363
	I have an adequate insurance value.	.928	.490
	If I ever become disabled; replacement income of insurance would be essential.	.164	.984
	Range of coverage offered by the insurance company is adequate.	1.555	.197
	Fringe benefits offered by the company have increased my satisfaction.	1.544	.200
	I often have difficulty in making decisions about purchasing insurance products.	.318	.922
	I wish to have more added benefits with the insurance plan.	1.332	.276
	I plan to purchase insurance only when it is a tax requirement.	.742	.621
	<b>Average</b>	<b>1.161</b>	<b>0.422</b>
	Age	1.954	.107

**Table 10 Across different gender categories of respondents**

**Table 10.1 Multivariate Test**

Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Wilks' Lambda	.010	124.355 <sup>a</sup>	13.000	17.000	.000
Rate Overall	Wilks' Lambda	.016	1.445	78.000	99.840	.041

a. Exact statistic

**Table 10.2: Levene's Test of Equality of Error Variances<sup>a</sup>**

	F	Sig.
Insurance is my major investment	1.337	.273
Insurance is a form of retirement savings plan	1.216	.327
Insurance is a form of forced savings to ensure a continual stream of income to family in event of death or accident.	1.813	.131
Assistance provided by the insurance agent was great.	2.061	.089
Service quality provided by agents is quite excellent.	1.214	.328
I have an adequate insurance value.	1.152	.359
If I ever become disabled; replacement income of insurance would be essential.	1.803	.133
Range of coverage offered by the insurance company is adequate.	2.448	.049
Fringe benefits offered by the company have increased my satisfaction.	4.891	.001
I often have difficulty in making decisions about purchasing insurance products.	1.169	.350
I wish to have more added benefits with the insurance plan.	2.217	.070
I plan to purchase insurance only when it is a tax requirement.	3.286	.014
Gender	10.287	.000

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + Rate Overall

**Table 10.3 Tests of Between-Subjects Effects**

Source	Dependent Variable	F	Sig.
Rate Overall	Insurance is my major investment	1.248	.311
	Insurance is a form of retirement savings plan	2.590	.039
	Insurance is a form of forced savings to ensure a continual stream of income to family in event of death or accident.	1.141	.364
	Assistance provided by the insurance agent was great.	1.286	.295
	Service quality provided by agents is quite excellent.	1.154	.357
	I have an adequate insurance value.	1.002	.443
	If I ever become disabled; replacement income of insurance would be essential.	.159	.986
	Range of coverage offered by the insurance company is adequate.	1.434	.236
	Fringe benefits offered by the company have increased my satisfaction.	1.476	.221
	I often have difficulty in making decisions about purchasing insurance products.	.314	.924
	I wish to have more added benefits with the insurance plan.	1.367	.261
	I plan to purchase insurance only when it is a tax requirement.	.741	.621
	<b>Average</b>	<b>1.159</b>	<b>.421</b>
	Gender	.403	.871

**Table 11 Across different income categories of respondents**

**Table 11.1 Multivariate Test**

Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Wilks' Lambda	.030	40.209 <sup>a</sup>	13.000	16.000	.000
Rate Overall	Wilks' Lambda	.012	1.468	78.000	94.327	.037

a. Exact statistic

**Table 11.2 Levene's Test of Equality of Error Variances<sup>a</sup>**

	F	Sig.
Insurance is my major investment	1.904	.115
Insurance is a form of retirement savings plan	1.741	.148
Insurance is a form of forced savings to ensure a continual stream of income to family in event of death or accident.	1.978	.103
Assistance provided by the insurance agent was great.	2.475	.048
Service quality provided by agents is quite excellent.	1.105	.384
I have an adequate insurance value.	1.075	.401
If I ever become disabled; replacement income of insurance would be essential.	1.684	.162
Range of coverage offered by the insurance company is adequate.	2.011	.098
Fringe benefits offered by the company have increased my satisfaction.	3.921	.006
I often have difficulty in making decisions about purchasing insurance products.	1.062	.408
I wish to have more added benefits with the insurance plan.	2.002	.099
I plan to purchase insurance only when it is a tax requirement.	3.142	.018
Income	2.088	.087

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + Rate Overall

**Table 11.3 Tests of Between-Subjects Effects**

Source	Dependent Variable	F	Sig.
Rate Overall	Insurance is my major investment	1.232	.320
	Insurance is a form of retirement savings plan	2.506	.046
	Insurance is a form of forced savings to ensure a continual stream of income to family in event of death or accident.	1.085	.395
	Assistance provided by the insurance agent was great.	1.250	.312
	Service quality provided by agents is quite excellent.	1.099	.388
	I have an adequate insurance value.	.930	.489
	If I ever become disabled; replacement income of insurance would be essential.	.181	.980
	Range of coverage offered by the insurance company is adequate.	1.500	.214
	Fringe benefits offered by the company have increased my satisfaction.	1.701	.158
	I often have difficulty in making decisions about purchasing insurance products.	.339	.910
	I wish to have more added benefits with the insurance plan.	1.475	.223
	I plan to purchase insurance only when it is a tax requirement	.637	.700
	<b>Average</b>	<b>1.161</b>	<b>0.427</b>
	Income	.379	.886

**Table 12 Across different Marital Status categories of respondents**

**Table 12.1 Multivariate Tests<sup>c</sup>**

Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Wilks' Lambda	.033	38.831 <sup>a</sup>	13.000	17.000	.000
Rate Overall	Wilks' Lambda	.009	1.744	78.000	99.840	.004

a. Exact statistic

**Table 12.2 Levene's Test of Equality of Error Variances<sup>a</sup>**

	F	Sig.
Insurance is my major investment	1.337	.273
Insurance is a form of retirement savings plan	1.216	.327
Insurance is a form of forced savings to ensure a continual stream of income to family in event of death or accident.	1.813	.131
Assistance provided by the insurance agent was great.	2.061	.089
Service quality provided by agents is quite excellent.	1.214	.328
I have an adequate insurance value.	1.152	.359
If I ever become disabled; replacement income of insurance would be essential.	1.803	.133
Range of coverage offered by the insurance company is adequate.	2.448	.049
Fringe benefits offered by the company have increased my satisfaction.	4.891	.001
I often have difficulty in making decisions about purchasing insurance products.	1.169	.350
I wish to have more added benefits with the insurance plan.	2.217	.070
I plan to purchase insurance only when it is a tax requirement.	3.286	.014
Marital Status	2.425	.051

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + Rate Overall



**Table 12.3 Tests of Between-Subjects Effects**

Source	Dependent Variable	F	Sig.
RateOverall	Insurance is my major investment	1.248	.311
	Insurance is a form of retirement savings plan	2.590	.039
	Insurance is a form of forced savings to ensure a continual stream of income to family in event of death or accident.	1.141	.364
	Assistance provided by the insurance agent was great.	1.286	.295
	Service quality provided by agents is quite excellent.	1.154	.357
	I have an adequate insurance value.	1.002	.443
	If I ever become disabled; replacement income of insurance would be essential.	.159	.986
	Range of coverage offered by the insurance company is adequate.	1.434	.236
	Fringe benefits offered by the company have increased my satisfaction.	1.476	.221
	I often have difficulty in making decisions about purchasing insurance products.	.314	.924
	I wish to have more added benefits with the insurance plan.	1.367	.261
	I plan to purchase insurance only when it is a tax requirement	.741	.621
	<b>Average</b>	<b>1.159</b>	<b>0.422</b>
	Marital Status	<b>2.860</b>	<b>.026</b>

**Table 13 Across different education categories of respondents**

**Table 13.1 Multivariate Tests<sup>c</sup>**

Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Wilks' Lambda	.014	89.723 <sup>a</sup>	13.000	17.000	.000
Rate Overall	Wilks' Lambda	.013	1.538	78.000	99.840	.021

a. Exact statistic

**Table 13.2 Levene's Test of Equality of Error Variances<sup>a</sup>**

	F	Sig.
Insurance is my major investment	1.337	.273
Insurance is a form of retirement savings plan	1.216	.327
Insurance is a form of forced savings to ensure a continual stream of income to family in event of death or accident.	1.813	.131
Assistance provided by the insurance agent was great.	2.061	.089
Service quality provided by agents is quite excellent.	1.214	.328
I have an adequate insurance value.	1.152	.359
If I ever become disabled; replacement income of insurance would be essential.	1.803	.133
Range of coverage offered by the insurance company is adequate.	2.448	.049
Fringe benefits offered by the company have increased my satisfaction.	4.891	.001
I often have difficulty in making decisions about purchasing insurance products.	1.169	.350
I wish to have more added benefits with the insurance plan.	2.217	.070
I plan to purchase insurance only when it is a tax requirement.	3.286	.014
Education	1.117	.377

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + Rate Overall



**Table 13.3 Tests of Between-Subjects Effects**

Source	Dependent Variable	F	Sig.
Rate Overall	Insurance is my major investment	1.248	.311
	Insurance is a form of retirement savings plan	2.590	.039
	Insurance is a form of forced savings to ensure a continual stream of income to family in event of death or accident.	1.141	.364
	Assistance provided by the insurance agent was great.	1.286	.295
	Service quality provided by agents is quite excellent.	1.154	.357
	I have an adequate insurance value.	1.002	.443
	If I ever become disabled; replacement income of insurance would be essential.	.159	.986
	Range of coverage offered by the insurance company is adequate.	1.434	.236
	Fringe benefits offered by the company have increased my satisfaction.	1.476	.221
	I often have difficulty in making decisions about purchasing insurance products.	.314	.924
	I wish to have more added benefits with the insurance plan.	1.367	.261
	I plan to purchase insurance only when it is a tax requirement.	.741	.621
	<b>Average</b>	<b>1.159</b>	<b>0.422</b>
	Education	<b>3.211</b>	<b>.015</b>

**Table 14 Relative weight of the factors**

<i>Demographic Variables</i>	Beta	Beta	Percentage Weight
Age	.023	.023	<b>2.04</b>
Gender	-.200	.200	<b>17.73</b>
Marital Status	-.422	.422	<b>37.41</b>
Income	.001	.001	<b>0.09</b>
Education	.482	.482	<b>42.73</b>

# Case of Person: Successful People Don't Believe in Luck – They Create Their own Success

## Dato' A.K. Nathan: Eversendai Corporation Berhad

\*Hasrita Lubis

\*\*Ikbar Pratama

\*\*\*Dileep Kumar

### PROFILE OF THE COMPANY

**E**versendai Corporation Berhad (Eversendai), formerly known as Eversendai Corporation Sdn. Bhd, engaged in various construction activities and investment holding services. ECB's subsidiaries include EV Abu Dhabi, EV Dubai, EV India, EV Qatar, EVSC, EV Saudi, EV Sharjah, EV Singapore and SEVM. The Company owns 49% interest in EV Abu Dhabi, EV Dubai, and EV Qatar . The company was founded in 1982 by Dato' AK Nathan and is based in Rawang, Malaysia. The Company is located at Lot 19956, Jalan Industri 3/6 Rawang Intergrated Ind Selangor, 4800 Malaysia. It operates in Malaysia, Singapore, Thailand, the Philippines, Indonesia, Hong Kong, Oman, Saudi Arabia, Bahrain, Qatar, and the United Arab Emirates. Eversendai Corporation Berhad provides structural steel, engineering, power plant construction, civil construction, and general construction services. It involves in the structural steel design, fabrication, and erection of steelworks for multi-storied buildings, mall structures, stadiums, industrial structures, airport structures, power and petrochemical plants, and bridges, as well as roof structures comprising large span convention centers and exhibition centers.

Eversendai's famous landmarks in Malaysia are the Petronas Tower 2, the KLCC Suria, Kuala Lumpur Tower, Telecom Tower, KLIA Airport, TH Perdana, KL Sentral Station, CIQ Building, Putrajaya Convention Centre, New Bintulu Airport, Manjung Power Plant, Tg. Bin Power Plant and the Jimah Power Plant. In Singapore, the Singapore Indoor Stadium, Republic Plaza, the Caltex Tower, Hitachi Tower, UE Building, Paragon Tower, Trellis Tower, Tuas Check Point and the

Changi Airport Terminal 3 are the projects Eversendai can be proud of its success. In Dubai, the Emirates Towers, Dubai Airport Control Tower, The Tower, the Dragon Mart, Marina Crown, the Gate Building, Ski Dome at the Mall of Emirates, Dubai Festival City, Rose Tower, the Dubai Mall (the world's largest mall) and the Burj Dubai (the world's tallest tower) are worth appreciation. In Qatar, the Ritz Carlton Hotel, Khalifa Stadium, Qatar Airways Hanger and the Qatar Science and Technology Park, the New Doha International Airport project, the Dubai Tower, Nakilat Ship Yard, Doha Convention Centre and at Bahrain the Al Moayyed Towers to name a few.

### INTRODUCTION OF LEADER

Dato' Nathan a/l Elumalay serves as Executive Chairman of the Board and Group Managing Director of Eversendai Corp Bhd. He built the Company from a modest structural steel erection specialist to one of the integrated structural steel turnkey contractor. Under his leadership, the Group has completed the structural steel work for several projects namely. Dato AK Nathan, is one of Malaysia's richest. Born in Puchong to a non-financial strong family, his father is only small newspaper vendor and has few siblings. At age of 15 years during his secondary school, he was sent to India to study. He could only finish pre-university course but returned back to Malaysia without completing his degree. Dato' A.K. Nathan started his career at the age of 21 as a printing machine operator in 1977 from Malaysia and then rose to become a world class total design and build steel contractor.

Dato' A.K. Nathan's basic corporate philosophies: adherence to safety, adherence to quality,

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adherence to time schedule and client satisfaction. Eversendai has gained a formidable reputation in the construction industry, the secrets of his success are completing projects without delay, good communication and flow of information, importance to customer satisfaction and finally valuing its employees. He also believes to be a good leader, a person needs to work on self-development and basic character building and then practise to maintain this. He worked hard along the employees and clients and enriched himself with the practical knowledge of the trade. He continues to improve his knowledge and be ahead in technology so Eversendai always be able to be global player.. Through perseverance and determination, he managed to win international projects and complete them excellence manner.

## PERSONALITY OF LEADER

Dato' A.K. Nathan has built Eversendai Corporation from nothing to world class company. He had no engineering and construction qualifications, knowledge or experience in this business but only had a strong desire. As a ambitious person,he never gave up even the Japanese company initially refused to award him the contract. Dato' AK Nathan 's determination and confidence has created opportunities for him success. Furthermore he learnt the Japanese working culture which he incorporates in his management approach. He worked hard along the employees and clients and enriched himself with the practical knowledge of the trade. He continues to maintain a hands-on approach, from the structural design concept to fabrication and erection methodology. Through perseverance and talent, he managed to tackle the complexity of the construction business to a level that is at par with qualified engineers and industry professionals. His creative ideas and innovative construction methodology, has placed Eversendai in the international market.

Dato' A.K. Nathan has incorporated his personal dogma of vision, sincerity, discipline, perfectionism, unwavering persistence and perseverance into Eversendai. Dato' A.K. Nathan lives and breathes the key values of respect, openness, teamwork and integrity apart from maintaining strong relationships with his employees and clients. The testament to this is the completion of the Malaysian Tanjung Bin 2100MW coal fired power plant boilers in world's

record time in 2007. Truly, Dato' A.K. Nathan can look back at his humble beginnings and be proud as to how far he has come.

## LEADER'S VISION

Successful people don't believe in luck – they create their own success by having a vision and setting out to achieve it. A vision need neither be worthy in the eyes of other people nor huge and unwieldy. Dato' AK Nathan has a strong desire to be a successful person in his business life and his personal life. He is happily married to Datin Puspaand the couple has two children. He spends quality time with his family and have a great concern over their future and development . His personal vision also includes personal growth in spiritually and maintaining a health family life

Dato' AK Nathan has a high emotionally intelligent, where he has personal vision and use it to guide his decisions and behaviours at work. He is very clear with his long term goals and pursue the goals without fear of failure. He is also not worried about being liked by everyone but focuses on building and maintaining relationships with key individuals who might eventually help him to achieve his vision.

He has his own unique and strong use of power of language to communicate his vision and beliefs. He also very clear and precise on his speech and his communication with his employees. He uses the personal vision statement to help identify activities and requests that are leading his away from the direction he intended. This is extremely powerful, and can increase his decision effectiveness, and including balancing where to spend his limited time.

Dato AK Nathan has a powerful vision which enables him to tap his employees innermost potential and talent. A act toward the changes has created more stability and job satisfaction for his employees.

## LEADERS VISION TOWARD CORPORATE LIFE

Dato' AK Nathan 's corporate vision is so intense that he has devoted long hours over many years to bring it into being. It gives a leader purpose, and the power of the vision and the leader's devotion to it work to inspire others. Dato' AK Nathan 's vision is being at the forefront of the

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- Dileep Kumar

structural steel industry in Malaysia and abroad, The company has achieved this by adhering to its corporate philosophies of high standard of quality, strict adherence to time schedules, attention to safety and total customer satisfaction. It is due to these philosophical dedications that constantly brings satisfied clients back, repeatedly.

Dato' has a clear vision statement and it is congruent with that the board of directors and other stakeholders. Leaders also must ensure that he has lobbied support for their plan prior to implementation. His employees give Dato's a good support for him to manage and grow his financially healthy. He has clearly defined concept of the kind of corporate culture he want to see in place in a verb format, so to paint a clear picture of how people in the company need to coexist for the benefit of all employees. Organizations whose leaders have no vision are dangerous to work because there won't be any improvement.

He ensure all employees have an opportunity to contribute in the company's daily culture, operations, and performance, to increase ownership to move from entitlement. It is crucial for involvement of employees in the mission statement, supporting objectives,

roles and their connections to job description, accountability, and quality on a regular basis. Dato' Nathan also does his fair share of training, giving talks to young entrepreneurs who could benefit from his experience and become inspired to go against all odds to make an achievement for themselves.

## LEADER'S STRUGGLES IN CORPORATE LIFE

Dato' AK Nathan's life was not bed of roses where he was born into not a wealth family. His father was only a newspaper vendor and his mother a homemaker but they had a dream to send Dato' to India for education. Unfortunately he had to come back to Malaysia without finishing his degree due to financial constraints. His failure to obtain a degree has made him to work harder to be successful leader especially in engineering and construction business.

In year 1977, returning from India Dato' A.K. Nathan at the age of 21, started as a printing machine operator in Malaysia. Gradually he wanted to improve his financial status, he ventured into insurance and printing businesses.

Unfortunately his business didn't prosperous as he dreamed and finally folded. He was literally broke during the formative years of his company.

The year 1982 marked the turning point in his life when he became acquainted with the structural steel construction business purely by chance when he was asked to help out as a sub-contractor on a construction contract. Then his brother, who has a construction business in Singapore was awarded the temporary structural steel platform work for the Dayabumi project and asked for his assistance to manage the project in Malaysia. As beginner in the field, he engaged a experience sub-contractor to assist him. Sub –contractor was not a trustable person and ended up taking advantage of Dato's lack of knowledge in the construction business. Dato' was really disappointed and didn't know how to continue his project, furthermore his cash flow was bad . Thankfully, the amiable Dato' Nathan managed to befriend the supervisor of the sub-contractor, terminated the services of the sub-contractor and managed the job directly to complete the project successfully.

## MOTIVATIONAL INCIDENTS FROM LEADER 'S LIFE

His next stepping stone was getting involved in Proton Saga project. He knew that the Proton factory required the building of structural steel works and went in search of its main contractor and found out that the steel package was awarded to Nippon Steel Corporation. Nippon Steel Corporation was not interested in awarded the sub-contract to Dato' at that point of time. Furthermore Nippon Steel Corporation only give business opportunities to Japanese company and not to some unknown contractor.

Dato's desire to win and be successful has motivated him to meet up with the project manager Mr. Yamaki, who was actively looking for a reliable sub-contractor for the construction of the steel work. At that moment, Dato' only had the temporary structural steel platform work experience for the Dayabumi project. Initially Mr. Yamaki rejected him by giving excuse that the project was awarded to another Japanese company.

Every day after the first meeting, Dato' went to visit Mr. Yamaki. Astonishingly, ten days later he got a visit from Mr Yamaki and then he was



awarded the Proton Saga project. Despite the rough times, the project was completed on time and to the client's great satisfaction. After that venture, Dato' Nathan continued an strong relationship with Nippon Steel Corporation that awarded him more projects based on trust and his capabilities. In late 1980s the country was facing economic downturn and Dato' Nathan also endured into financial difficulties. The business was slow and it was very hard to get new project since banks has tightened their financing. Fortunately his good relationship with Nippon Steel Corporation, in 1988 his company was commissioned to work on the Singapore Indoor Stadium project.

A need priority of five levels is established by A. H. Maslow. These needs are Basic physiological needs, Safety from external danger. Love, affection and social activity, Esteem and self-respect, Self-realization and accomplishment. As the more basic needs are satisfied, a person then seeks the higher needs. If his basic needs are not met, they claim priority, and efforts to satisfy the higher needs must be postponed

## LEADER'S ROLE MODELS

His role model is Tun Dr. Mahathir bin Mohamad who was the fourth Prime Minister of Malaysia. Tun Dr. Mahathir is a superb politician and intellectual with strong work ethics. During his administration mega project were constructed such as Pertonas Twin Tower, Sepang FI circuit, Sepang Airport. His innovative and advance ideas has increase business opportunities to Dato' AK Nathan. The experience he gain from involvement in Pertonas Twin Tower project has open the doors of international market to Eversendai Corporation. Tun Dr. Mahathir Mohamad is no ordinary man. His outstanding achievements as a statesman and leader of his country in delivering above average returns on his visionary political investments to what was once a largely backward and poor nation. The goods in economic opportunities, scientific and educational benefits that the popular press and sectors of Malaysia's largely middle class, a monster of his own economic political policies enjoy and ignore, are largely the fruits of his risk averse policies and his vision. Dr. Mahathir's achievements conversely in this regard were without the repression, race polarization, suppression of dissent or the generous bounties of western benefactors in proportion to that gifted

to his neighbours to achieve lesser comparable outcomes for their citizens. In fact his achievements were attained in spite of his and his countries problems. Some say his achievements were driven by a need to overcome those seemingly insurmountable problems in the face of a seasoned and well entrenched opposition and a multi-party system.

## LEADERSHIP AND WORK CULTURE

Apart from being highly technological company and having a interesting track record, Eversendai's unique work culture, experienced management and a hands-on leader in executive chairman and group managing director Dato' AK Nathan were the key attributes to its successes. He also strongly believe the company's continued success and future performance depend much on the skills, abilities, experience, competency of employees and the board of directors. The company has nurtured and maintain good relationship with his employees to avoid any material effect on the operation and financial conditions. Since Eversendai operates in very risky business environment, the most important criteria in their work culture is the safety of the workers. The company also offers competitive compensation packages, training and development programmes to attract and retained skilled personnel. The work environment is cohesive and casual, there was a very strong commitment to deadlines. The employees at Eversendai have to work in teams and in a challenging and creative environment. Dato' adopted a style similar to Japanese working culture where it is more results-driven approach and providing a quality product that will satisfy the customer. He is striving to expand his business and also maintaining high standard and committed work culture in his company.

## LEADER'S LEADERSHIP APPROACH

It takes a different sets of competencies to step up to be the new leaders of tomorrow, Dato AK Nathan has all the qualities to be in the leader of Eversendai. He takes full control of management, plans ahead and focuses on the things that will really make a difference. According to Bruce E. Winston, Kathleen (2006) leadership can be defined as one or more people who selects, equip,

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trains and influence one or more followers who have diverse gift, abilities and skills and focuses the followers to the organization's mission and objectives causing the followers to willingly and enthusiastically expend spiritual, emotional and physical energy in a concerted coordinated effort to achieve the organizational mission and objectives.

Dato' provides direction, and resources needed by employees in order to assume responsibility and accountability for achieving organizational goals with full commitment. He also focus on creative way to use employees' energies to drive the technologies and quality methods so the company has competitive advantage. There is two communication in the management of Eversendai, where Dato' listens to his employees innovative ideas and dissatisfaction, further support and encourage them to develop their skills and knowledge. Dato' AK Nathan' leadership approach are similar to Hersey – Blanchard Situational Theory which based on given situation and it is divided to telling, selling, participating and delegating. He also a very supportive behavior towards his employees and motivates them to grow technically and personally

The nature of business of Eversendai requires formation of team for every new construction project. The workers work in teams to complete the project within the timeframe given and directly contribute to company's profitability. Dato' AK Nathan leads a innovative team by giving them empowerment which will make them to perform better and faster than it had been done before, or to learn from their mistakes and make improvements. He is acting as coaches to the team where their goals are aligned, measured, and resources in a climate of trust and open feedback. He has leverage human resources in a competitive environment by speed, efficiency, innovation, and commitment.

## HOW LEADER MOTIVATE HIS SUBORDINATES

Eversendai is in construction industry with offices in Dubai, Sharjah, Abu Dhabi, India and Qatar. Dato' Nathan has grown Eversendai from a one man show to a corporate structure with 6000 personnel with sheer hard work, persistence and perseverance. He trust the capability of this worker and constantly motivates them to higher level. He

ensure the employees with positive and safe working environment. If there is any internal conflict as a leader, he has proper channel to settle the problem before it creates unpleasant working environment.

Eversendai encourages team work and make sure every employee know that they are playing an important role in every job that they are taking. All the success they get is through the team work together but not only one person duty. The company always strengthen the notion that the company is a part of the team and that when employees win, they win too.

Nowadays, money is only a part of an attractive rewards or incentives that can motivate employees. Employees values job satisfaction, flexible working hours and challenging jobs. The company provides challenging and interesting job exposure to their staffs. Involvement in various world class project definitely will decrease routine job problem, example boredom and increase employees job satisfaction. More ever Dato' has introduce more flexible working hour where after one project, the employees can take a leave until the next project. He has offered extra leave as a reward, as a result, it shows he is flexible to meet employees' needs. This motivates his employees and at the end they contribute more efficiency for the company. The company also offer good remuneration package, compensation package and other good benefit. It also recognize the staff contribution by giving salary increase, bonus and promotion. Herzberg's Two Factor Theory separates 'motivational factors' from 'hygiene factors'. Hygiene factors are the foundational requirements for an employee to feel valued e.g. salary, working conditions and status. If they are absent or undermined, the foundations of motivation will be compromised however they do not intrinsically motivate. Motivational factors include opportunities for personal growth, recognition for achievement and the freedom to make a difference or leave a mark.

Dato' sends his employees to different type of motivational training organized by external trainers and in-house training. He maintains a good relationship with the employees where information of their family are gathered. The company provides scholarship for his employees children to continue their further studies.



## LEADER'S LEADERSHIP STYLE

Dato'AK Nathan practices transformational leadership style, where he is strong visionary, exploiting with new knowledge and ideas, where he encourage his employees to attain higher standard and be innovative. He is a charismatic person, full of energy and creative in bringing new business opportunities. Eversendai has a higher winning rate in acquiring project tender compared to its competitors. His employees trust and good follower of Dato'AK Nathan and this is advantage for him to be successful in his business. This customers also loyal and trust him because all the project undertaken by the company are completed without delay and any internal conflict.

As Goleman, 2000, the influence of leadership style on job performance, satisfaction, stress, and turnover intention has been well established. While leadership style has an impact on organizations, departments, and teams, as well as work climate and atmosphere, leaders who want the best results should not rely on a single leadership style. Based on Jui-Chen Chen, Colin (2005) however, the higher the leader's leadership score, the higher the employee willingness to perform a task, the higher the employee job satisfaction, the lower the employee's job stress and the lower the employee's turnover intention. There was no correlation between leadership score and employee job performance. Higher ability employees were more satisfied with their job and had higher job performance

Ever increasing steel price in the global market is huge problem for Eversendai since its main business is constructing structural steel. During the construction of Pertonas Tower, suddenly the steel price increase drastically due to shortage of steel globally. Eversendai could not complete the project within the budget and affected the profit margin. Shortage of steel also increase the time to complete the project and indirectly increase the labour cost too. Dato' AK Nathan overcome this problem with the assistance of few supportive steel suppliers. This experience has helped him to plan ahead, he established a good relationship with all the person involved in his supply chain Before accepting the new project, his management calculates the quantity of steel needed and he makes the steel procurement. By taking the right decision, he can buy steel at a standard price and not effected by the market price. He reduces the

business risk and foreign exchange risk which will improve the financial status of Eversendai

## FEW EXAMPLES OF HIS BALANCED APPROACHES ON TASK AND PEOPLE-ORIENTED LEADERSHIP

Leadership is the process of influencing team members to work hard towards, and be committed to, team goals. Eversendai's leaders can be either task-oriented or person-oriented. As task-oriented leader, Dato' AK Nathan has invested a lot in training, instructing behavior, performance and winning. He and his employees work hard to enhance market penetration in existing market and venturing into new market. The engineers and technical staffs are continuously trained and upgrade their knowledge to secure landmark projects. He has created and installed a proper systems and documentation requirement to ensure efficiency and provide effective and relevant training. Due to complex operation of Eversendai such as engineering, fabrication and steel erection works, the leadership has to be more task oriented to meet the future challenges.

As person-oriented leader Dato' are interested in the interpersonal relationships on the team. His leadership encompasses confidence, assertiveness and mutual respect. He only take calculated risks and are innovative and confident in his decisions to do so. This confidence and assertiveness will usually trickle down to the team members. The quality and effectiveness of leader will often show itself by way of the team's effort as a whole. Dato' confidence in the team can give team members added strength to do extraordinary things. For example the working condition in Middle East is difficult, first the employees have to endure extreme climate change and political instability. Dato's sincerity and concern gives the motivation for his staffs to work in such condition. Furthermore the company has prepared accommodation, medical benefit and other benefit for his employees in order they can work in comfort even in different countries.

## DISCOVERING THE BEST IN PEOPLE/SUBORDINATES

Dato' Nathan also trains and educates the staff on the fundamentals that have helped him to



- Hasrita Lubis
- Ikbar Pratama
- Dileep Kumar

achieve success. As leader, he realize the impact of his words and actions on his employees. He has to carefully protect and nurture the trusting relationship built over a long period. Stephen R. Covey, who wrote the popular Seven Habits of Highly Effective People, describes this delicate relationship as an “emotional bank account.”

Every leader needs some feedback on his leadership style and comments from his employees. Regular operational and management meetings are held in Eversendai, this gives the opportunity for the employees to voice out their ideas and dissatisfaction. Dato' listen to all problem and recommendation, so there will be no internal crisis and insecurity in the company. He helps them to discover their synergy and find ways to be more productive by coaching them appropriately.

The company also does employee survey to ensure whether employees understand management decision. The report gives Dato' the insight to make further decision on how to manage his human resource more effectively. He also take the time to do good job explaining his decisions, by this he takes the leader role of educator. He provides the tools that employees can access in order to support their career development. For example on-line personal assessments, e-learning modules, learning centres and mentors. The employees are given the confidence to take charge of their development and maximise the opportunities by broaden the base of knowledge. They also given chance to participate in innovative projects where they have a degree of autonomy and can make the decisions, take the risk and reap the rewards

All benefits were fairly given to all staff and reward is giving based on performance. It is really appreciating their staff as staff is very precious capital for company and develop individual talents who are able to meet the frequent global changes and challenges with confidence. A series of customized internal and external training programs that focus on leadership competencies, functional competencies, personal effectiveness and team spirit building were arranged throughout the year.

## **INSTILLING GOOD LEADERSHIP TRAITS IN HIS PEOPLE**

Dato' AK Nathan wants to work with employees

who initiate and embrace change. It is absolutely necessary as employees to understand that, the company has to be advance in technology and innovative to be world class company. Thinking different and creatively, the employee can contribute to financial growth of the company. . Presently, Dato' requires employees to be advance and competent where the world has become a global village through the internet and not only embrace change but are “change makers” themselves.

The most valuable single factor that contributes towards high levels of excellence and quality in a team emanates from an individual team member's ability to work with others. He wants to work with employees that support the teams' effort in achieving their goal. No leader wants to work with a follower that distorts the progress of the team. Leaders enjoy working with team players because their presence in a team makes a huge difference. The employee has to realize that every decision, idea, action, and plan must be linked to the long-term financial stability and growth of the company. Dato' values the employees that are determined to add unique personal value in pursuit of that goal. and directly contributes to the well being of the teams' success and to the overall well being of ensuring the success of his leadership.

As a leaders, Dato' wants to work with employees who are emotionally intelligent, able to understand and read others emotions without misjudging them. Leaders want to work with matured hearts, which look beyond others' mistakes to see the best in them. Emotionally intelligent employees understand that their presence in the team is to bring the people together, not to scatter them. Emotionally intelligent employees do not hold grudge or react negatively; they resolve conflicts immediately, and are capable of admitting their own mistakes when others point it out to them.

## **LEADERS MISSION IN CORPORATE LIFE**

Dato'AK Nathan's mission in corporate life is practicing high standard of quality,strict adherence to time schedules, attention to safety and total customer satisfaction. The company only use good quality raw material and steels in their construction projects. Dato' gives much importance in producing satisfying end result to his customer. Since establishing the Company, it has been



continuing striving in building excellence construction and today enjoys the international reputation. The aim of the creating values for the company include with improve business condition for the firm. To obtain more reliable and high qualify source of raw materials, improved government functioning and regulatory, employed skill and loyal workforce and superior quality products which successfully complete. Eversendai has completed 100 projects without any delay and zero complains from customer. Dato' emphasis effective time management for his organization and workers. Each project has to be completed within the time frame without any excuses. Before beginning any project, the team budgets the duration needed for every activities and the project run in effective way and there won't be any slack. Eversendai has accredited the OHSAS 18001 certification in 2008, it has put in place many programs for creating awareness in Occupational Safety and Health. A wide range of activities were arranged such as talks and trainings to increase safety and health awareness in all section, visitors to the plants were briefed on their occupational safety & health policy before entering company premises and special emphasis were placed at construction site to ensure the safety of the people involved. In addition, the company also fulfilled legal requirements of the Department of Safety and Health. The final mission of the Company, is customer satisfaction and ideally the company known for having good customer-service practices, reliable services, and generally an all-around positive effect on the community. A company that is active in the community and involved in community service will also positively impact the company's reputation. It is due to these philosophical dedications that constantly brings satisfied clients back, time and time again.

## CRITICAL EVALUATION ON HIS LEADERSHIP

Eversendai Corporation Berhad reported unaudited consolidated earnings results for the fourth quarter and full year ended December 31, 2011. For the quarter, the company reported revenue of MYR 313,294,000, profit before taxation of MYR 35,329,000 and profit attributable to owners of the company of MYR 36,424,000 or 5.41 sen per basic share. For the year, the company reported revenue of MYR 1,033,702,000, profit before taxation of MYR

136,018,000 and profit attributable to owners of the company of MYR 119,455,000 or 17.73 sen per basic share. The financial data are the proof for the success of Dato' AK Nathan leadership. A pool of skilled senior management staff, engineer and technical staff have been strong followers of Dato' AK Nathan. They have placed their trust and loyalty on Dato' leadership where they continually attain success in every project undertaken.

## SUMMARY

Dato' Nathan a/l Elumalay serves as Executive Chairman of the Board and Group Managing Director of Eversendai Corp Bhd. He built the Company from a modest structural steel erection specialist to one of the integrated structural steel turnkey contractor. Under his leadership, the Group has completed the structural steel work for several projects namely, the Petronas Twin Tower 2 and Kuala Lumpur International Airport in Malaysia; Burj Al-Arab, Dubai Mall, Ski Dome and Burj Khalifa in Dubai, UAE; Capital Gate in Abu Dhabi, UAE; and the New Doha International Airport in Doha, Qatar. He is a master in the art of communication and is aware of the strong need for actions to match words. Two-way communication, being approachable and having an "open door" policy makes for very good team relations. This is crucial in building a trusting and open environment. It must be an established norm that it is okay to ask for help and that players can communicate openly without fear of punishment. The way one communicates with and leads a team may play a big part in their motivation to work hard. Dato' Nathan also trains and educates the staff on the fundamentals that have helped him to achieve success. As leader, he realize the impact of his words and actions on his employees. He has to carefully protect and nurture the trusting relationship built over a long period. Stephen R. Covey, who wrote the popular Seven Habits of Highly Effective People, describes this delicate relationship as an "emotional bank account." All benefits were fairly given to all staff and reward is giving based on performance. It is really appreciating their staff as staff is very precious capital for company and develop individual talents who are able to meet the frequent global changes and challenges with confidence. A series of customized internal and external training programs that focus on leadership competencies, functional competencies, personal effectiveness and team spirit building were arranged throughout the year.

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## Case of Person: 'The Man Himself': Tan Sri Dato' Azman Hashim

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### ABSTRACT

Leadership and leadership traits are discussed widely across the world. How far the leadership traits attached with the corporate leadership are a debatable topic. Tan Sri Dato' Azman Hashim is a leader from the corporate sector has shown his ability to provide several personal and professional values, giving insight into leader behavior. This short case study on Tan Sri Dato' Azman Hashim provides a vivid picture on on Tan Sri Dato' Azman Hashim's leadership traits, professional and personal characteristics, values, leadership approaches by providing a personal mission statement. The study followed qualitative research method like content analysis with short interviews to develop this short case study.

**Key Terms:** *Leadership, Leadership Traits, Leadership Approaches, Leader Behavior*

### INTRODUCTION

**T**an Sri Dato' Azman Hashim is a well known as a corporate figure. Born July 1939 in Kuala Lumpur, he is one of the richest people in Malaysia and his net worth is estimated by Forbes to be US\$600 million, making him among the richest person in Malaysia. His professional experience began in Perth, Australia, where he was employed by Messrs O.L. Haines & Co (Chartered Accountants) from 1955-1960. In 1960, he returned to serve with Bank Negara Malaysia until May 1964 when he left to start his own accountancy practice of Azman & Co which later grew into a partnership, Azman Wong Salleh & Co. He then joined the Board of Malayan Banking Berhad in 1966 to 1980. He was appointed Executive Chairman of KwongYik Bank Berhad in 1980 till 1982 when he became Chairman of the AmBank Group until today. Currently, Tan Sri Dato' Azman Hashim is Executive Chairman of Amcorp Group Berhad and Chairman of several subsidiaries of the AmBank Group and also AMDB Berhad. Known for his perseverance and intelligence, Tan Sri Dato' Azman Hashim is the man who vastly contributed towards the economic development of Malaysia and stands amongst the highly esteemed and successful people of Malaysia.

### PROFIL- PERSONAL AND PROFESSIONAL

Azman Hashim is one of the richest people of Malaysia. Born on July 1939, Tan Sri Dato' Azman Hashim had thirteen siblings. He spent the early years of his life in Kampung Baru, a place in Kuala Lumpur. Azman Hashim's success is attributed to his mother, a school teacher, and his father, a strict disciplinarian. Brought up in an environment of strict discipline and wisdom, Azman Hashim passed the Senior Cambridge examination with a first division in the year 1954.

Always a diligent child, Azman Hashim wished to pursue further studies in medical science, but as he received the Colombo Plan Scholarship he had to move to Australia to study accountancy. From 1955 to 1960, he studied in Australia and before the age of 21 he became a Chartered Accountant and a Chartered Secretary.

On the 3rd of March 1963, after the completion of his studies and attainment of a successful career, Azman Hashim, married YM Tunku Arishah Tunku Maamor.

Working as a Chartered Accountant, Azman Hashim started his professional career with Messrs O.L. Haines & Co, an Australian company located in Perth in 1955. Later, in 1960, Azman

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Hashim returned to Malaysia and started working with Bank Negara. Azman Hashim left his job on May 1964 and started his own practice with his own enterprise Azman & Co. With great talent and intelligence, Azman Hashim took his company to greater heights and later it came to be known as Azman Wong Salleh & Co (Chartered Accountants).

Azman Hashim is also a Chairman to various other groups and organizations. They include:

- National Productivity Corporation
- Nonaligned Movement's ("NAM") Business Council
- Malaysian Investment Banking Association
- Co-Chairman of Malaysia-Singapore Roundtable
- Board of Trustees, Perdana Leadership Foundation.
- Pacific Basin Economic Council ("PBEC") International
- Co-Chair, United Nations Economic and Social Commission for Asia and the Pacific ("UNESCAP") Business Advisory Council.

In his bright career Azman Hashim, received a number of awards for his immense contribution towards the economic development of Malaysia. The awards to him include:

- Darjah Kesatria Mangku Negara - 1972
- Darjah Dato' Paduka Mahkota Selangor - 1980
- Johan Mahkota Negara - 1984
- Asia's Banker of the Year- 1985
- Darjah Panglima Setia Mahkota- 1988
- ASEAN Businessman of the Year- 1993
- Grand Entrepreneurial Award -1996
- Menteri Besar Grand Entrepreneurial Award- 1997
- Sathya Sai Educare Academy Values for Life Excellence- 2004

Azman Hashim received many other awards from various esteemed educational organizations for his contribution to academics, business and community development. In 1985, he was awarded with an Honorary Doctorate in Philosophy by Universiti Utara Malaysia and in 2004 he was awarded an Honorary Doctorate in Business Administration by the Universiti Kebangsaan

Malaysia. In the year 2005 Azman Hashim was appointed as the Pro-Chancellor of the Open University Malaysia.

A man with a vivacious personality and high esteem, Azman Hashim's hobbies include singing, scuba diving, and riding power boats and jet skies. Azman Hashim, with a vast contribution to the economic facet of Malaysia and business edification, stands amongst the esteemed persons of Malaysia and the world. Presently, he is recognized as the 11th richest man of Malaysia.

## PERSONALITY AND LEADERSHIP QUALITIES

Tan Sri Dato' Azman Hashim leadership development can be traced back to his early childhood and career. His success in life can perhaps be attributed to the discipline and wisdom imparted to him by his parents, a father who was a strict disciplinarian and a mother, a school teacher who later became headmistress of the Kampung Baru Girls' School. In 1954, he sat for the Senior Cambridge Examination and obtained a first grade. He wanted to pursue medicine, but was offered accountancy instead on a Colombo Plan Scholarship which took him to Australia from 1955 to 1960. His intelligence and perseverance were proven when he became a Chartered Accountant and Chartered Secretary before the age of 21.

Tan Sri Dato' Azman Hashim began his early career as a Chartered Accountant in Messrs. OL Haines & Co., Australia, in 1955 before returning home in 1960 to serve in the Central Bank of Malaysia. He left the Central Bank in 1964 to set up his own accounting firm. In the year 1966, Tan Sri Dato' Azman Hashim joined the Board of Malayan Banking Berhad and from 1971-1980 he served there as an Executive Director. In the year 1980, he was appointed as the Executive Chairman of KwongYik Bank Berhad. He served there till 1982 and then joined the AmBank Group and presently, he is the Executive Chairman of the Amcorp Group Berhad and also the chairman of its various subsidiaries. Tan Sri Dato' Azman believes in doing business in its true sense; not just juggling numbers on paper.' He always believes any form of capabilities can make a difference. As Executive Chairman of Amcorp Group Berhad, he still holds that view of building and expanding through lateral growth, which is quite



distinct from corporate maneuvering. Nevertheless, he agrees that good corporate moves are an essential part of business expansion.

Tan Sri Dato' Azman Hashim acknowledged that the two most important ingredients for the success of a good corporation are good leadership, and sound and enlightened management. He really believes that no matter how effective a corporate strategic plan is, without these two elements, it will be extremely difficult to realize the plan. And even if it's released, it will wither away in time. In a competitive business environment, a CEO's ability to sustain the business is critical to the survival of a corporation. Associates close to Tan Sri Dato' Azman Hashim say he is able to do both – to create and sustain. All the training he had at Azman, Wong, Salleh & Co had provided him with the nose for business and the staying power to carry it through.

## LEADERS VISION TOWARDS PERSONAL LIFE

A leader is someone who guides others. One who assumes the position of responsibility over the conduct of others that he is leading. Vision on the other hand is "a picture formed in the mind; something conjured up in the imagination without being related to facts." Leadership in some people is in-born, some learn the art of leadership, while others just cannot lead no matter what advantage of leadership comes their way. There are those who are in a position of leadership by reason of the family they come from. Some become leaders as a result of hard work and dedication to work. Leadership is active, not passive. Tan Sri Dato' Azman Hashim vision in personal life is to be successful with family and in life.

## LEADERS VISION TOWARDS CORPORATE LIFE

Leadership is a difficult quality to define and to assess. As General Patton once exclaimed: "I [have] it, but I'll be damned if I can define it." <sup>1</sup> This site offers definitions and characteristics of leadership in order to add new, and perhaps even seasoned, librarians as they progress through their career. Tan Sri Dato' Azman Hashim is a true leader. Leaders see things differently. Tan Sri Dato' Azman Hashim believe, "If it ain't broke, you're not looking hard enough." Realizing that there is always room

for improvement, he believes that no one has ever done anything so well that it cannot be done better.

Warren Bennis, having spent many years working with leaders, has concluded: "While leaders come in every size, shape, and disposition—short, tall, neat, sloppy, young, old, male, and female—every leader I talked with shared at least one characteristic: a concern with a guiding purpose, an overarching vision. They were more than goal-directed."

## STRUGGLES THAT HE FACED TO BECOME LEADER IN CORPORATE LIFE

Tan Sri Dato' Azman Hashim develops a vision to which he is committed, shares it with people, accepts failure, deals with ridicule, and after working tirelessly for many years actually turns that vision into a reality. In 1997 economic slowdown, Tan Sri Dato' Azman Hashim almost lost everything through a plan set by the government to absorb Arab Malaysian Bank Berhad under the management of the Affin Holding Group. He not only managed to convince the government not to go ahead with the Central Bank merger program, but also taking the advantage of increase his stake by initiating the formation of merger between. MBf Finance and Arab-Malaysian Finance Berhad, into what is known today as 'The Red Bank', AmBank Group Berhad. In 2005, AmBank Group has become the fifth largest commercial bank-finance company in Malaysia with a total asset of 45 billion and 164 branches nationwide.

But for the Tan Sri Dato' Azman Hashim, a horrible car accident almost wrecked his life, but Tan Sri Azman's never-say-die attitude eventually rewarded him with a larger than life achievements. With good academic background in accounting field, Azman was quick to maneuver his career along the corporate path, joining several established corporations in the process. Since acquiring Arab Malaysian Bank (now AmBank), Azman is credited for his effort to transform a relatively unknown bank into one of the largest financial institutions in the country.

## LEADER RELATES LEADERSHIP AND WORK CULTURE

Tan Sri Dato' Azman Hashim determined that

- Ikbar Pratama
- Rarina Mookda
- Dileep Kumar

leadership is the single most important factor in a business maintaining its competitive advantage. For example, Tan Sri Dato' Azman Hashim always understanding of the culture and its effect on the organizational employees to aid them in selecting optimal leadership techniques. He has more tools to deal with different situations.

## LEADERSHIP STYLE AND APPROACHES

A lot of the nation's leaders have been discussing the importance of leadership style and approaches in these changing times and the knowledge economy on how to respond to the changing environment and workforce as these changes have significant impact on the roles of leaders and the new skills that need to be used by the leaders (Van Leeuwen, 2003).

Leadership development is one of the elements that are crucial to identify the learning needs and create a development plan for the employees and managers. A leader must be able to manage changes and support employees as they move to the new roles whilst holding more responsibilities. In exercising the leadership, a leader must be able to respect other's ideas, provide acknowledgement and encouragement in innovation. Tan Sri Dato' Azman Hashim sees that the new world and the new era of business pattern require a new way of working.

According to Leeuwen, (2003) this applies not only to the workers, but the same to the managers or leaders to bear in mind that it is the time to develop new competencies to sustain in leading the followers in a changing and challenging environment. It is significant to delve into the leadership behavior and effectiveness as the expected outcome from an effective leadership does not only impact businesses or organizations and stakeholders' satisfaction, it will also eventually lead to a proper nation and community development (Strang, 2005). We can see the exemplary leadership that Tan Sri Dato' Azman Hashim has demonstrated by transforming and leading Malayan Banking Berhad in 1970s to become one of the successful banks in South East Asia and now AmBank Group Berhad to the advancement and achievement.

Today, Malaysian corporate leaders are facing the challenges in both training and development. The market is in the scarcity of good managers and

professionals. Tan Sri Dato' Azman Hashim has demonstrated with globalization, there must a paradigm shift where the business leader has to be creative, innovative and promoted idea sharing. Any leader in an organization will have to practice leadership style and approaches, best suit the current development, changes and challenges in the 21st century.

## LEADER MOTIVATE HIS SUBORDINATES AND FELLOW BEINGS

Motivating a team, fellow employees or subordinates can be an interesting experience. There are many methods and strategies that one can use to motivate others.

*"Life takes on meaning when you become motivated, set goals and charge after them in an unstoppable manner."* – Les Brown

'Tan Sri Dato' Azman Hashim is a great a good listener. A good listener here means ability to listen with sincerity to ones' needs. For example, the needs here can include the opportunity for individuals to develop and grow with the team. Tan Sri Dato' Azman Hashim motivate his team members by giving roles and challenging task for the individuals who sees such opportunities as a way for them to learn, develop and grow with the team. Secondly, motivation in the team can also include team leader understanding to create a conducive and supportive environment. The environment is a crucial factor in encouraging and motivating fellow team members to work together. Thirdly, motivation can include the significance of rewarding and recognizing individuals in the team for their efforts and contributions. One can learn greatly that in motivating others, rewarding others can be as simple as a token of appreciation given.

Apart from that, another method of motivation that Tan Sri Dato' Azman Hashim use is to create avenues for individuals in the team to express their thoughts and feelings being in the team. Such avenues can include providing a feedback box in the working area, setting an online survey or forum for teammates to share and express their feelings.

## LEADERSHIP STYLE AND DECISION AT RIGHT SITUATIONS

Many factors influence the success of an organization's leader. Skills, opportunity,



temperament and intelligence all play a part (Kouzes & Posner, 1987).

In the studies of Tan Sri Dato' Azman Hashim's leadership style and approaches, we can first start from the very beginning of the Great Man Approach theory.

In the case of Tan Sri Dato' Azman Hashim, the theory of leadership was then expanded to study the personality, motives, values and his skills as a leader. The common traits, qualities, characteristics and skills required that have been identified are in the aspect of his sociability, initiative, persistence, knowing how to get things done, self-confidence, alert to situations, cooperativeness, popularity, adaptability and verbal facility.

There are two aspects of this approach. The first aspect was looking at the Tan Sri Dato' Azman Hashim's responsibilities and abilities in carrying the tasks, coping with constraints and conflict as in 1980an economic downturn and managing the heavily debated Taiping Textiles Berhad and Arab-Malaysia Development Bank. He has to think the unthinkable approaches at that time by renting the Arab-Malaysian Development Bank Headquarters in Kuala Lumpur for RM1.50 sq compare to the normal rate of RM5.00 plus 3 month free rent. Quality control, cost effective measures and tendency to get thing done quickly but thoroughly are among his famous traits.

As a charismatic leader, Tan Sri Dato' Azman Hashim has a great emotional impact on the followers. As the leader he has the ability to communicate and express his vision/idea clearly so that the his followers are willing to take the risk just to abide to what the leader has inspired them to follow.

In 1997 economic slowdown, he almost lost everything through a plan set by the government to absorb Arab Malaysian Bank Berhad under the management of Affin Holding Group. He not only managed to convinced the government not to went ahead with the Central Bank merger program, but also taking the advantage of increase his stake by initiating the formation of merger between . MBf Finance and Arab-Malaysian Finance Berhad, into what is known today as 'The Red Bank', Ambank Group Berhad. In 2005, AmBank Group has become the fifth largest commercial bank-finance company in Malaysia with a total asset of 45 billion and 164 branches nationwide.

Tan Sri Dato' Azman Hashim can be considered as a participative leadership. He is not only involved in banking, but also expanding his interest in real estate and investment. He believes, a leader must be able to maintain a good reputation of an organization not only on the profit margin made, how much of the sales target being met but how ethical an organization can carry out its operation and maintain transparent business records. These efforts can be best seen through his direct involvement in major corporate organization, government initiate entity and NGOs such as Malaysian South-South Corporation Berhad, MCM Technologies Berhad, Perbadanan Pembangunan Multimedia Sdn Berhad, Persatuan Bank-Bank Saudagar Malaysia, Perbadanan Pengeluaran Negara, Pasific Basin Economic Council Malaysia, Yayasan Persatuan Perubatan Malaysia, Malaysian-British and Malaysia-China Business Council, Asean-Japan Business Meeting, Malaysian Investment Banking Association, National Productivity Corporation, etc.

## **LEADERS BALANCED APPROACHES FOR TASKS AND PEOPLE-ORIENTED**

Leadership is an art, not a science. Nevertheless, there are attributes that I believe are essential for thriving in a leadership role today. I say today because as society's values have changed so have our expectations of our leaders. Successful leaders require six key attributes: three that are personal honor, humor and health; and three that are business-specific—foresight, focus and friends. The right balance of these can create an excellent leader. Tan Sri Dato' Azman Hashim is a good leader of his approaches for tasks and people-oriented leadership. Tan Sri Dato' Azman Hashim know their employees' strengths and talents and they place people in positions that take advantage of those positive characteristics. Commanders and supervisors who understand and focus on the human element in managing are most likely the true leaders.

## **DISCOVERING THE BEST IN PEOPLE AND SUBORDINATES**

Tan Sri Dato' Azman Hashim is having a nice, friendly relationship with the people, subordinates



- Ikbar Pratama
- Rarina Mookda
- Dileep Kumar

and employees. He always gives the employees lots of praise and rewards. This helped their employees happy and encouraged them. Tan Sri Dato' Azman Hashim also motivated them to become like him. He always give support and new idea to develop their subordinates and friends. He always helps people if they having problem or difficulties. He also involved in charity program in Malaysia. Based on the research, Tan Sri Dato' Azman Hashim is excellent coach, mentor, and providers of the resources necessary for his subordinates to grow and achieve. He also gives opportunities to employees to upgrade them by giving promotion and other. As a supposition, Tan Sri Dato' Azman Hashim is well known as a corporate figure and become a successful entrepreneur in Malaysia but as a friends, is the best in people, subordinates and employees.

## A FOUNDATION FOR GOOD LEADERSHIP TRAITS

In management role, Tan Sri Dato' Azman Hashim inspire people and he instill confidence in his employees. He always focus their energies on the big picture and they are real visionaries. He have a plan and he know how to inspire people to work together as a unit to achieve success.

One of the qualities of Tan Sri Dato' Azman Hashim is to maintain trust in every relationship.. One of the good leadership traits that everyone admire is trust. Tan Sri Dato' Azman Hashim is the CEO of a Ambank and hence, thousands of employees and workers are watching his every move. And so are the competitors. In all these scenario, Tan Sri Dato' Azman Hashim have to ensure that his integrity and honesty remain unchallenged. In large corporations, this is why the role of a leadership is important. A single individual is able to motivate thousands of people and make them work in tandem— this is one of the supreme examples of good leadership trait. Good leadership traits can be developed in every personality by working on our personalities and facing challenges in our life with confidence and patience.

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## CRITICAL EVALUATION ON TAN SRI AZMAN HASHIM LEADERSHIP

Leadership is a process of interaction between leaders and followers where the leader attempts to influence followers to achieve a common goal (Northouse, 2010; Yukl, 2005). In my opinion, Tan Sri Azman Hashim uses charismatic leadership skill in his organization. A charismatic leader is one who provides an environment full of energy and positive reinforcement.

Charismatic leaders inspire others and encourage them to be their best. Employees and group members want to impress a charismatic leader, so they work hard and strive to succeed. Under charismatic leadership, employees may view success in relation to their leaders. A major problem with charismatic leadership is that group success tends to hinge on the leader. The charismatic leader is the glue that holds a group together. A capable leader provides direction for the organisation and lead followers towards achieving desired goals. In similar vein, employees with high job satisfaction are likely to exert more effort in their assigned tasks and pursue organisational interests.

## SUMMARY

However, the essence of leadership is actually a process of influence between a leader and an organization moving towards a common goal. Therefore, along the way or process to the path, "mutual understanding between the leader and the organization about the specific behaviors and professional practices that are associated with exemplary leadership is an essential component of effective leadership. Tan Sri Dato' Azman Hashim has contributed greatly to the corporate activity in Malaysia through his strong commitment in work, vast experience and leadership. Leaders are not magicians, and they do not simply predict future events. They are strategic thinkers who are willing to take risks. Their actions, together with the actions of those who follow them, determine what the future will be.



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<http://biz.thestar.com.my/bizkit/login.asp?postto=domain&url=http://biz.thestar.com.my/news/story.asp%3Ffile=/2009/12/31/business/5389186>

# Women Empowerment in India

## Possibilities and Opportunities

\* Parul Marwah

### ABSTRACT

*"There is no chance for the welfare of the world unless the condition of women is improved. It is not possible for a bird to fly on one wing"*  
—Swami Vivekananda

Empowerment has brought many changes with it especially the experience of 'joy' and 'excitement' which have unfolded many hidden insights. With the emerging presence of women in corporate houses the rate of empowerment has shown a galloping rise. Women have witnessed their growth in all spheres of corporates and are significantly striving to multiply their presence in working domain with the passing years. Indian Society has shown a drastic change from traditional perspective to modern outlook, where women was regarded mere as a housebound member serving the family and house needs fulfillment she has passed the passage to become a homemaker and corporate expertise with multi-level, multi-tasking presence in all areas.

Empowerment has shown many unfolded versions of modern women with the additional flight to wisdom and freedom and assisting her to become 'self' with unique identity in society. At the societal level, a huge change has been witnessed from last few decades where women have come out breaking the concatenation rituals and streamline the contemporary life with upgraded trends.

The paper is designed to make an insight in the understanding of:

- ❖ The impact of empowerment on the status of the women.
- ❖ The effect of empowerment on participation in household decisions and economic liberty.
- ❖ Change in behavior of the counterpart in respect to household assistance.

**Key Words:** \*Women Empowerment, \*Women and Society, \*Indian Society

### INTRODUCTION

India accompanying the entire world celebrates 'International Women Day' on March 8<sup>th</sup> every year. Indian women have witnessed empowerment in recent years which has brought many changes with it especially the experience of 'joy' and 'excitement' which have unfolded many hidden insights. With the emerging presence of women in corporate houses the rate of empowerment has shown a galloping rise. Women have witnessed their growth in all spheres of corporates and are significantly striving to multiply their presence in working domain with the passing years. Indian Society has shown a drastic change from traditional perspective to modern outlook, where women were regarded mere as housebound member serving the family and house needs fulfillment she has passed the passage to become a homemaker and corporate expertise with multi-level, multi-tasking presence in all areas.

Empowerment has shown many unfolded versions of modern women with the additional flight to wisdom and freedom and assisting to become 'self' with unique identity in society. At the societal level, a huge change has been witnessed from last few decades where women have come out breaking the concatenation rituals and streamline the contemporary life with upgraded trends.

Indian women have faced high level of hindrances in past and to bring stability and equality in society introduction of concept of empowerment is essential by the Government. The states have witnessed high rate of abnormalities on gender and liberty basis which has not only suppressed the half section of society from development but also lead to create boundaries over contemporary growth and development at large. The power of empowerment brings feeling of enfranchisement and prerogative responsibility for sustainable growth.

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## STATEMENT OF PROBLEM

The study is conducted with the view of creating an understanding about the impact of empowerment on the Indian women. The general purpose of the study is to create an understanding through which the status of the Indian women can be understood in terms of alterations in general household and broader political, economical and social perspectives. With the passage of time Indian women have witnessed significant changes on personal and professional front and empowerment has given a boost to the acceleration of growth. The study is conducted on the factorial basis. NCR-Delhi (the area selected for the study), is witnessing and postulating signs of speedy growth and development of women with high acceleration in strategic life choices.

## LITERATURE REVIEW

The history of Indian women is significantly eventful. From equal status to equal rights Indian women has unfolded many hidden dimensions. Besides living in the fourth most dangerous country (According to *Global Study conducted by Thomson Reuters*) and a country in which Women education is treated at the lowest ground with nearly Ten percent believed that education is not important for girls (*Public report on basic education in India, 1999*) Indian women have adorned high official positions in country and worldwide. Indian Women have significantly registered their presence in nation's growth and its impact can be clearly evident from India's *Eleventh Five Year Plan (2007-2012)* which has recognized women (for the first time) not mere as equal citizens, but as agents of economic and social growth and this has lead to gain economic power in the society (*Pitt, Khandker and Cartwright, 2003*). Prior to this in 2001 'National policy for empowerment of women' was also initiated by Indian Government through which Indian women's place in society is ensured by empowering them as agents of socio-economic change and development.

Empowerment means the enhancement of assets and capabilities of diverse individuals and groups to engage, influence and hold accountable the

institutions which affect them (*Narayan, 2002*) with the expansion of freedom of choice and action (*World Bank*). It is a process by which the disempowered individuals and groups gain the power to control their lives and the ability to make strategic life choices (*Stine and Karina, 2003*) and open the doors for welfare activities, equality of access to resources, greater mobilization and bargaining power with husbands (*Hoque, Itohara, 2009*) while promoting economic and social powers between and across individuals and groups (*Batliwala S, 2007*).

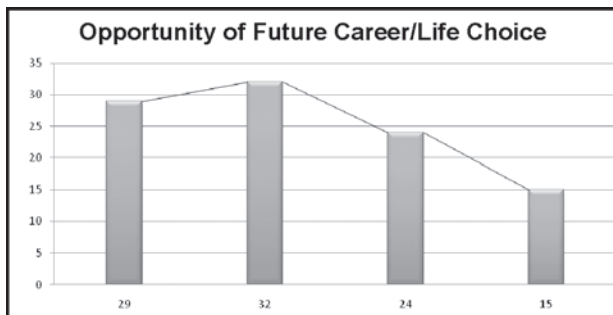
The participation of Indian women is increasing in the social and political spheres due to a direct impact of reservation policy governed by the Government (*Chattopadhyay and Duflo, 2004*). With the involvement of women in working culture, today the women is enjoying greater say in decision making system with lesser gender biasness (*Conclusive remarks of study conducted by Amarnath et. Al. 1996*). With the evolution of nuclear families concept the percentage of working women and enhanced empowerment has increased as the women in joint families have lesser chances for work participation (*Mahendra, 2004*).

## RESEARCH METHODOLOGY

The study is done on 107 working women located in NCR who are facing a rapid economic growth with social pressures of maintaining life standards and societal norms. The study is designed to have an insight into the various dimensions of empowerment including perceptual, relational and contrast. Convenient sampling of 107 respondent, is done and working women in private corporates are taken as population for study. The primary data are collected through questionnaire (twelve questions with multiple choice style) and direct interview and secondary data is collected through journals and websites. The data is analyzed on individual factor basis and presented through assorted charts for easy reference.

## DATA ANALYSIS & FINDINGS

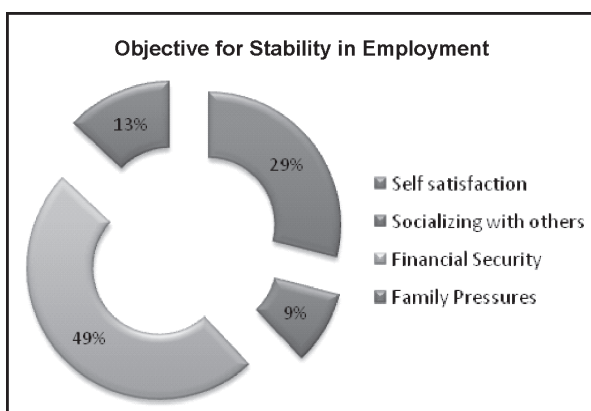
1. Opportunity of future career/life choice (in the absence of external pressures and obstructions)



**Findings**

- 29% women responded that they would like to continue with their present employer and have shown satisfaction in their current profile with no recent intentions mobilizing and neither considering assignment from other corporate house.
- 32% women agreed that they would be looking forward for change in their current job but in different industry. Many of them said that they would like to join different industry with different profile through which they can explore their hidden talent and utilize their untapped potential.
- 24% women feel that they would like to switch their current profile and would also like to stay in current industry with approximately same or similar profile. These women are looking forward for a change within their industry due to assorted reasons including non satisfaction with present employer, un-attachment with the current system etc.
- 15% women said that if they don't have any external pressure to work than they would like to stay back at home either by choosing long breaks from the job or by permanently changing profile from working to homemaker.

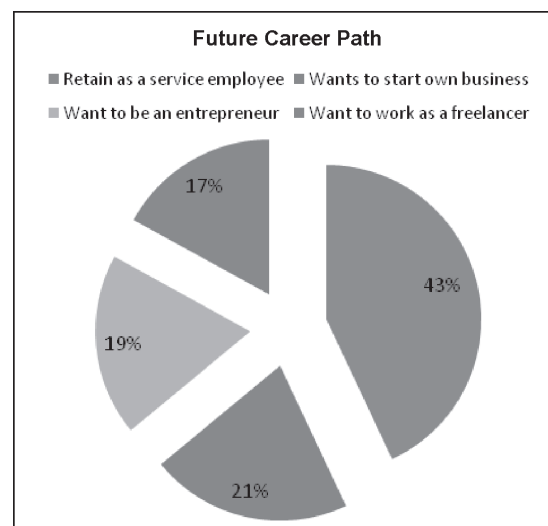
**2. Main objective for stability in employment**



**Findings**

- 29% women said that they are working in corporate house for their self satisfaction. These women are moving out of their shell (house) primarily to satisfy their eager for establishing their unique 'Identity' and to achieve esteem in the society. They have high urge for creating their unique and differentiated place in the society and showing their presence in the corporates to utilize their inner strengths and potential to the maximum utilization level.
- 9% women said that they are working with the major objective of socializing with others and to have healthy conversation with peers. Their main aim behind working in the corporate house is to have a social network through which they can share their thoughts and opinions.
- 49% women feel that the major reason due to which they are working is financial security. A large section of the respondents said that the current economic scenario demands for earning by both partners and to maintain a standard in lifestyle higher earnings are mandatory and to cope up with the economic pressures and to settle with the desired life style they have opted to work and share a common platform (in corporate) with their partner.
- 13% women said that they are working because they have family pressures. Family pressures includes economic freedom, relaxation from home affairs, relational pressures etc.

**3. Individual future plans for upcoming assignments are**

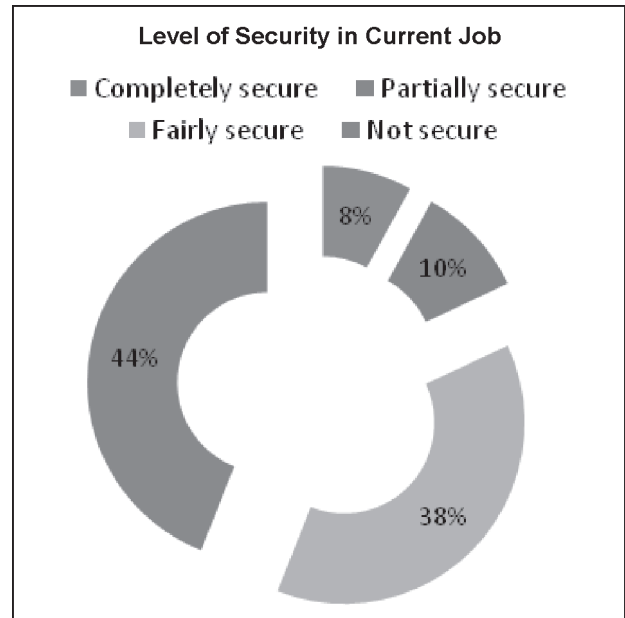


**Findings**

- 43% women responded that they would like to retain in the service industry and would be satisfied and happy in working and delivering services to the service provider/employer. A large section of women resides under this section and there is a mix of opinion regarding working with the same employer or switching to a new employer but the conclusive remarks are similar. One of the major reason behind choosing this option (while having a conversation with the working women) is that they are not ready to take any risk by leaving the job and start their own venture. They said that they feel mentally (*and economically*) secure by receiving a fixed amount of salary every month.
- 21% women said that they would start their own venture in coming future and many of the respondents said that they are working currently to understand the working style and system and to save certain amount of money which can be later used as capital in their dream venture. Many women respond that they already have venture model prepared with them and they are working to have initial amount through which the business can be initialized. There is a large section of women who reported that they would like to start their business venture with their own earned capital amount. Assorted responses are noticed regarding their opinion in starting the business venture individually or on partnership basis.
- 19% women feel that the major reason due to which they are working is financial security. A large section of the respondents said that the current economic scenario demands for earning by both partners and to maintain a standard in lifestyle higher earnings are mandatory and to cope up with the economic pressures and to settle with the desired life style they have opted to work and share a common platform (in corporate) with their partner.
- 17% women said that they would be looking forward for re-initiating their career as freelancer after a passage of time period and they would be working with different organizations and corporate houses (based on

their expertise). They said that freelancing is an upcoming dimension of work life and it has the advantage of comfortable work timings.

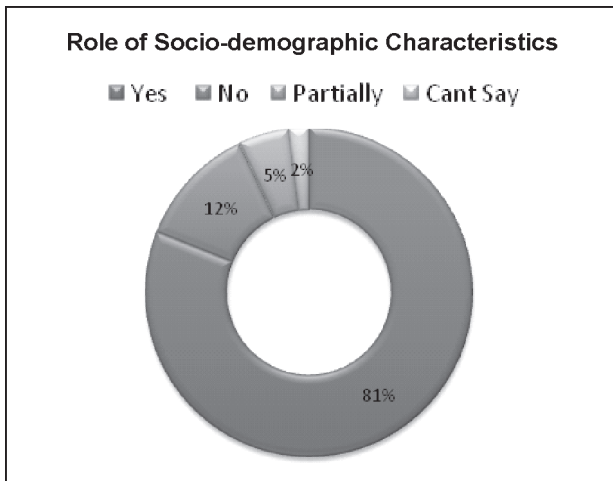
4. Level of security of current job



**Findings**

- Only 8% women said that their job is completely secure in their present organization and their profile is in complete protection. This section of women feels that they have complete autonomy of their operational domain and their job is in secure shell.
- 10% women said that they feel that their job is partially secure and if they get an opportunity then they would like to switch from their current organization to another as their job may come in zone of danger in future.
- 38% women responded that their job is fairly secure and they are hunting for new opportunity and would look forward for a change in near future.
- 44% women agreed that their job profile is under danger and it is not secure. They said that if the organization opts for cost cutting then there is a strong possibility of retrenchment and they can be asked to move out of the organization. There are assorted reasons behind thinking of non security including cost cutting notion of the organizations, higher competition rate with reducing clients and customers, pressure of management etc.

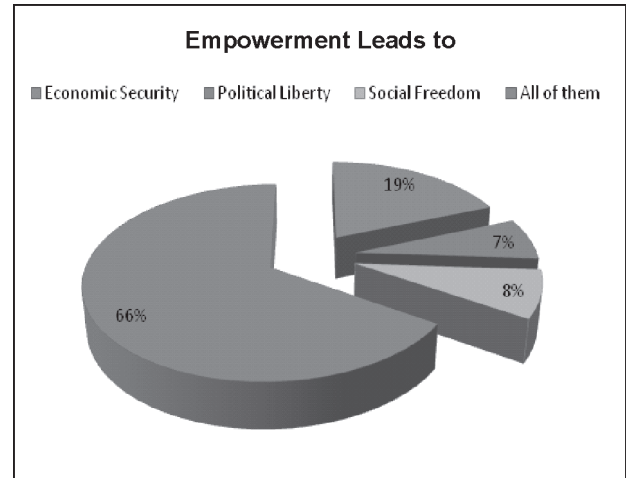
5. Socio-demographic characteristics playing vital role in women employment



**Findings**

- 81% women agree that the social and demographic factors play an important role in deciding the employment structure of the Indian women. They said that women from urban area get more freedom and opportunity to work in contrast to the women from rural area. The woman from urban area gets more opportunity to avail better education than in contrast to women residing in rural area.
- 12% women are of the opinion that socio demographic characteristic doesn't plays vital role in employment structure. In opinion of these women if anyone has potential than there are ample of opportunities through which desired job profile and industry can be selected. Women empowerment has shown a strong presence in uplifting the women and assists them in exploring their hidden potential.
- 5% women said that according to them there is a mix impact of socio demographic factors and these factors have a impact but up to an extend over the employment related issues for any women. According to them the employment is partially affected by the socio demographic factors and they have an unclear opinion over the stated issue.
- 2% women have a mixed frame of opinion under which they are not sure whether socio-demographic factors play any role in affecting the employment status of the women or not. These respondents have no conclusive remarks over this statement and show a feeling of unawareness over the issue.

6. Empowerment leads to



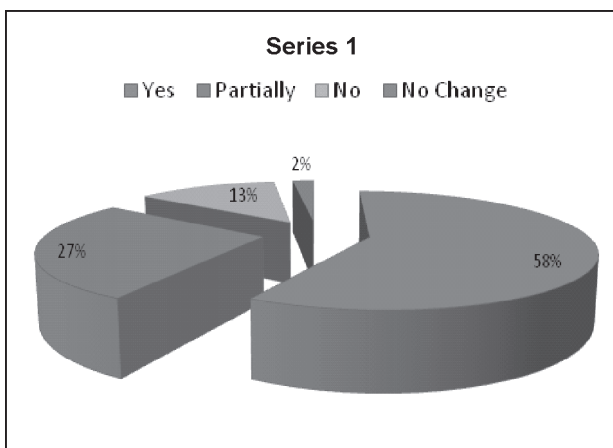
**Findings**

- 19% women responded that with the initiation of empowerment the rate of economic stability has witnessed an increasing leap. The increasing level of empowerment has given a boost to the economic acceleration for women and this economic security has further provided many associated freedom to women in her personal and professional lives. Economic stability has not only accelerated the growth chart of the women in professional career, it has also boosted the lifestyle and planned family livelihood at personal front.
- 7% women agree that with the opening of doors of empowerment for women the impact on political participation is also witnessed. Earlier women were not included in the political affairs and their interference in political issues was also negligible. They were just following the set standardized guidelines of male counterpart of family head and show a highly bleak participation in politics, but with empowerment and education now traditional approach has been set apart and new face of women emerged with high involvement in politics and individual opinion (which many a times differs from male counterparts). Empowerment has surely changed the approach of traditional societal norms and set a new and fresh dimension of political liberty for women.
- 8% women said that with the introduction of empowerment social freedom at large has occurred. With empowerment the rate of social freedom has increased but then there are other

factors also which have equally shown their strong presence with social freedom.

- 66% women said that empowerment has bought with it all the factors in a blended form including economic stability, political liberty and social freedom. Women empowerment has increased her active role in the society and her participation has witnessed acceleration over the past few years. Indian women is now registering her identity in every sphere and due to empowerment the security blended with freedom in all external and internal affairs has been witnessed.

### 7. Increased women employment leads to increased participation in household decision making



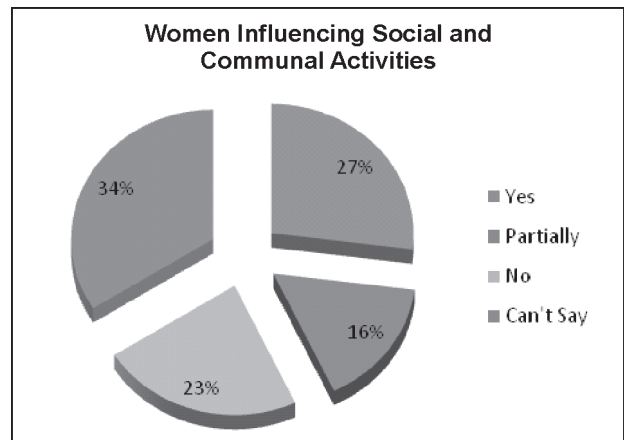
#### Findings

- 58% women agree that with employment they feel secure and their participation in household decisions have increased. Indian women feel that through employment and earnings they have more say in the day to day affairs while many of them said that still beside they are working the major financial decisions are taken by their counterpart. They feel satisfied that their daily affairs have their contribution through opinion also. This segment of women said that with job their participation has significant increase while many females said that because they are working from pre marriage therefore they cannot compare the situation as they have never been into the sole homemaker role alone.
- 27% women are of the opinion that employment has partial impact on their say in home decision making and it depends on the members of the family and their perception. The

employment has given them security but the involvement in home decision making varies from family to family.

- 13% women feel that mere employment alone does not have any direct impact on the involvement in the decision making of family issues.
- 2% women have the opinion that employment brings no change in their present position in the family involvement and it is impacted by many other factors. Employment provides them with economic security and satisfaction of utilizing her potential but employment does not lead to bring any change in participation rate in family matters.

### 8. Impact of increased employed women in influencing social and communal activities

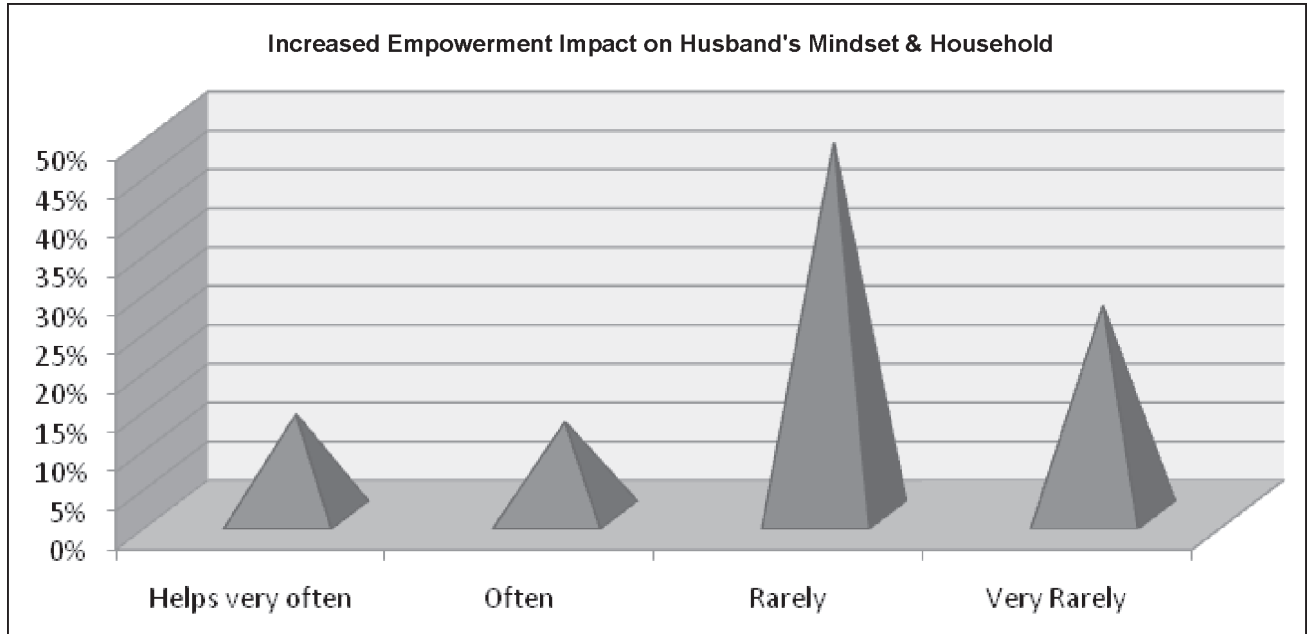


#### Findings

- 27% women said that with increased employment rate there is a direct increment in the social and communal activities and the rate of participation also increases.
- 16% women are of the opinion that employment has partial impact on social and communal activities and it depends on the perceptual aspects dominantly rather than the employment rate of the women.
- 23% women feel that mere employment alone does not have any direct impact on the participation rate in social and communal activities.
- 34% women are not sure about the linkage between employment rate and the involvement rate in social and communal activities.



9. Rate of increased empowerment on husband’s mindset & household



**Findings**

- 13% women said that with increased employment rate there is a major change in the mindset of his counterpart and the perception towards household decision making. The involvement of husband has increased after the women have started her corporate career and they also show concern and involvement in daily household affairs.
- 12% women are of the opinion that through employment there is a change encountered in their counterpart’s attitude which is not at a very high rate but is visible through coordinated efforts and higher level of cooperation.
- 48% women feel that their employment has rare effect on the perception and mindset of their counterparts and rarely their husband’s show involvement and concern. Therefore in their opinion there is no significant correlation between employment level of women and their husband’s mindset towards household issues and activities.
- 27% women said they have not noticed any significant change in their husband’s daily behavioral pattern and on very rare occasion’s modulations in their behavior is noticed.

**RECOMMENDATIONS**

- It is found through the study that a large section of women (32%) are looking forward for change in their current profile and if have the opportunity then they would like to change their industry and would like to serve their services in new dimensions and horizons.
- It is found that many women are taking employment as a source of mere financial security whereas employment is not only about financial security beside it is the means through which the intellect of the individual is satisfied and one gets the identity recognition therefore employment should be considered as a means for achieving collective goals through mutual trust and confidence.
- It is seen through the study that a large section of employee would like to remain in the service industry as a job provider rather than looking forward for a strong deviation in the career thus if the corporates looks into the factors which are creating employees to leave the organization and alter them then the exit of these employees can be controlled and there attrition rate can be controlled.
- Study reveals that a large section of females think that their job is not secure thus it is recommended that corporates should focus on the factors which are playing a dominant role



in creating a sense of insecurity in employees and should take corrective measures through which these factors can be controlled or eradicated.

- 81% employed women feel that socio demographic characteristics plays an important role in the employment rate of the females thus it is recommended that Government should introduce more programmes in rural areas through which contemporary techniques and education can be imparted to the females so that their percentage can be increased in the corporate.
- There is a mix reaction towards impact of increased employed women in influencing social and communal activities thus driving a need of influencing increased rate of programmes through which the participation of women in the communal ceremonies and activities can be registered and higher rate of women can be thrived to move in communal and social activities enjoying same platform with their male counterparts.
- There is a negative impact on rate of increased empowerment on husband's mindset & household as the husband mindset in Indian society is still in traditional format especially in rural areas and small towns whereas in big and metro cities the reaction of the husbands have

noticed a considerable transition and as according to the changes in the lifestyle the husbands are also adding contribution in the house hold activities and showing increased concern for house related issues and their phenomenal contribution in house activities.

## CONCLUSION

Through the study it is seen that empowerment has brought many positive changes for Indian women and freedom of social interaction and economic stability to the women. The women are now more independent and take their decisions with higher level of confidence and unambiguity. The journey of Indian women was neither easy nor comfortable; they have witnessed many ups and downs on riddled path. The entrance of Indian women in corporate houses was not easy and even today they come across many hindrance on professional and personal fronts.

In today's dynamic environment, women have come out of their shell and are walking shoulder to shoulder with male counterparts and excelling in many fields at an outrageous speed. Women are showing their capabilities and caliber of a higher utmosts level and are looking forward at many challenging task which were earlier not regarded fit for women.

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## ANNEXURE

### Questionnaire

1. If you have an opportunity to choose (*with no pressures*) what will you choose:
  - a. Continue with the present employer
  - b. Change the job but in different industry
  - c. Change the job in same industry
  - d. Quit Job
2. The main objective due to which you are in employment is:
  - a. Self satisfaction
  - b. Socializing with others
  - c. Financial Security
  - d. Family Pressures
3. Do you wish to:
  - a. Retain as a service employee
  - b. Want to be entrepreneur
  - c. Wants to start business in future
  - d. Want to be a freelancer
4. In your opinion what is the level of security of your job:
  - a. Completely secure
  - b. Partially secure
  - c. Fairly secure
  - d. Not secure
5. Do socio-demographic characteristics play a vital role in the employment rate of women?
  - a. Yes
  - b. Partially (Up to an extend)
  - c. No
  - d. Can't Say
6. Does Empowerment leads to:
  - a. Economic Security
  - b. Political Liberty
  - c. Social Freedom
  - d. All of them
7. Do you think that increasing rate of women employment is leading to increase her participation in decision making in the household?
  - a. Yes
  - b. Partially (Up to an extend)
  - c. No
  - d. No change
8. Does increasing rate of women participation in employment is influencing social and communal activities?
  - a. Yes
  - b. Partially (Up to an extend)
  - c. No
  - d. Can't Say
9. Does women empowerment brings any change in the attitude and mindset of husband and household?
  - a. Yes
  - b. Partially (Up to an extend)
  - c. No
  - d. Can't Say
10. Are your political decisions affected by the political party views on women and their empowerment?
  - a. Yes
  - b. Partially (Up to an extend)
  - c. No
  - d. Does not vote
11. Do you think that increasing empowerment has brought change in the husband's mindset towards helping in household?
  - a. Helps very often
  - b. Often
  - c. Rarely
  - d. Very Rarely
12. In your opinion, does empowerment leads to reduce the rate of domestic violence?
  - a. Yes (at a high ratio)
  - b. Average (up to an extend)
  - c. No (there is no change)
  - d. Can't Say



## **Performance Evaluation of Initial Public Offerings in India (With reference to IPOs of the year 2011)**

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### **ABSTRACT**

The main objective of the research paper is to examine the relationship between long run returns of IPOs after listing and compare with nifty return and also establishes a relationship between Returns, QIB and Retail subscription. We have taken a data of 34 IPOs for the year 2011. We used a basic calculation to calculate a gain or loss of IPOs and compare with nifty returns. The primary question is clearly answered in the negative. IPO market return is less than the return provided by the nifty. The results of correlation between returns from IPO market, QIB and retail subscription is also not very encouraging.

**Key Words: ?????**

### **INTRODUCTION**

IPO market means change of status being a private company to become a Public listed entity. The IPO company raises money from the investors to achieve their objectives. Sometimes a company has good project but they don't have enough funds, to execute that project, they went to the public and issue shares. But for most of the investors, investing in a stock market is like a playing cards with the deck stacked against you. Indian IPO (Initial Public offerings) market in recent years has gone through a prolonged sluggish phase and is seeing some sign of revival. The reason of lackluster performance of IPO market is not able to provide sufficient appetite to the common investor. SEBI has done various reforms in IPO market in order to make the public issue transparent and a worthy investment. If we look at some major reforms done by SEBI till 2011. They have started the concept of Book building in 1996. In July 2001 minimum dilution reduced from 25 percent to 10 percent at the time of IPO and minimum number of 1000 shareholders should be there in a public issue. In the year April 2007, they had made IPO grading mandatory for all companies who has come out with the IPO. In 2008 SEBI introduced a new mode of payment in public issues through book building called Applications Supported by Blocked Amount (ASBA). Despite having so many steps taken by the SEBI, they are not able to provide a confidence

to the investor to invest his hard earned money in IPO market. In this paper we are tried to show the IPO market of 2011 where 34 IPOs were listed in the stock exchange.

**Objective of the study:** The main objective of the research paper is

- To find out long run return of IPOs after listing and compare with nifty return.
- To establish a relationship between Return, QIB and Retail subscription.

### **LITERATURE SURVEY**

**Bhanumurthy and Singh (2014)** the objective of the paper is to examine the short run performance of IPOs by taking one-month performance. They have a notion that the performance of IPO stocks have improved in the short-run after going public. In this study, the data for short run analysis is taken for 30 days. They try to test the empirically the short-run performance for a sample of 89 IPO firms that approached the market during the period 2006-09. They have calculated listing gain, short run gain, short run excess gain and Index growth and have used a logistic regression model to test the basic hypothesis, with the help of data on 89 IPOs, from the Indian stock market. The study uses Pre-Listing information on which IPO pricing is based. In this paper we have seen that many of the IPOs have significant returns on the day of listing but thereafter they do not give much return

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in the short-run, it shows that market overreacts to the initial public offers.

**Bhanumurthy and Singh (2012)** IPO pricing is a market signal for efficiency of the primary market unless the pricing is rational it will not lead to the proper development of the long term capital market. Most of the extant studies concentrate only on such a criterion for assessing market efficiency. Especially, the extant studies concentrate on the listing gains. In this paper they have adopted a different approach coined as '*Historical Approach*'. This is policy orient approach to study market efficiency. It is based on the notion that with liberalization markets assume maturity and become more 'efficient' in discriminatory between 'good' and 'bad' issues. The focus is on explaining

how the IPO market leads to loses and gains amongst the two main market participants – the IPO Company and the investors.

#### Data and Methodology

The study has been done with the help of secondary data obtained from various sources like official website of BSE, NSE and Chittorgarh.com. The data has been taken for 34 IPOs from January 2011 to December 2011. Three IPOs were failed. The Correlation analysis has been done to establish a relationship between Return from the IPO, QIB and Retail subscription. The Nifty return has also calculated.

**Long term gain/loss = Current Market Price - Issue Price/Issue Price\*100**

#### Analysis and Results:

Issuer Company	Issue Open	Issue Close	Issue Price (Rs.)	Issue Type	Issue Size (Crore Rs.)	12/12/14 latest price	gain/loss	gain/loss	QIB Sub-scription	Retail Sub-scription
1 <u>Tree House Education &amp; Accessories Ltd IPO</u>	10-Aug-11	12-Aug-11	135	BB	113.83	454.9	319.9	236.963	1.0200	2.7600
2 <u>Fineotex Chemical Ltd IPO</u>	23-Feb-11	25-Feb-11	70	BB	29.48	233.35	163.35	233.357	0.00	4.38
3 <u>PTC India Financial Services Ltd IPO</u>	16-Mar-11	18-Mar-11	28	BB	438.76	55.95	27.95	99.8214	2.8500	1.1800
4 <u>Lovable Lingeries Ltd IPO</u>	8-Mar-11	11-Mar-11	205	BB	93.28	377.55	172.55	84.1707	21.8700	20.8400
5 <u>TD Power Systems Ltd IPO</u>	24-Aug-11	26-Aug-11	256	BB	227	416	160	62.5	6.5200	0.3800
6 <u>Omkar Speciality Chemicals Ltd IPO</u>	24-Jan-11	27-Jan-11	98	BB	79.38	154	56	57.1429	0.8200	9.9000
7 <u>Flexituff International Ltd IPO</u>	29-Sep-11	5-Oct-11	155	BB	104.63	215	60	38.7097	0.5100	1.6000
8 <u>L&amp;T Finance Holdings Limited IPO</u>	27-Jul-11	29-Jul-11	52	BB	1,245.00	70.25	18.25	35.0962	1.9300	9.6100
9 <u>Onelife Capital Advisors Ltd IPO</u>	28-Sep-11	4-Oct-11	110	BB	36.85	131.7	21.7	19.7273	1.0200	2.5000
10 <u>Muthoot Finance Ltd IPO</u>	18-Apr-11	21-Apr-11	175	BB	901.25	193.5	18.5	10.5714	25.0100	8.5000
11 <u>Future Ventures India Ltd IPO</u>	25-Apr-11	28-Apr-11	10	BB	750	10.73	0.73	7.3	0.2600	0.6100
-								<b>885.36</b>		
12 <u>Rushil Decor Ltd IPO</u>	20-Jun-11	23-Jun-11	72	BB	40.64	53.5	-18.5	-25.694	0.2300	6.5700
13 <u>Shilpi Cable Technologies Ltd IPO</u>	22-Mar-11	25-Mar-11	69	BB	55.88	44	-25	-36.232	1.0400	5.7400



14	<u>Readymade Steel India Ltd IPO</u>	27-Jun-11	29-Jun-11	108	BB	34.75	65.15	-42.85	-39.676	0.0300	4.1800
15	<u>Sudar Garments Ltd IPO</u>	21-Feb-11	24-Feb-11	77	BB	69.98	42.8	-34.2	-44.416	0.1700	2.2700
16	<u>VMS Industries Ltd IPO</u>	30-May-11	2-Jun-11	40	BB	25.75	21.95	-18.05	-45.125	0.0000	3.4100
17	<u>Sanghvi Forging &amp; Engineering Ltd IPO</u>	4-May-11	9-May-11	85	BB	36.9	43	-42	-49.412	0.0000	2.9300
18	<u>SRS Limited IPO</u>	23-Aug-11	26-Aug-11	58	BB	203	26	-32	-55.172	0.7500	0.3200
19	<u>Brooks Laboratories Ltd IPO</u>	16-Aug-11	18-Aug-11	100	BB	63	43.5	-56.5	-56.5	0.0000	3.3600
20	<u>PG Electroplast Limited IPO</u>	7-Sep-11	12-Sep-11	210	BB	120.65	90	-120	-57.143	0.9800	1.6400
21	<u>Indo Thai Securities Limited IPO</u>	30-Sep-11	5-Oct-11	74	BB	29.6	15	-59	-79.73	0.0000	3.3500
22	<u>RDB Rasayans Ltd IPO</u>	21-Sep-11	23-Sep-11	79	BB	35.55	14.99	-64.01	-81.025	0.0000	3.9600
23	<u>Servalakshmi Paper Ltd IPO</u>	27-Apr-11	29-Apr-11	29	BB	60	4	-25	-86.207	0.3400	1.9000
24	<u>Innoventive Industries Ltd IPO</u>	26-Apr-11	29-Apr-11	117	BB	219.58	16	-101	-86.325	0.8500	1.4800
25	<u>Inventure Growth &amp; Securities Ltd IPO</u>	20-Jul-11	22-Jul-11	117	BB	81.9	11.82	-105.2	-89.897	0.2500	8.6600
26	<u>Timbor Home Limited IPO</u>	30-May-11	2-Jun-11	63	BB	23.25	6.2	-56.8	-90.159	0.6500	14.2200
27	<u>M and B Switchgears Ltd IPO</u>	28-Sep-11	5-Oct-11	186	BB	93	16.5	-169.5	-91.129	1.0300	2.3500
28	<u>Vaswani Industries Ltd IPO</u>	29-Apr-11	3-May-11	49	BB	115.1	3.98	-45.02	-91.878	0.1600	6.8300
29	<u>Aanjaneya Lifecare Ltd IPO</u>	9-May-11	12-May-11	234	BB	117	11.14	-222.9	-95.239	0.1400	1.8400
30	<u>Bharatiya Global Infomedia Ltd IPO</u>	11-Jul-11	14-Jul-11	82	BB	55.1	3.62	-78.38	-95.585	0.0000	5.0600
31	<u>Acropetal Technologies Ltd IPO</u>	21-Feb-11	24-Feb-11	90	BB	170	3.8	-86.2	-95.778	1.1200	1.2100
32	<u>Birla Pacific Medspa Ltd IPO</u>	20-Jun-11	23-Jun-11	10	BB	65.18	<b>0.38</b>	-9.62	-96.2	1.0400	1.8200
33	<u>Paramount Printpackaging Ltd IPO</u>	20-Apr-11	25-Apr-11	35	BB	45.83	1.24	-33.76	-96.457	0.3300	9.3100
34	<u>Prakash Constrowell Ltd IPO</u>	19-Sep-11	21-Sep-11	138	BB	60	2.33	-135.7	-98.312	0.3100	4.6800

**-1683.3**

5841.1

**TABLE: Long term Gain and Long term Loss from IPOs as on 12 December,2014**

In Table 1, we have shown the Performance of 34 IPOs which has come out in the market during the year 2011. Investors has the perception that they can multiply their wealth by investing in IPOs. But the Actual Picture of IPO market is totally different. It was that only 11 of 34 IPOs gave positive gains. The rest 23 IPOs were in the red. Thus the above table shows that not all the IPOs yield positive returns. This Picture also depicts the mental status of the investor who has invested his hard earned money in IPO market. On the other side if a investor has invested his money in nifty then he can earn more return than the return earned from the IPO market.

**Average return from all the IPOs in 2011 = Total return / number of IPOs**

**Total Returns = Gain from the IPO + Loss from the IPO = 885.36+ (-1.683.3)/34 = -23.469%.**

This implies that if a person had invested in all the IPOs in 2011, the value would have come down by 23.46%.

Now let us compare these returns with that of Nifty from January 2011to December 2011.The Nifty data on Jan 3, 2011 is 6147.2. The nifty data on 12 December 2014 is 8216.3.

**Nifty Return = 8216.3-6147.2/6147.2=33.65%.**

It can be observed that Nifty gave better returns than IPO. But if one had chosen IPOs wisely, he would have got good returns.

**Table 2: Summary of IPO market activities: 2011**

Financial Year:	2011
Total Issue Succeeded:	37
Total Issue Failed:	3
Total Money Raised:	6,043.57

(Source:www.Chittorgarh.com)

In table 2, It shows the data of IPO market for the year 2011.The total money raised from the market was Rs. 6,043 Crore .

**Table 3: Correlation Table**

		Return	QIB	Retail
Return	Pearson Correlation	1	.257	.086
	Sig. (1-tailed)		.071	.314
	N	34	34	34
QIB	Pearson Correlation	.257	1	.511**
	Sig. (1-tailed)	.071		.001
	N	34	34	34
Retail	Pearson Correlation	.086	.511**	1
	Sig. (1-tailed)	.314	.001	
	N	34	34	34

\*\* . Correlation is significant at the 0.01 level (1-tailed).

In table, 3 we have calculated a correlation between Return from the IPOs, QIB and retail. From the above table, Correlation between return and QIB subscription was 0.257. It shows a positive correlation. QIBs are trying to evaluate the IPOs to a certain extent. But the correlation between return and retail was only .086 which is positive but very low. It clearly shows that there is no relationship between the return from the IPO and retail subscription. Investor is not able to analyses the IPO fully and this result a loss for the investor. The correlation between Retail and QIB subscription was .511 which is positive. There is a relationship between the retail and QIB subscription. QIB investors are able to take more returns from IPO market in comparision to retail investors.

## CONCLUSION

Indian Stock Market is currently experiencing one of the finest bull run in India's History. Investors can buy any stock and it turns into gold. This really in the Indian stock market is a gift given by Our Prime Minister Shri.Narendra Modi. Investors has lot of expectations form our Prime Minister. They expect that the government will implement business friendly reforms. Indian Stock market has seen a rally of more than 35% since the start of 2014.But it is only a secondary market which has seen a huge run up. On the flip side, our Primary market or you can say particularly our Initial public offering market (IPO) has gone through a prolong sluggish phase, specially the 2014 which has witnessed a lowest amount of money rasied in a decade. The Promotors ,Inestment bankers and brokerages have all vested interest in the



successful completion of an IPO. This sought of behaviour is also responsible for the underdevelopment of primary market. No doubt that SEBI is working on the relaxed norms for Initial public offerings to encourage companies to issue equity to retail investor. But the time taken to

execute these reforms by the SEBI has resulted the lackluster performance of Indian IPO market in recent years. There is need of urgency on the part of policy makers to take some steps which is useful for the long term development of IPO market.

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## ABOUT THE EDITOR

Dr. Arvind Singh born in Ghaziabad is the Chief Editor of the journal. He is heading the MBA Institute of RKGIT, Ghaziabad as principal. He has more than 25 years of experience of the industry & academia. He did his Ph.D from CCS University Meerut. He earns his master degree in management from IMT Ghaziabad and Master of commerce from CCS University. He is a very good administrator and academician. His area of interest for teaching is Accounting and Finance specialization. Prof. Singh has many publications to this credit in the form of Books, research papers, articles etc. He has published 11 research papers in reputed journals and presented 18 papers in national & International seminars. He has supervised over 100 research project of MBA students. He has organized several seminars including inclusive Growth & innovative Practises in management. He is associated with many professionals bodies. The Executive Member of Ghaziabad Management Association, Member of All India Management Association and member of Indian society for management Development and Research. He is supervising four Doctoral theses.



## ABOUT THE EDITOR

Dr Vishal Srivastava is an established 'Business Research & Marketing Scholar' with 15 Years Industrial & Academic Experience in Sales, Research & Business Management fields. Since last more than 08 years associated in Management education with 'Raj Kumar Goel Institute of Technology (MBA) in teaching Business Research, Marketing Research & Marketing Management at Master's Degree level. He holds 'Doctorate' as well as 'Masters' in Management.



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