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Department of Studies and Research in Commerce, Gulbarga University, Kalburagi.
- Improving Service Quality Through Digital Banking - Issues and Challenges
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- Digital Banking Revolution In India - A Critical Study of Opportunities and Challenges
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- The Role of Internet Banking and Society
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Hon. Chairman's Message

I congratulate all the research scholars and faculties of various institutions who have shown keen interest in contributing an article for IEMS Journal of Management Research. There are lot of challenges which the growing economies encounter in the world today.

Kaizen Eduplus Society's IEMS , takes all necessary efforts to enlighten the individual students and help in grooming their personality by undertaking various activities. IEMS has achieved a remarkable mile stone in imparting quality management education by articulating proper blend of theory and practice. IEMS through its CDC (Career Development Center) activity continuously harness individual students varied potential and helps them to nurture it. These unique activities of the institution has led us in carving a significant niche for our self in the field of Management Education.

In our progressive Endeavour college brings out biannual IEMS journal of Management Research for Research Scholars , faculties and student community in general. Beside conducting various personality development and soft skill training sessions from professional trainers the college also organizes various workshops and seminars for faculty and students were other colleges are also invite to take the benefit.



I sincerely appreciate the good effort of all the Researchers, Faculties who have contributed articles to the journal. Director IEMS and Other faculty associated in bringing out this unique management journal, deserves rich commendation.

Dr. Charantimath N. A
Hon. Chairman – KES & IEMS, Hubli

Editorial

One of the Objectives of Research should be its application and usability. This journal attempts to document and initiate a thought process focused on research in context of emerging sectors in societal, industrial or consumer context.

Skilled employees can tackle the difficulties anytime. Some of the important skills of a successful manager include analytical skill, decision making skill and coordination skills to stand strong in today's competitive market. Most of the organizations are making it compulsory for their higher officials to have a MBA degree and some of the organizations are even easy to partially or fully sponsor the MBA degrees. Though it adds cost to the company but, it is "Less loss-More gain" situation as they become better skilled and are more effective saving both time and available resources to the organization.

MBA is seen as one of the best options for betterment of career. MBA candidates are not only paid high- they are valued highly by the society, professionally and personally. 40% of India's top CEOs have an MBA degree.

In today's fast changing economic scenario the role of corporate sector is vital and of immense importance. The situation has wide opened the need of more MBA graduates and their importance.

I sincerely appreciate the action taken by various researchers and faculties who have contributed articles to this journal. We look forward for your continuous involvement in harnessing the interest in the field of "Research and Development"

There are over 4000 business schools in India and more are expected to come up in next few years. The B-schools situated in metros or tier –II cities have lots of advantages in terms of



Dr. Shrinivas R. Patil
Editor in Chief

practical exposure, especially those who are in the industrial area. However students are advised to take a wise decision in choosing the colleges. They should get practical exposure with capacity of handling all situations.

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AN EMPIRICAL STUDY OF NORTHERN KARNATAKA'S COMMODITY TRADING PROSPECTS IN AGRICULTURE –

* Mr. Sandeep Kumar M.

INTRODUCTION

Agriculture in India has a significant history. Today, India ranks second worldwide in farm output. Though the agriculture is demographically the broadest economic sector and plays a significant role in the overall socio-economic fabric of India and forms the backbone of the economy, the economic contribution of agriculture to India's Gross Domestic Product (GDP) is steadily declining with the country's broad-based economic growth. Production and Marketing of agricultural produce are the two crucial parameters for the better performance of agriculture sector as a whole. Many of the previous studies indicate that there is a huge improvement in the agriculture productivity since independence but concerns still persist as far as contribution to GDP of the country and farmers' living is concerned. So, there seems to be serious concern about efficient functioning of this sector in terms of policies, marketing, infrastructure, storage, transportation, etc.

Agricultural marketing, till recently, was not completely accepted as an essential element in agricultural development in the countries of Asia and the Far East. Although options differ as to the extent and precedence, there was general agreement till 1970 that the question of markets for agricultural commodities was neglected. Agricultural marketing occupies a fairly low place in agricultural development policies of developing countries. The National Commission on Agriculture (1976) had emphasized that it is not enough to produce a crop or an animal product; it must be satisfactorily marketed. Farmers want the marketing system to purchase their produce without loss of time and provide remunerative price

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for their products. They want the maximum possible price for their surplus produce from the system. Similarly, they want the system to supply them the inputs at the lowest possible price. Therefore, market reforms and marketing system improvement ought to be an integral part of policy and strategy for agricultural development.

Commodity market plays an important role in countries like India where a major part of GDP comes from agriculture sector. Its contribution is 13.9 percent for the year 2013-14, that includes agriculture and allied sectors as per the estimates released by Central Statistics Office. Agricultural exports constitute one fifth of the total exports of the country. India is ranked to be in the second position in terms of agriculture outputs. The total food grain production has increased approximately to 264.77 million tons (MT) in 2013-14 (Department of Economics and Statistics) compared to 51 (MT) productions in 1950-51. In terms of spices the Indian market is estimated to be of worth forty thousand crore yearly, it is backed by the increase in the export to US\$ 3 billion by 2016-17, with improved quality, packaging, marketing techniques, and a strong distribution network. As farms in Asia are small (2 ha or less) and in many instances they are getting smaller, there is currently a sharp debate among academics as to whether small-scale agriculture can continue to play its historic role. In short, how will agriculture be commercialized? Can small farms have productive cultivation that alone provides the minimum output required to earn a livelihood? Does commercialization of agriculture imply larger farms? Increasing commercial orientation, vertical integration and coordination of the farming sector with large scale food processors, wholesalers and retailers who have private standards of food quality and safety could affect the viability of the small farmers. So, countries like India having large number of farmers in the small and medium category will have a greater role to play.

STATEMENT OF THE PROBLEM

The proposed study wants to make a detailed analysis of the functioning model of agriculture commodity market focusing on issues faced by the farmers in related marketing activities with respect to major agricultural commodities grown in North Karnataka. The study intends to create a linkage between the agriculturists.

The proposed study tries to overcome the structural constraints that limit the access of farmers to different agricultural markets. In connection with the agricultural marketing activities, various forms and extent of problems could be identified and prioritized to decide upon them by the policymakers.

OBJECTIVES OF THE STUDY

The following main objectives have been set for the research study:

1. To examine agricultural marketing in Indian Context.
2. To analyse farmer-respondents' perception towards availability of physical and infrastructure resources facilitating agricultural commodity trading.
3. To ascertain results from the above analysis and suggest measures for improvement in agricultural marketing activities in study area.

REVIEW OF LITERATURE

The researcher has reviewed the literature relevant to agriculture produce marketing in India and same is presented here.

A). EXPERT GROUPS AND COMMITTEES

The researcher reviewed the reports of the various Expert Groups and committees appointed by the Government of India from time to time. Important among them have been shown below:

Under the Chairmanship of Shankar Lal Guru, (and S.S. Acharya as a member), this committee was appointed in December, 2000. The recommendations of the Expert Committee was to make an investment of Rs. 2,70,000 crores in agricultural marketing infrastructure during the next 10 years (10th and 11th Five Year Plan), which was based on the detailed exercise done by a Working Group on agricultural marketing infrastructure constituted under the chairmanship of Dr. S.S. Acharya (a member of the Expert Committee).

HIGH LEVEL COMMITTEE ON LONG-TERM GRAIN POLICY (ABHIJIT SEN), 2000

The Committee was constituted by the Union Ministry of Consumer Affairs, Food, and Public Distribution for formulating a long term grain policy for the country on 17th November, 2000. The Committee submitted its report in July, 2002. The Terms of Reference of the Committee required examination of (a) minimum support prices (MSP) and price support operation; (b) role of Food Corporation of India (FCI); (c) functioning of PDS; (d) policies regarding buffer stocks, open market sales and foreign trade; and (e) allocating of grain for rural development and other welfare programmes.

WORKING GROUP ON AGRICULTURAL MARKETING AND TRADE FOR XI FIVE YEAR PLAN (ACHARYA), 2006

As a part of preparation of the strategy for agricultural marketing reforms and international trade in agricultural commodities, the Planning Commission (Government of India) constituted a Working Group in 2006 under the chairmanship of Dr. S.S. Acharya to suggest measures in this regard. The Working Group reviewed the entire scenario of agricultural marketing and trade, and made several recommendations.

B. DOCTORAL THESES

A good number of research scholars have carried-out their doctoral work in the field of Commodity Trading in Agriculture. Those reviewed by the researchers are as under:

Birukal (2001) used zero order correlation coefficient to ascertain the integration of markets between Dharwad, Raiehur and Soundatti regulated markets in north Karnataka for the unadjusted and adjusted price series. The study reveals that all the three markets were well integrated in case of unadjusted price series. For adjusted price also there was a good integration among the selected markets, but extent of integration is low as compared to unadjusted price data. Adjusted price data indicated that Soundatti and Dharwad markets were well integrated.

Dalawai (2004) analysed the relationship between the prices in major six domestic cotton markets and also at international market (New York) using the co integration technique. The results clearly indicated that all the price series in major four DCH cotton markets and two Jayadhar cotton markets in the state were assumed to be stationary at order of integration one. The DF test statistics obtained for all the markets including international market were found to be more than the asymptotic critical value even at 10 per cent level. Thus, the major cotton markets in the state were found to be integrated and hence quite competitive pricing behavior.

C. RESEARCH ARTICLES

The researcher reviewed some of the research articles pertaining to subject. Important among them have been shown below:

Wasim Ahmad , Sanjay Sehgal, (2015), this paper aims to examine the destabilization effect in the case of India's agricultural commodity market for the sample period of 01 January 2009 to 31 May 2013.

PrasadSarda,(2015), this study is based on secondary and primary data. There are 180 each migrant and nonmigrant household have been selected for interview in two districts of Bundelkhand region of Uttar Pradesh. We have also organized focus group discussion for depth study. The study shows that rural out-migration and implementation of MGNREGA created labour shortage and increased wage rate in rural areas respectively. Due to high wage rate farmers are unable to pay wage equivalent of MGNREGA wage rate and resultant they are unable to access labour for agricultural work. Labour shortage in agriculture, farmers tends to either leased out of land or sell the land and try to grow low labour intensive crops.

India is an agrarian society and one third population depends on the agricultural sector directly or indirectly. Agriculture remains as the main stay of the Indian economy since times immemorial. In the olden days selling of agricultural produce was easy as it was directly between the producer and to the consumer, in simple, barter system was followed with exchange of goods for goods and against services.

SCOPE OF THE STUDY

The geographically scope of the study is limited to the revenue boundaries of the five North Karnataka districts namely, Kalaburagi, Vijayapur, Bidar, Bagalkot and Yadgir. The study covers the major agricultural commodities based on the seasonal yield and which are widely used in daily life. The study would consider the published historical data by the government/private bodies. The study largely confines to efficiency in terms of working performance toward functional and physical facilities available, awareness and usability of modern marketing channels that are available.

HYPOTHESES

In this research study the researchers have set null hypotheses on the issues pertaining to Farmers' Problems and Land holding, Educational status and Crop grown. The following hypotheses were formulated and tested:

Number of Hypotheses	Null Hypotheses (H ₀)
Hypotheses -1	H ₀ : There is no significant difference between Farmers' opinion and Land holding.
Hypotheses -2	H ₀ : There is no significant difference between Farmers' opinion and Educational status.
Hypotheses -3	H ₀ : There is no significant difference between Farmers' opinion and Crop grown.

RESEARCH METHODOLOGY

i) Sources of data:

The study is mainly based on primary data. However, the necessary secondary data has also been used. The secondary data has been collected from various sources like newspapers, magazines, journals, books, websites of statistical abstracts, Reserve Bank of India, Ministry of Agriculture, Agricultural statistics at a glance, Directorate of Economics and Statistics, Government publications, professional and academic journals, prominent websites dealing with agriculture and statistics and from various institutional libraries.

The primary data in the form of respondents' opinion has been collected from

the farmers' in Kalaburagi, Bidar, Vijayapur, Bagalkot and Yadgir. The objectives of the study were kept in mind while framing the questionnaire using open ended and five point Likert's Scale (ranging from Agree (Strongly Agree and Agree), Neutral and Disagree (Disagree and Strongly Disagree) as parameters).

ii) Sample respondents:

The random sampling technique was adopted in designing sampling frame for the study. For collecting primary data, 100 respondents were selected at random from each of five districts of northern Karnataka namely Kalaburgi, Bidar, Yadgir, Vijaypur and Bagalkot. The total sample size constituted 500 for the study as a whole. The primary data were collected from the farmers by using interview scheduled, specifically designed for the purpose. Specific care was taken to give necessary clarifications to the respondents so as to enable the farmers to answer as accurately as possible without any ambiguity. The method was followed because descriptive study using primary data would support appropriately to investigate the objectives.

iii) Tools and Techniques used for Data Analysis of the Study:

The descriptive and explanatory methods of data analysis have been used in the study. The hypotheses are formulated and tested. Primary data collected from farmers were tabulated and analyzed using percentages and averages of the response received from farmers on different aspects of agricultural marketing. Tools like SPSS and Excel were used in deriving the results.

Chi-square test has been used to the hypotheses. In analyzing the data, charts, graphs and tables have been used to make the study more effective.

LIMITATIONS OF THE STUDY

The study has the following limitations:

1. The study is based on sample responses only.
2. The study covers only selected agriculture commodities.

Despite the above cited limitations the researcher has made his sincere effort to make the study as widely representative of the population as possible.

AGRICULTURAL MARKETING IN INDIAN CONTEXT

India is an agrarian society and one third population depends on the agricultural sector directly or indirectly. Agriculture remains as the main stay of the Indian economy since times immemorial. In the olden days selling of agricultural produce was easy as it was directly between the producer and to the consumer, in simple, barter system was followed with exchange of goods for goods and against services. Later, gradually with time, produce and goods were exchanged for money that led to the agricultural produce trading practices in traditional manner and with involvement of middlemen and commission agents, who kept their margins and moved the produce further to different channels, which turned gradually in to agricultural marketing concept. Now, with open economy and modern technology most of the commodities traded that include cereals, pulses, sugar, cotton, jute, milk, tea, coffee, areca nuts, etc. are handled solely by large enterprises, such as cooperative Indian sugar factories, spinning mills and medium and small-sized enterprises, such as rice mills, oil mills. Mostly, the trading is assisted by different cooperative bodies at national, state, regional and local levels.

THE CONCEPT OF AGRICULTURAL MARKETING

Marketing is as important as production of agricultural crops. So, marketing reforms should be integral part of any policy for agricultural development. Agricultural marketing system is defined in broadest terms as, physical and institutional set up to perform all activities involved in the flow of products and services from the point of initial agricultural production until they are in the hands of ultimate consumers. According to the National Commission of Agriculture (XII Report, 1976), Agricultural Marketing is a process that starts with a decision to produce a salable farm commodity, and it involves all aspects of market structure or system, both functional and institutional, based on technical and economic considerations, and includes pre and post harvest operations, assembling, grading, storage, transportation and distribution. Marketing system is the critical link between farm production sector on the one hand and non-farm sector, industry, and urban economy on the other. Besides the physical and facilitating functions of transferring the goods from producers to consumers, the marketing system also performs the

function of discovering the prices at different stages of marketing and transmitting the price signals in the marketing chain.

According to Khols, “Marketing is the performance of all business activities involved in the flow of goods and services from the point of initial

TYPES OF AGRICULTURAL MARKETS

Agricultural markets can be categorized mainly into,

a. Primary markets:

These markets are periodically held, either once or twice a week. Agricultural produce comes from neighboring villages. In these markets, major part of the produce is brought for sale by producers itself. Transaction usually takes place between farmers and retailers/primary traders. There are around 47000 such markets in India and these are the oldest trading centres and are mostly unregulated in nature. These are located in rural and interior areas and serve as focal points to a great majority of the farmers.

b. Secondary Markets/Assembly Markets:

These are also as mandis. Small merchants purchase from primary market and sell in these markets. Some cultivators directly sell their produce in these markets. Here, transactions take place between different traders and market intermediaries, but these are typically located at district or taluka headquarters. Large cities and commercial centers. Marketing practices are controlled as per Agriculture Market Produce Committee (APMC) rules where ever it is regulated; else market practices are as per age old established customs. People participating in these markets have to pay certain fee. Space provided for these market yards and sub yards are sufficient to provide facilities for auction platforms, shops, godowns, rest houses and parking land, etc.

c. Wholesale Markets:

In this market commodities are bought and sold in bulk. These markets are much larger in area and volume of transaction is more compared to secondary markets. So larger and better physical infrastructure is must in such markets along

with regulations to protect the interest of both the producer and the consumer. These markets are regulated and come under the purview of APMC act. These markets are used as transit for supplies to the hinterland and distant markets and terminal market for supplies to the retailers for local consumption. Such markets are found in cities like Bangalore, Mumbai, Kolkata, Delhi etc.

d. Terminal markets:

These are the markets in which the produce is finally disposed off, it is direct to consumer or processors or assembled for shipment to foreign countries. These markets have better facilities of warehouses and storages and cover a wide range of area may be state. In these markets rather than producers, traders are the sellers unlike the primary and secondary markets. An effort is being made by the governments to bring the producers to such markets to provide better prices, by linking them directly through collection centers.

e. Retail markets:

These are an assembly of retail shops centralized and located at a specific place or in a building constructed for the purpose. Retail markets handling food items are the most active elements in the food distribution chain, particularly low and middle income consumers. They serve the needs of inhabitants in a particular locality. Directly serving the common man, they constitute last links in the marketing chain. Millions of retailers are involved in the task of providing food items through retail markets to the consumers in the country. The “MOM and POP” stores are popular in the country as they provide food produce at the next door of the consumer. In recent times, there is tremendous interest in setting up of retail chains for food items including fresh produce. Numbers of private corporate are jumping into this area and it is expected to revolutionize the system of handling of agricultural produce.

RESULTS AND DISCUSSION:

For this purpose 500 farmers were interviewed on awareness of different aspects and issues such as reforms in agricultural marketing, post-harvest marketing

and leakages of agricultural produce, agricultural marketing channels, accessibility and usage of market information, improved marketing practices of agricultural produce, etc.

GENERAL CHARACTERISTICS OF SAMPLE FARMERS

The general characteristics of farmers interviewed are depicted in table 1, on the basis of operational farm holdings and education level. The age range of respondent farmers varied from 30 to 70 years. It is perceived that the educated youth has a better decision making ability and education imparts the capability of taking informed decision.

Table – 1
Profile of Sample Farmers

Personal Profile	No. of Respondents					
	District	Kalaburagi	Bidar	Yadgir	Vijayapura	Bagalkot
Operational Land Holding						
	52(23.0)	51(22.6)	33(14.6)	36(15.9)	54(23.9)	226(45.2)
Medium(5-10 acres)	26(24.8)	43(41.0)	10(9.5)	6(5.7)	20(19)	105(21.0)
Large(10 acres and above)	22(13.0)	6(3.6)	57(33.7)	58(34.3)	26(15.4)	169(33.8)
Total	100	100	100	100	100	500(100)
Educational Status						
Illiterate	10(27.8)	10(27.8)	4(11.2)	6(16.6)	6(16.6)	36(7.2)
Primary (1 st to 7 th standard)	26(22.8)	27(23.7)	28(24.6)	16(14)	17(14.9)	114(22.8)
Secondary (8 th to 12 th standard)	33(14.9)	38(17.1)	43(19.4)	62(27.9)	46(20.7)	222(44.4)
Under Graduate and above	31(24.2)	25(19.5)	25(19.5)	16(12.5)	31(24.2)	128(25.6)
Total	100	100	100	100	100	500(100)

Source: Field Investigation.

Note: Figures in parentheses are percentages to total.

Farm size-wise distribution of sample farmers in study area consisting of Kalaburagi, Bidar, Yadgir, Vjayapura and Bagalkot, districts is presented in table 1. It is revealed from the table 6.1 that, of the 500 farmers interviewed across mentioned districts on research work about 45.2 per cent were having operational land holding 1-5 acres, nearly 21 per cent having 5-10 acres and 33.8 per cent were cultivating 10 aces and above. In respect of education status, 44.4 percent of the respondents completed Secondary level, followed by 25.6 percent belonged to under graduate and above level, 22.8 percent were qualified to primary level and 7.2 percent were illiterate. District wise statistics of operational land holding and education status is as mentioned in the table – 1.

KNOWLEDGE OF SAMPLE FARMERS ABOUT APMCS

Table – 2

Knowledge of Farmers about APMCs

Parameters	Kalaburagi	Bidar	Yadgir	Vjayapura	Bagalkot	Total
Yes	93	87	88	92	89	449(89.8)
No	07	13	12	08	11	51(10.2)
Total	100	100	100	100	100	500(100)

Source: Field Investigation.

Note: Figures in parentheses are percentages to total.

The knowledge of farmers on Agricultural Produce Market Committees (APMCs) was assessed and presented in table 2. It is revealed from the table that highest proportion of farmers who responded negative on the knowledge regarding APMCs was found in Bidar (13 per cent) followed by Yadgir (12 percent), Bagakot (11 percent), Vjayapura (8 percent) and Kalaburagi (7 percent). In total 10.2 percent of the farmers responded negatively on knowledge about APMCs compared to 89.8 percent positive response.

SOURCE OF INFORMATION

Table – 3

Source of Information on Commodity Prices.

Source	Kalaburagi	Bidar	Yadgir	Vjayapura	Bagalkot	Total
Newspaper/Magazines	17	15	12	19	12	75(15)
Internet/Mobile	4	5	3	6	9	27(5.4)
Local Traders	55	58	59	52	53	277(55.4)
Television/Radio	11	6	10	10	13	50(10)
Other	13	16	16	13	13	71(14.2)
Total	100	100	100	100	100	500(100)

Source: Field Investigation.

Note: Figures in parentheses are percentages to total.

In agricultural marketing, use of marketing information system is indispensable because it is essential for the farmers for improving the marketing of agricultural commodities. Most of the States and Union territories of India are in one way or the other helping the farmers and traders by providing the market information of agricultural commodities by way of publishing in the Newspapers, Magazines and Government Bulletins, transmitting/broadcasting on the Radio, T.V. Mobile Etc. It is revealed from the table .3, that majority of the farmers depend on the local dealers for information on commodity prices accounting to 55.4 percent.

Though the spread and rapid uptake of mobile telephony has highlighted the potential role of Information Communication Technologies in improving market participation and welfare outcomes for farm producers in agricultural produce markets, still only around 5.4 percent of the respondents use the technology. 15 percent of the farmers depend on news papers, 10 percent use radio/television and 14.2 percent use other ways to get price information.

Increased participation of government in making technology to reach farmers at village level and improving awareness would help the famers to get benefit of the technology.

RESPONSE OF FARMERS ON AWARENESS OF PROVISIONS OF MARKET REGULATION

Table – 4
Farmers' awareness about Provisions of Market Regulation

Particulars	Kalaburagi	Bidar	Yadgir	Vjayapura	Bagalkot	Total
To provide competitive pricing	57	39	44	52	51	243(48.6)
Correct weighment	43	35	29	39	38	184(36.8)
Immediate payment	30	21	20	31	30	132(26.4)
Scientific price discovery	13	10	11	13	12	59(11.8)
Prevent Unauthorized deductions	5	7	8	9	8	37(7.4)
Provide market Infrastructure	6	5	5	11	7	34(6.8)
Provide backward and forward linkage	4	3	3	5	4	19(3.8)
Total number of respondents for each provision	100	100	100	100	100	500(100)

Source: Field Investigation.

Note: Figures in parentheses are percentages to total.

The agricultural markets were regulated and agricultural produce market committee (APMC) was established by state government in India to avoid the exploitation of the farmers by intermediaries and make sure all produce is first brought to the market yard and then sold through auction, providing fair price to the farmers, etc. Knowledge of providing competitive pricing provision was responded by about 57 per cent of total farmers Kalaburagi district (Table- 4) followed by Vjayapura (52 per cent), Bagalkot (51 per cent), Yadgir (44 percent) and the least in Bidar (39 per cent). The regulation of markets was aimed at correct weighment of the produce of farmers at the time of marketing in APMCs was responded positively by about 43 per cent of the total respondents in Kalaburagi district, 39 per cent farmers in Vjayapura, 38 per cent in Bagalkot, 35 per cent farmers in Bidar and Yadgir least 29 percent. Total of 36.8 per cent of the sample farmers responded positively.

The provision of ensuring immediate payment for the produce marketed by the farmers in APMCs responded by about 31 per cent farmers in Vjayapura district, 30 per cent in Kalaburagi and Bagalkot, 21 and 20 percent in Bidar and Yadgir respectively. Collectively 26.4 per cent of the total respondents responded positively. Nearly 13 per cent of the total respondents in Kalaburagi and Vjayapura expressed that APMCs were created for scientific price discovery of their produce through

open auction. Whereas, in Bidar merely 10 per cent of sample farmers felt that there was scientific price discovery of their produce in APMCs. It was known fact that prior to regulation of agricultural markets, commission agents/ traders used to deduct unauthorized charges in the name of dharmada, muddat, dhalt, kardha, etc. Knowledge of unauthorized deductions expressed by total 6.4 per cent of the respondents, higher being 9 percent from Vjayapura district.

In total 48.6 percent of respondents were aware that market regulations were created to provide competitive pricing to commodity. 36.8 percent were aware on provision of correct weighment, 26.4 percent on immediate payment by the buyer and least being Provision on backward and forward linkage with 3.8 percent.

KNOWLEDGE OF FACILITIES/SERVICES PROVIDED BY APMCS

Table - 5

Knowledge of Facilities/Services Provided by APMCs

Facilities/Services	Kalaburagi	Bidar	Yadgir	Vjayapura	Bagalkot	Total
Arrange Sale of commodity	83	77	79	85	80	404(80.8)
Civic amenities	23	19	19	25	22	108(21.6)
	19	15	13	18	17	82(16.4)
Drinking Water Facilities	43	39	38	44	40	204(40.8)
Parking Facilities	29	26	18	17	19	109(21.8)
Loading and Unloading	27	20	18	25	23	113(22.6)
Weighment	46	43	42	47	43	221(44.2)
Grading	11	9	8	12	10	50(10)
Total	100	100	100	100	100	500(100)

Source: Field Investigation.

Note: Figures in parentheses are percentages to total.

It is perceived that the extent of knowledge of farmers regarding different kind of services and facilities at APMCs is required to take the full benefit of the APMCs. The knowledge of farmers regarding different services and facilities provided by APMCs for orderly marketing of agricultural produce was assessed and presented in table 5. It was revealed from the table that nearly 85 percent of selected farmers in Vjayapura responded that APMCs are to arrange facility for sale of produce followed by about 83 per cent in Kalaburagi, 80 per cent in Bagalkot, nearly 79 and 77 per cent in Yadgir, Bidar respectively. Nearly 50 percent of the respondents are in all districts aware of availability weighment facility in APMC. Nearly 40 per cent of farmers of in all districts responded positively on the facilities like drinking water facilities provided by APMCs. It is interesting to note that the response of sample farmers negligible regarding facilities of grading in APMCs in all the selected districts. The facility of cleaning and grading of produce is negligible in many of the mandies and therefore, response of farmers on grading facilities at mandies is obvious. Also less response of farmers on civic amenities and rest houses facilities is heartening to note. This may be due to dissatisfaction of farmers on available infrastructure.

In total 80.8 percent of respondents were positive on awareness of arrange sale of commodity at AMPC. 44.2 percent responded positively on awareness on proper weighment facilities, 40.8 percent responded positively on availability of drinking water facilities. Similarly positive response on parking facilities was 21.8 percent, loading/unloading facilities was 22.6 percent, civic amenities with 21.6 percent, farmer's rest house with 16.4 percent and least being the grading facilities with 10 percent positive response.

TESTING OF HYPOTHESES

Null hypothesis is studied using chi-square test of homogeneity. Null hypotheses have been set as below for the study purpose,

Farmers Opinion(Land holding)	P-Value	df	Asymp. Sig. (2-sided)	Accept/Reject Hypothesis(H₀)
Lack of awareness about Agricultural Marketing Reforms (MKTRFM)	11.706 ^a	6	0.068859	Accept
Reduced profit due to lack of storage facilities (STRGFAC)	20.753 ^a	6	0.002032	Reject
Farmers Opinion(Qualification)	P-Value	df	Asymp. Sig. (2-sided)	Accept/Reject Hypothesis(H₀)
Lack of awareness about Agricultural Marketing Reforms (MKTRFM)	6.253 ^a	9	0.714311	Accept
Reduced profit due to lack of storage facilities (STRGFAC)	51.881 ^a	9	0.000000	Reject
Farmers' Opinion(Based on Crop)	P-Value	df	Asymp. Sig. (2-sided)	Accept/Reject Hypothesis(H₀)
Reduced profit due to lack of storage facilities (STRGFAC)	15.903 ^a	18	.599	Accept
Reduced profit due to lack of awareness on Grading standards/techniques (GRADFAC)	22.927 ^a	18	.193	Accept

There is no significant difference between the opinions of the farmers with respect to size of cultivable land holding and lack of awareness about Agricultural Marketing Reforms.

There is no significant difference between the opinion of the farmers with respect to size of cultivable land holding and reduced profit due to lack of awareness on grading standards/techniques.

There is no significant difference between the opinions of the farmers with respect to qualification and lack of awareness about Agricultural Marketing Reforms.

There is no significant difference between the opinions of the farmers with respect to qualification and reduced profit due to post harvest marketing and leakage losses.

There is no significant difference between the opinions of the farmers with respect to qualification and reduced profit due to lack of storage facilities.

There is no significant difference between the opinions of the farmers with

respect to crops grown and reduced profit due to lack of awareness on grading standards/techniques.

FINDINGS:

Following are the major findings derived from the study conducted in the preceding chapters.

Farmers' Profile:

Farmer size-wise distribution of selected farmers in different districts under study revealed that, of the total farmers interviewed, about 49 per cent were having operational land holding 1-5 acres, nearly 24.2 per cent having 5-10 acres and 26.8 per cent were cultivating 10 and above acres. In respect of education status, 44 percent of the respondents completed secondary level (8th to 12th), followed by 25.6 percent belonged to under graduate and above level, 22.8 percent were qualified to primary level and 7.2 percent were illiterate. The average age of the respondents depicted that almost all the farmers interviewed were ranging from 30 to 70 years. It was revealed that the farmers are now realizing the importance of understanding the pulse of the markets. It also indicated that they are more enthusiastic to learn new things emerging in agricultural marketing.

Farmers' Awareness about APMC

The knowledge of farmers on Agricultural Produce Market Committees (APMCs) revealed that highest proportion of farmers knowing about APMCs was recorded in Kalaburagi with 93 percent of the total farmers responding positively on knowledge of APMCs and lowest being Bidar with 87 percent. As Karnataka state is well advanced compared to other states in agriculture sector, it is good to know most of the farmers were aware of the APMCs.

Farmers' Knowledge about Services Provided by APMC

The knowledge of farmers regarding different services and facilities provided by APMCs for orderly marketing of agricultural produce revealed from the table that the awareness of farmers on one of the services namely to arrange for sale of commodity was highest with 80.8 percent, followed by weighing service with 44.2

percent and least awareness being the grading in total in all the districts. It is interesting to note that the response of sample farmers regarding facilities of weighing, grading and civic amenities, etc were less than 50 percent. The facility of cleaning and grading of produce is negligible in many of the mandis and therefore, response of farmers on grading facilities at mandis is obvious. But response of farmers with awareness on weighing facilities is heartening to note as it is a basic factor. This may be due to dissatisfaction of farmers on weighing in mandis.

Preferred agency for sale of Produce

Farmers' response on preference for agency to market the farm produce revealed that, of the total farmers in selected districts, 57.8 percent preferred to sell their produce in APMC yards. The second most preferred agency for sale of produce was selling to local buyers/dealers/agents as reported by 55 percent of the total farmers in selected districts. Other preferred agency for sale of produce as reported by about 18.8 percent of the total farmers was selling directly to retailers. Farmers' market of rural haat was preferred by 24.8 percent.

Knowledge of Farmers regarding alternative marketing channels

Assessment of farmers' awareness in selected districts about alternative marketing channels opened up after introducing reforms in agricultural marketing showed that all districts put together, about 34.2 percent of the sample respondents were aware about selling the produce to traders/dealers/agents as an alternative marketing channel, followed by retail chains with 24.6 percent and the least being Online Marketing, Futures Markets, Cooperative Marketing with less than 5 percent in total.

SUGGESTIONS:

The issues which need to be addressed for the benefit of the farmers included; assurance of remunerative price for their produce; timely payment of their sale proceeds and no commission charges from farmers; requirement of mandis at nearby place; adequate storage facilities for storage of farmers produce; basic amenities in the market place; training of farmers on the different aspects of

agricultural marketing; proper and timely transport facilities, ensure timely sale of their produce in mandi, availability of cold storage, widening breach of contract farming and direct marketing, electronic weighing of their produce, allowing more traders to buy produce in mandi and facilities for export of their produce. Below are the suggestion based on findings.

- § With majority of the farmers preferring to sell their produce at local dealers/traders, an initiative is required in terms of enforcing the policy to create a market structure that is transparent and equitable, distinguishes quality and variety, disseminates relevant market information to all farmers to the village level for a level playing field that would help in getting better prices for their produce.
- § In the era of globalization and liberalization farmers need competitive and alternative marketing channels, efficient market information to facilitate sale of their produce in order to enable farmers in getting better prices for their produce, there is also a need to reduce the intermediaries by providing alternative marketing channels like direct marketing, contract farming, virtual market, etc. for which reforms in agricultural marketing system is necessary.
- § Provide awareness and training to farmers on virtual and online markets and initiation should be taken in setting up of more such networked markets at hobli level, that would link various smaller markets with regulated markets and warehouses, provided with assaying & grading facilities and other necessary infrastructure.
- § Farmer Self-Help Groups, club/groups scheme needs to be initiated and provided with more awareness and monetary support specifically to target small and medium farmers who have difficulties due to smaller production quantity so that majority of small and medium producers are likely to benefit as a result of such an intervention and would help in addressing issues related to primary marketing, transportation, crop planning, technology infusion and input supply.
- § Storage facilities, this entire area of regulation of agricultural product markets is in some flux and movement is still slow, an important initiative

needs to be taken up by government along with Warehouse Regulatory and Development Authority (WRDA) to set standards and modernize the warehousing concept and bring in more and more private investment.

- § In order to provide dynamism and efficiency in the marketing system, large investments are required for the development of post-harvest and cold chain infrastructure, good transportation system nearer to the farmers' field.
- § New policies needs to be initiated to provide awareness, support and setting up standards at lower level marketing areas in terms of quality standards for various agricultural commodities and for creating infrastructure for sampling and assaying the produce in markets and warehouses, to facilitate quality based trading of the produce. Inadequacy of accurate and timely market information/ intelligence system along with fragmented supply chain management system has posed major challenges to the agricultural marketing system in the country that needs to be strengthened and revitalized. Creation of an efficient domestic agricultural marketing system providing real time information and right signal for prices is pre-requisite to ensure better remunerative prices to the farmers.
- § The Government has set up online platform for agriculture marketing, but certain limitations like regulation of sale of farm produce by the farmers to only traders licensed by the APMCs; lack of facility for sale of farm produce at national level.
- § The idea behind MSP is to give guaranteed price and assured market to farmers and protect them from the price fluctuations and market imperfections. Proper methodology in consultation with the state government should be followed in computing MSP as well as on the implementation mechanism.
- § Related to market development, an appropriate public private partnership system needs to be brought in that would provide state of the art technology for marketing of produce and attendant requirements.

CONCLUSION

Finally efforts should be made in terms of setting up proper marketing

infrastructure that will facilitate the market participants to carry out the trading activities and also provide awareness, training, practical experiences, support needed to small, marginal and medium farmers at village/rural areas in terms of newer ways of agriculture marketing channels so that every farmer will be able to adopt better marketing techniques like common online platforms for selling their produce and get the remunerative prices for the same.

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IMPROVING SERVICE QUALITY THROUGH DIGITAL BANKING-ISSUES AND CHALLENGES

* Mr Ravi I A

ABSTRACT

This paper aims to give a glimpse of service quality improvement through digital banking. It highlights the steps taken by RBI and the government's move after demonetization. This paper discusses convergence of technologies through digital banking for a smooth transition towards a transparent economy. The main target of digitalization is to push Indians to a less cash economy by financial rewiring with emphasis on the new way of life for the country from informal economy to formal economy. It identifies the initiatives and challenges during the initial period of digitalizations.

Introduction

Businesses are confronted with enormous challenges to perform. Product life cycles are shortening and development of technology are accelerating. Customer sophistication is growing and concern with the environment and its resources is emerging as a key issue since last decade. The convergence of technologies is giving rise to new businesses.

India has been passing through events Demo, Digital Payment. It has a huge potential of changing the face of the country's economy and the entire banking system of the country under the leadership of the central bank, The Reserve Bank of India in the days to come. As a blessing in disguise the cash crunch that has resulted from the demonetization move by the Union Government has been leading the country to adopt digital transactions in a big way. The Government is putting all its energy and efforts for a smooth transition towards the digital payment economy. This may emerge as a new way of life in the country, making the economy more flexible and transparent. The moves will not only have transforming effect on the economy but will also pave the way for a more honest, digital, modern India. It is a positive move and equally promising in the emerging scenario in India turning towards digital

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modes of payment.

The Prime Minister, Mr. Modi emphasized that, since a cashless society is not practically possible, India can still strive to become a less cash society. As people are pushed to adopt new cashless payment modes in the face of a shortage of notes in circulation, India is increasingly going digital post demonetization. The use of cash is being discouraged and what was initially a reform aimed at tackling the problem of black money has now turned into an opportunity to take the country towards a digital transaction environment. Digital banking companies have risen to the challenge. Demonetization had brought with it an inevitable slow down but the act could be the start of the new economy for India. At present, the digital transactions in India are estimated to just 17% of total transactions. If it doubles, it will not be less than a revolution

Major benefits of digital benefits are:

- **Business efficiency** - Not only do digital platforms improve interaction with customers and deliver their needs more quickly, they also provide methods for making internal functions more efficient. While banks have been at the forefront of digital technology at the consumer end for decades, they have not completely embraced all the benefits of middleware to accelerate productivity.
- **Cost savings** - One of the keys for banks to cut costs is automated applications that replace redundant manual labor. Traditional bank processing is costly, slow and prone to human error, according to McKinsey & Company. Relying on people and paper also takes up office space, which runs up energy and storage costs. Digital platforms can future reduce costs through the synergies of more qualitative data and faster response to market changes.
- **Increased accuracy** - Traditional banks that rely mainly on paper processing can have an error rate of up to 40%, which requires reworking. Coupled with lack of IT integration between branch and back office personnel, this problem reduces business efficiency. By simplifying the verification process, it's easier to implement IT solutions with business software, leading to more accurate accounting. Financial accuracy is crucial for banks to comply with government

regulations.

Improved competitiveness - Digital solutions help manage marketing lists, allowing banks to reach broader markets and build closer relationships with tech savvy consumers. CRM platforms can track customer history and provide quick access to email and other forms of online communication. It's effective for executing customer rewards programs that can improve loyalty and satisfaction.

Greater agility - The use of automation can speed up both external and internal processes, both of which can improve customer satisfaction. Following the collapse of financial markets in 2008, an increased emphasis was placed on risk management. Instead of banks hiring and training risk management professionals, it's possible for risk management software to detect and respond to market changes more quickly than even seasoned professionals.

Enhanced security - All businesses big or small face a growing number of cyber threats that can damage reputations. In February 2016 the Internal Revenue Service announced it had been hacked the previous year, as did several big tech companies. Banks can benefit from extra layers of security to protect data.

Significance of the study

India was emerging a strong digital economy with penetration of internet. Andhra Pradesh is the pioneering state in putting to use new technologies like Internet of things, cloud computing and data analytics. No country has more at stake in digital technologies than India. Digital technology is playing a key role in India from informal economy to formal economy. The digital push is very important step towards the Digital India programme and without spreading the services to the rural areas or far flung villages it cannot become a success. The Government's move is aimed at eradicating the black money and push Indians towards a cashless economy. But, irrespective of the outcome, the convergence of the factors will reshape India's relationship with money, especially the middle and upper class. The demonetization drive by the prime minister surely is a bold and decisive move to root out corruption from the society; it is also a sure step

towards a digital way of life as it infuses a cultural change among citizens of India to go cashless. India is at the point of making an important decision at the moment for a major economy revolution. Two things make India unique-one, India has a fairly robust banking network. Two, India has relatively a low legacy issues with just 23 million credit cards and over 660 million debit cards (mostly used as ATM cards).

Objectives of the paper

1. To study the conceptual framework of digital banking.
2. To identify the RBI's initiatives on digital banking and financial rewiring made by the bankers by STEP approach.
3. To examine the role of private participation by the Fintech companies.
4. To identify various metrics used for enhancing the service quality and offer suggestions for better implementation.

Need for the study:

Digital push is needed because India is one of the biggest markets and it also has to compete at the global level. Further, there will be a strong correlation between business performance and smarter technologies.

Scope of the study

The study is limited to digital banking through various modes of transactions for a smooth transition and with enhancement of service quality. Banks Transformation Banks, especially the Indian ones are at the absolute frontline making favorable digital impact on their customers, business models and employees. This approach suffers from an automation syndrome, proponents of automation as proxy for digitalization that once they are able to do in computers whatever they did manually, they had digitalized. Some others believe that digitalization is a channel strategy. In banks, the present day approach is to have digital by defining and positioning digital channels along with the brick and mortar products and channels or a substitute for them. A few others believe that, the role of digital is to push marketing of brands,

products, services. The marketing and business development strategy of a bank can also be to govern through data analytics, service or a combination of both. When transitioning to digital payments thanks to the effort of the national payment corporation of India, the country has the most advanced e-payment system in the world which is universally acceptable.

Digital Banking The banking will undoubtedly continue to expand as its customer base grows and customer appetite remains unsated, changes are imminent. As the industry evolves it will play a role well beyond financial products and services. This new fintech era is being shaped by changes in market conditions, new regulations and shifts in customer demands and behaviours where once companies focussed on payment applications, lending and money transfers the industries reach has extended into more than 30 areas. The shift brings fintech away from a focus on frontline activities. The new offerings cut across a wide swath of financial services, retail, small and midsize enterprises, corporate and investment banking and governance.

Issues regarding Digital Banking

In the cashless economy there will be short and medium term pain.

Great potential to realize the digitalization dream, there are few barriers to adoption.

Enquiries at banks will be increasing.

It is critical as the digital readiness needs to be understood properly and correctly.

The service quality faces tremendous issues as they seek to serve multiple segments across a huge geographic area.

India is very diverse. Some use wallets, some smart phones and some who are both digitally and financially not so literate will use aadhaar pay.

Along with some 360 million poor, 104 million senior citizens-across different income classes-who have grown up in tech-less India will be spectators as the digital wave of e-payment.

Their idea of savings (in real estate and gold), their relationship with money (the old way of doing business-buying and selling with cash) and their

discomfort and often inability to deal with new technologies are what will make things difficult for them.

Out of say around 700 million people who have a phone, almost million would have a smart phone and then we would have 400 million feature phone users out of which half would use USSD (Unstructured Supplementary Service Data). So the balance 200 million plus another 250 million who do not have any phones or cards are the most vulnerable section of population.

The technology readiness of different sections of the population must be assessed and categorized - into the known segments of explorers, pioneers, sceptics, hesitators and avoiders- to make efficient and cost effective marketing of these services. Banks and the RBI will swiftly address security concerns. Privacy concerns are also an issue with digital transactions.

Improving Service Quality

Service Quality-Service Quality from the user's perspective as consistently meeting or exceeding customer expectation.

Improving service quality-it is commonly said that “what is not measured is not managed” and of course measurement is needed to determine whether goals for improvement are met for after changes have been implemented.

Integrating quality and productivity are twin parts to creating value for both customers and companies.

Quality focuses on the benefits created for the customer's side of the equation, and productivity addresses the financial costs incurred by the firm. If not properly integrated, these two factors can be in conflict. Quality and productivity improvement strategies must be considered jointly.

Banks Initiative towards digital push

SBI urges Reserve Bank to hike monthly limit on mobile wallet spends and it waives MDR (Merchant Discount Rate) on debit card transactions for all merchants having annual turnover of upto RS.20 lakh for a period of one year up to Dec 31, 2017 and the bank believes that this gesture would go a long way in changing the perception towards the cost

of using digital channels and supplement the government's cashless India drive.

Government's digital payment drive

Moving towards Cash Less Economy

The centre is favouring on a cashless economy and Tamilnadu is one among the highest digital transactions are concerned. The digital transaction volume in the state was just around 5%. It has shot up to 28% after demonetization and is among the highest.

Government sets up 13 member panel to draw roadmap for digital payment systems. The committee will identify the global best practices for implementing an economy primarily based on digital payment and examine the possibility of adoption of these global standards in the Indian context. It will also outline measures for rapid adoption of digital payments system through cards, digital wallets, internet banking and unified payment interface among others and will set a roadmap for implementation of these measures in the next one year.

The year 2017 is going to see new security challenges emerging. The digital transformation is now truly underway and from a cyber-security perspective there is integration of digital and physical into a new emerging world.

The government has been promoting digital transactions since Nov 8 when it announced demonetization. Government is going to create digital transaction Index. It will be based on three parameters-

- (1) Total transactions in a state (proportion of cash and digital transactions),
- (2) The extent of penetration and
- (3) Usage of different modes of digital payments.

The government has identified five digital payment systems with the aim to make them accessible and user friendly and encouraging by way of cash awards for consumers and merchants to bring more and more people on the digital platform and thus making more transparent. It includes

- (1) Unified Payments Interface (UPI)
- (2) Digital or e-wallets,

- (3) Prepaid debit card or credit card that can be used at ATMs and point of sales machines (POS)
- (4) Aadhaar enabled payment systems (AEPS) and
- (5) Unstructured Supplementary Service Data (USSD).

Private participation in the digital move

Fulletron India credit company had 40000 internet payment gateway transactions from rural areas and 100000 swipes for repayments through POS machines. The adoption of digital payment ecosystem and use of a digital platform for repayments is clearly seeing a shift in rural areas and enhancing digital capabilities. Cosmos bank have started on biometric enabled systems and have already started putting ATMs which are bio-metric enabled. UPI would also be another priority for the bank. Mahindra & Mahindra financial services is encouraging all their stake holders to go increasingly digital as it can lead to better efficiencies and lead to a win-win situation for everyone and encouraging usage of eKYC and aadhaar and are educating the customers that usage of digital mediums can lead to faster approval of loans and the quality of data can lead to better decision making.

- In five temples of Kanyakumari district in southern Tamilnadu HDFC bank have introduced digital wallets and POS (point of sales terminals), card swiping machines at counters. Temples in Trivandrum are embracing digital mode in order to help devotees to make donations without any hassle.
- IDFC has roped in 800 merchants in 16 states to adopt the unique payment facility. It aspires to expand its foot print into 25 states from the current 16 and would rely largely on the bank in a box model to achieve the Aadhaar linked solution for cashless payments and retail banking expansion. Finopaytech provides a wide range of financial and large scale enrolment services. Recently the company launched the mobile wallet
- FINO BPAY, that will facilitate cashless payments at over 12000 Bharat petroleum corporation limited outlets Private sector lender ICICI bank on Nov 28, 2016 announced to transform 100 villages in as many days to enable villagers go in cash less banking and payments transactions. ICICI banks

ambitions project is inspired on at Akodara in Sabarkamtha district Gujarat in 2015..

- Private sector lender ICICI bank on Nov 28, 2016 announced to transform 100 villages in as many days to enable villagers go in cash less banking and payments transactions. ICICI banks ambitions project is inspired on at Akodara in Sabarkamtha district Gujarat in 2015.
- IDFC bank right from the inception has been to make everything cashless. Currently there are 1200 micro ATMs deployed and it will be deploying additional 3000 micro ATMs in the next three months.
- Axis Bank has set up micro ATMs to provide easy access of cash withdrawals and other basic banking services to employees of the airport, CISF, airline employees, travelers and patients by using Aadhaar card no. and finger print as an identity proof in order to leverage the contact less technology at POS terminals for faster transactions (Kirana stores, vegetable and milk vendors, auto rickshaws and to accept payment digitally through QR code
- . To facilitate the digitalization journey of Patna municipal corporation by deploying 100 MPOS and seven CDMS for tax collection (Mobile Point of Sales) and make use of debit and credit cards. By way of providing seven cash deposit machines (CDMS), self-service terminals that will empower the citizens to deposit and make payment transactions.

Tools for enhancing service quality

1. Opportunities for new revenues
2. Ability to differentiate the improvements
3. Learning from the customer experience
4. Time to decide and time to act
5. Employee productivity

Financial rewiring With a unified payment interface (UPI) India has just rolled out the world's most advanced digital payment network.

Universal acceptability of UPI (across 25 banks and growing) makes digital payment a compelling option. Unlike the US with 323 million credit cards India has fewer legacy issues with just 23 million credit cards and 660 million debit

cards (87% used for cash withdrawal). There are easy digital options like ewallet of paytm and peer to peer payment systems like IMPS by banks.

Challenges of Digital Banking

- Common challenge shall be to continuously test, recalibrate the readiness of the organization to go digital.
- STEP' test. This approach is highly useful, both for the leadership to gauge readiness and refine and enhance it. The acronym STEP stands for 'S'- Security First. 'T"- Transformation preparedness, 'E'-Enterprise Architecture. 'P'- Productivity as the key foundation.
- In real time the strength of security shall be tested at every touch point. The old methods of security governance will be able to serve the new demands only partially.
- Readiness of the organization shall be good with effective end to end capabilities as compared to diagnostic, reactive and remedial regime favoured by banks today.
- Transformation preparedness will also be a key test of digital readiness of the banks platformisation and rapid obsolescence of existing products and services.
- Many merchants still prefer cash transactions when the amount is not too large also Connectivity issues in POS machines.
- To manage demand in capacity constraint in service businesses.

CONCLUSION AND SUGGESTIONS

In terms of the information technology Act 2000, reasonable security practices need to strengthen and it is a continuous exercise. Specifically in the context of growing digital payments cyber Police personnel has to be trained fully. TRAI (Telephone Regulatory Authority of India) and DOT (Dept. of Telecommunications) need to enforce strong SOP (Standard Operation Procedures) for issue of duplicate SIM card. Special cyber fraud codes are needed. Civil court judges to be trained in handling cyber fraud, Convenience vs

security and cyber fraud issues. ATM cctv camera to be functional in all ATMs 24X7. Forensic report has to be collected shortly. For many years the cyber appellate tribunal is not functioning due to vacancy of chairman. While security and safety is paramount, convenience with safety need to be balanced. The marketers should keep abreast of proposed back stage changes, an explanation may be warranted to customers. A better way is to search for service process redesigned opportunities that lead to drastic improvements in productivity and at the same time increase service quality. Financial literacy about the safety aspects: Rural people, illiterate people and elderly people can fall prey to fraudsters more easily. A big awareness drive is needed. In the long run it will accelerate the transition of the unbanked towards a cashless economy. With the Aadhaar number, Jan Dhanyojana, unified payment interface and IMPS (immediate payment service) India has the digital infrastructure to leapfrog and accelerate the transition. Welcome to the wild, exciting, efficient world of new age cash less transactions.

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DIGITAL BANKING REVOLUTION IN INDIA - A CRITICAL STUDY OF OPPORTUNITIES AND CHALLENGES

* Prof.Suvarna.Hiremath,

Abstract:

Banking sector determines the economic stability and development of Indian economy in present and future as well. The banking sector can't achieve the objective of growth with the traditional channel of banking as now is the era of digitization and technology. The competitions in the banking industry has led to the innovations and acceptance of technology by various banks and moving towards automation. Digital banking is the digitization (or moving online) of all the traditional banking activities that previously were only available to customers when physically inside of a bank branch. Example- Money Deposits, Withdrawals, and Transfers, Opening Account, Applying for Financial Products, Loan Management as so on. Implementing the digital banking has helped both the customers as well as the Banks. Though Digital banking are common in developed countries , in India it is still evolving. The present paper tries to understand the concept of digital banking in terms of innovations, opportunities and Challenges currently in the banking sector in India .

Key Words: Digitization, Banking, Technologies, Digital Banking, Challenges, opportunities, online banking.

Introduction :

Digital banking refers to digitization or moving online of all the traditional banking activities and programs that were historically available to customers when they physically visited a bank branch. This includes activities like:

- Money Transfer, Deposit and Withdrawals.
- Account opening and Management.
- Applying for Financial products –Home Loans, Vehicle Loan etc.
- Paying Bills- Telephone, Electricity, Water.

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Consumers in India are quickly shifting to online and mobile transactions, though many Financial Institutions have trouble shifting to online. Until past few years, the banks could not realize the tremendous shift in consumer behavior that occurred as a result of the millennial generation (1981-2000 born) now becoming the largest consumers of financial products and services.

Difference Between Online and Digital Banking:

These two words are synonyms for the most part. Online banking is defined a bit more narrowly wherein it primarily focuses on remote deposits, money transfers, bill pay, and basic online management of accounts. Other synonyms for online banking include internet banking, virtual banking, and e-banking. So, online banking focuses on digitizing the “core” aspects of banking, but digital banking encompasses digitizing every program and activity undertaken by financial institutions and their customers.

History of Digital Banking

1994

- Online Banking was built into Microsoft Money. 100,000 households begin accessing their bank accounts online in US.
- Stanford Credit Union began offering banking services via their website, paving the way for credit unions and banks across the US.

2001 : Online banking hits 20 million users, with 8 different U.S. banks achieving at least a minimum of 1 million online users.

2007 : The launch of the iPhone begins shifting digital banking from desktop computers to smartphones.

2009 : Online banking hits 54 million users in the United States.

2016 : Millennials succeed in fundamentally shifting digital banking preferences, signaling to banks that they must move all services online.

Indian Banking sector is now capable of creating a significantly digitized end-to-end process . Few leading banks are also making moves towards digitizing their processes by using tablets and kiosks. The keys to success to digitization are the

quality of the design of the digital process and the volume of the business that flows through it. Achieving success in these two dimensions is not easy. Banks need to adopt a structured approach to digitally re-imagine their banking processes through a customer perspective and then drive the channels to ensure adoption will emerge as ultimate winners.

Opportunities to the Banks:

Government Initiatives for inclusive growth: The digital India initiative along with the digital payment is laying the foundation for the digital economy. Also there is an increase in number of people using the internet. This initiative focuses on the provision of infrastructure as a utility to every citizen and digital empowerment.

Number of internet users in India (in million)

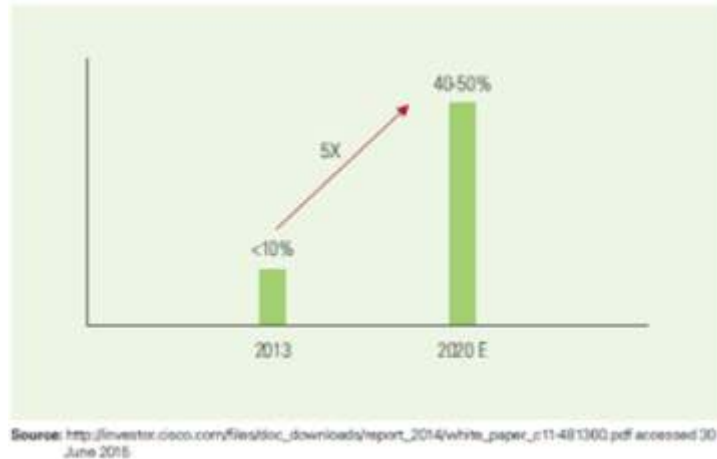


Source: http://investor.cisco.com/files/doc_downloads/report_2014/white_paper_c11-481380.pdf accessed 30 June 2015

The number of internet users in India would be 526 Million by the end of 2018 as per above analysis.

Increased Mobile Phone Usage : Mobile phones are likely to lead digital growth in India, considering the expected level of penetration. Innovations that use mobile penetration and payments banks to their advantage are likely to further financial inclusion. The extensive reach of mobile phones in the country (920 million

subscribers) offers an innovative low-cost channel to extend the reach of banking and payment services.



Reduction in costs: Automation of the back offices would enable the banks to realize tremendous cost savings. Lack of digitalization often leads to high costs in the form of error costs, maintenance costs, labor costs, and infrastructure costs.

Reduction in Inefficiencies: Lack of digitization leads to inefficiencies in the banks and digitalization is the most effective way to overcome these inefficiencies. By digitizing banks can engage its customers on digital channels for sales and other transactions.

Improving Connectivity: Digitalization in banking is mainly concentrated upon connecting people to their money more accurately & speedily.

Increased levels of Consumer satisfaction: Digitization helps the consumers to maintain a more organized life and improves the level of customer service in a dramatic way. Better customer service by reduced turn around time.

Widened area of reach of Banks: Digitization improves the area of reach of the banks. It has also led to a penetration in the banking sector in India. It helps to lead to financial inclusion of people in the most effective manner.

Going Paperless: Digitalization leads to great benefits in terms of eradication of paper based society also it leads to enabling speedy transactions. Cash transactions can be minimized and hence increase banks productivity.

Access by the users: Digitalization increases the access of the users of banking facilities very easily.

Quality of Services: Enhancement in the quality of services being offered.

Reduction in Offices: There is significant potential for reducing the strength of the administrative offices through digital.

Challenges to the Banks:

Removal of traditional geographical barriers: The shrinking and ultimate removal of traditional geographical barriers has raised the question of law and supervisory system. This issue has come to surface as various banking transactions are subject to different systems of laws and supervisions, as the banks in different geographical regions have different laws governing them. Digitalization has led to shrinking of these barriers and establishment of a common supervisory system all over.

Security of banking transactions: Customers confidentiality and privacy has been the matter of concern for bankers . Online banking irrespective of being much secured still has loopholes in the form of cyber crimes & leakage of information such as passwords and other secured information of the customers.

Risk of loss: It also poses a potential risk of loss of business to the banks which don't respond on time to technical changes, as lack of timely response to the changes often leads to the use of obsolete techniques by banks. This in turn leads to stagnation on the part of banks which fail to upgrade themselves.

Effective & Intelligent use of funds: It can be rightly said that “Just immense introduction of IT would not be sufficient to bring about necessary perfect improvement”. Intelligent people are required to use these tools intelligently.

Increasing Complexity: The legacy system of the various banks are complex, so replacing them without causing an impact on the running operations is quite a daunting task.

Increase in Expenses: The up gradation needed is quite expensive in many aspects; also the needed staff expertise and additional resources are the most elaborate concepts.

Benefits to the consumers:

Convenient : Digitization of banks for customer is convenient and time saving in comparison to traditional banking. In traditional retail banking, one has to visit branch to conduct banking activity like money transfer, to issue cheque book, DD etc.

Banks Information & Services : Delivery of banks information and services by banks to its customers through different delivery platforms can be used with different terminal devices such as personal computer .These facilities have no fee to be paid.

Self Access System : Digitization makes it easy to for online application submissions for account opening ,checking accounts, loans and credits. Due to self access system it reduce customer attrition and Increase customer loyalty.

Intrusion Detection Systems: High-tech technical advancements in the form of intrusion detection systems (IDS) to virus control equipments have made Online Banking system reliable.

Conclusion & Recommendation

Digitization promises extra ordinary gains in terms of productivity, service quality and reach to the proactive banks. When Digitization is implemented well the self-service features creates a lot of value for the bank as well as for its customers. For the customer, it makes everyday banking easy. For example, self-service enables anytime opening of account, Fixed Deposit (FD), online updating of personal information etc. For the bank, self-service enablement provides precious manpower from rudimentary activities that can be deployed towards more value added uses.

Many other activities of the banks can either be transformed or evolved into something new. So the major question which is needed to be answered here is that to “What extent would banks be able to utilize the extensive opportunities arising out of the digitalization”? Utilizing digitalization in an efficient manner holds a great importance in current technically inclined customer era in India. Also banks which are slow in adopting to digitization might be at a risk which could be not worth taking.

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STRATEGIC STUDY ON OVER EDUCATION AND EMPLOYEE WELL BEING

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ABSTRACT

This research paper in albeit is a study which is focused on the impact of overeducation on employee well being. Overeducation is a phenomenon resulting in the possession of more qualification by employees than required by the job. It results in under fulfilled expectation of employees with respect to their occupational attainments. Instances of voluntary overeducation were also found due to the presence of certain job attributes which affect the individual utility levels. Since contradictory findings exist with regard to the consequence of overeducation a research gap has been identified and the present study attempts to measure the job satisfaction of overeducated employees in Kerala and its impact on employee well being. The findings show that overeducation has not made much impact on the well being of employees as they are being compensated through the factors both internal and external to their job. The consequence of overeducation has been found to be more severe when it is subjective. The employees in fact get contented with what they receive and try to derive satisfaction out of it considering the different aspects of the job. The influence of certain other factors was also explored.

Key words

Overeducation, Mismatch, Job satisfaction, Employee well being

1.0 INTRODUCTION

Education enhances the knowledge, skills and abilities of people and places them at higher echelons of society in terms better prospects for job and earnings. Education thus act as a catalyst to boost the well being of an individual. But if the graduates could not fulfill their aspirations may often end up in desperations. One reason for such under fulfilled expectations can be labor market mismatches caused due to structural problems in the economy. This paper overlooks the impact of one such outcome of labor market mismatch in the form of overeducation. Overeducation is a phenomenon resulting in the possession of more education by employees than required by the job. This usually happens when there is an oversupply of graduates in the labor market. Such educational mismatch is of a serious concern today as it results in employee frustrations, job dissatisfactions, less organizational performance, less

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productivity, increased labor turnover and may even lead to psychological problems hindering the employee well being and thereby organizational effectiveness.

1.1 Employee well being and its importance

Employee well being is a concept which has not been touched upon much by the researchers. It was a concept which has been originated and extensively researched in clinical and health contexts. Now it has been widely considered for research in workplace contexts as mental health which has been explained as presence of well being and absence of illness is considered to be vital for the effective functioning of an organization. Organizations face instances like people not showing up, don't give their best efforts, and erode their productivity which costs very high especially due to poor physical and mental health. Every working individual aspires to have a safer and more satisfying and healthier working life (Baptiste 2008). As such the study about employee well being has been gaining importance now. Both organizations and employees expect to lead a healthier organizational life to satisfy mutual goals. From the Organization's perspective the absence of employee well being costs high in terms of increased turnover, less involvement and less productivity, adverse workplace behavior. From the employees perspective, it is a matter of satisfying their aspirations and future goals and serve as a main pointer towards their overall well being. As such attaining employee well being stands important for both organizations and employees and is considered as an important precursor to organizational well being (Kathryn et al 2009).

The emotional make up which an employee brings to the workplace is very significant for an organization which is greatly influenced by the satisfaction they derived from their job. An overeducated employee who is not able to fulfill his expectations, or is not able to utilize his skills fully exhibit a low job satisfaction, poor emotional make up and a higher intention to quit and more likely to possess a poor well being. Job satisfaction hence is considered as an enhanced form of motivation and an essential ingredient of organizational well being. Many research studies have focused on the relationship between well being and satisfaction with job. In one such study (Wright and Bonnet 2007) it has been revealed that individuals with low levels of well being will be more likely to leave their organization as a result of low job satisfaction. The costs of employee turnover and low performance is very high for organizations. The degree to which one is satisfied with the job contributes to their overall life satisfaction and will be reflected in their well being. It is proposed that promoting and preserving employee mental health leads to improvements in employee performance and reduces turnover. Employee wellbeing is proposed to have three components: Subjective well being, workplace well being and psychological well being (Kathryn et al, 2009). From a workplace perspective, psychologists believe that consequences of job dissatisfaction affect life

satisfaction, employee performance, organizational citizenship behavior, role withdrawal and counterproductive behavior. Danna and Graffin (1999) highlight how work experiences affect individuals themselves through impact on physical and psychological health and how this can “spill over” into non-work domains. A good employee well being serve as a competitive advantage and serves in recruiting and retaining employees (Rath and Harter 2010).

Tom Rath and Jim Harter (2016), has explained in their paper 'Economics of well being' that in a research carried out in 150 countries for exploring demands of life well-lived, five distinct statistical factors emerged which best differentiate lives that are spent thriving from those that are spend struggling or suffering. These five factors identified were: career well being, social well being, financial well being, physical well being and community well being. Career well being depends upon how employees occupy their time and depends on what they do each day. Employees with a high career well being enjoy what they do on a daily basis, get more work done and can work for substantially longer hours without burning out. People with low career well being, disengage with their works and are likely to be diagnosed with depression, higher stress levels and poor health. Social well being relates to having strong relations and love in life. Social relations at work have been shown to boost employee retention, safety, work quality and customer engagement. Recent research suggests that much important health and well being trends are closely associated with people's socialites. Financial well being depends upon how people effectively manage economic life and increase financial security. Low financial well being impact the physical and mental health due to financial worries and exhibits increasing stress levels, anxiety, insomnia, head aches and depression. Physical well being depends on having good health and enough energy to get things done on a daily basis. People with high physical well being depends on having good health and enough energy to get things done on a daily basis and are energetic and carry out their day to day activities and can perform better in less time. They also exhibit a good mood and therefore boost engagement of their colleagues as well. Community well being depends upon the sense of engagement and involvement people have with the area where they live. Employees who are thriving on community well being improves an organization's image and increase its positive impact on community. Summing up a good employee well being can be seen as a competitive advantage and serves in recruiting and retaining employees.

1.2 Overeducation and consequences.

Overeducation is basically viewed from the perspective of job with which an employee works. The phenomenon has been explained in three ways: as the possession of workers of greater educational skills than their jobs requires; as under fulfilled expectations of the educated workers with respect to their occupational

attainments or as a decline in the economic position of educated individuals relative to historic higher levels (Tsang et al.,2017). Overeducation is also termed as surplus schooling and is used simultaneously with underemployment. Since overeducation occurs due to a discrepancy between the occupational expectations of graduates and the types of jobs available to them upon graduation it always results in negative consequences both for employees as well as for employers. The immediate consequence of overeducation is reflected in jobdissatisfactions, on –the job search behavior of employees and intentions to quit, labor turnover, absenteeism, less job involvement, less workplace loyalty etc.(Battu et al., 2000;Vaisey and Stephen, 2006;Ron Dekker et al., 2002;Burris et al., 1983;Kalleberg et al., 1973; Quinn et al., 1975;Rumberger et al .,1991; Brynin, 2002; Duncan, 1981; Grip, 2000; Halaby, 1994; Peter Dolton, 2000;H.Battu, 2000; Freeman, 1976) each of which costs an organization very high. The reasons for overeducation can be, increased supply of graduates, imperfect information regarding job opportunities and available skills in the labor market, heavy subsidization of education by Governments(Tilak, 2001), high expectations of today's youth, job opportunities not increasing commensurate with the increased supply of graduates ((Devasia, 2010)etc.

Since one reason for overeducation is over supply of graduates ,it also results in driving down their wages (Dolton et al 2008;2000; Duncan and Hoffman 1981;Groot 1997;Rumberer,1987;Sloane, 2003;Sicherman 1991;Pecoraro, 2011;Hartog, 2000; Halaby 1994; Rubb 2003;Smith 1999;puerto 2007).Raising the average years of education in economy makes low-skilled workers more scarce there by raising their wages, while at the same time increasing the supply of highly educated workers , reduces their wages.(Tuelings and Van Ren 2002).

Very few literatures states that overeducation need not result in negative consequences always as it is also detrmind by the voluntary choice of some workers (Mavromas2010;Chevalier, 2003; Black, 2012; Verhaest ad Eddy Omey, 2008; McGuinness, 2007;).For instance a married women,may not bother her overeduccation and choose a locally available job nearby, which offers her more balanced time with her family. After marriage her income may serve only as a secondary income as the husband is dominated to be the primary earner in every family. Another instance may be a bank clerk whether male or female deliberately choose not to promoted as he/she will get transferred to a far away place or a person who got a better job offer in a foreign country may not want to leave his family or native place. Some other instance can be graduates who possess less confidence in their abilities deliberately choose a job which demands less (Chouler 2003).Voluntary overeducation also happens when workers have a strong preference for certain characteristics of the job like job security, more leisure time, lessstress, lessworkload, welfare benefits etc. All these effects may evoke job satisfaction in an

overeducated rather than dissatisfactions.

1.3 Overeducation in Kerala.

Kerala is a State known for its investment in education and health. The so called Kerala model of development has attracted many National and International attention. The State ranks high in human development index and literacy rates among all other States in India and has made commendable achievement in education and health. At the same time as a Paradox the State also ranks the highest in the unemployment rate among educated youth (Union Budget 2012). In a study conducted by the author of this paper it has been revealed that there is massive scale of overeducated people in both public and private sector jobs and the overeducation was higher among arts and science postgraduates, professional graduates and PHDs. The reason why they accept a less demanding job is that, there are no jobs available in their line of work, or even if available there were too many applicants or they are not considered to be industry ready by the corporates raising the questions on their employability quotients, or they may not be found to be properly experienced or with lack of language skills or commuting difficulties. Compounding to this, the figures of educated unemployed are getting worse that these graduates are in fact forced to accept what ever jobs that come on their way to prevent them from being unemployed. A recent news paper article (Indian Express 2013) reports an increasing number of professional graduates including IT graduates are applying for Kerala public sector lower division clerical jobs that at least they value a secure job, regular income and other non-monetary benefits offered by the Government jobs.

The attainment of education in general has been on an increase and the phenomenon of overeducation is experienced internationally. But as different from the international phenomenon overeducation in Kerala is critical among very highly educated and professional graduates. One basic reason for this phenomenon in Kerala is the expansion of higher education due to heavy subsidization of education by government, high expectation of today's youth, preference for government jobs (Tilak 2001), polarization of certain skills (Brynin 2002) in the labor market, demand not increasing commensurate with supply (Devasia 2005) etc.

Some studies observed overeducation to be a temporary problem especially at the entry level and gradually disappear as the worker gains experience and is promoted to next higher levels. But in Kerala the experience is diverse as the worker once accepted a job seemed to be stuck within that work where promotions are time bound or even nil in some cases. To cite some examples sales girls and boys possessing degree or postgraduate qualifications, Btech graduates taking up jobs where a mere diploma qualification is required or taking up a job which is extremely different from their line of work like a bank clerical job, MBA graduates working as door to door

sales executives etc. These graduates seem to get stuck in their job as they don't find any other opportunities coming on their way to quit their current jobs. All these professions are characterized by less scope or a slow pace of advancement. It is also observed that, despite being overeducated they explicitly seem to be contented with their jobs and never bothered about the fact that they are overeducated. And in fact a deeper analysis has shown that, with respect to the job content they are dissatisfied but they suppress their discontentment for the want of some extrinsic benefits received from the job (Rasheed and Wilson 2013). These extrinsic benefits may be in the form of job security, work life balance, a job near their home or native place, favorable work timings, worker benefits etc. Another reason for their job satisfaction is the realization of the fact that, when compared to their similar others they are not far behind. As per the equity theory people compare their position with that of others known as a reference group and their satisfactions or dissatisfactions and motivation to do work emanate from the mental health after such comparisons. In Kerala almost all overeducated graduates find their similar others also in same position and hence get contented with what they received.

Moreover a better financial position at home, the worker's personal or work values being met, less work pressure, lack of proper career orientation etc can also serve as some other factors compensating their overeducation. An overeducated graduate who has a good asset position at home may not bother his overeducation and may opt a locally available job to be engaged with.

1.4 Organizational work and wellbeing

There are certain values and motivations which help an employee to select a job and these values are empirically proved to correlate with well being and life satisfaction of an individual. While those values which discourage professionalism or skill utilization correlate with distress and dissatisfaction (Rice et al, 1985). Personal values and motivation to work can be intrinsic or extrinsic. Intrinsic satisfaction to a person occurs when he performs an action which he personally selects and is passionate about and hence genuinely enjoys, and helps him to further a fundamental life purpose. On the other hand extrinsic motivation is connected with the extrinsic benefits like money, grades, honors, avoidance of guilt or fear or impressing others. The extrinsic rewards pertain to the 'lower level' needs of 'Maslow's need hierarchy theory and is more focused towards maintaining an external image in terms of money, luxuries, influence, appearance etc. whereas intrinsic satisfaction leads to internal development, achievement, community improvement, self understanding, good social relationships etc. When intrinsic values and motivations dominate a person's choices they tend to experience personal satisfaction and well being while if opposite may develop an internal stress. Those intrinsic values and benefits make a

person more work oriented and productive. While presence of job characteristics has a beneficial effect on mental health where as its absence impairs it (Jan de Jonge and Wilmar 1998). Well being of an individual also results from self esteem, relatedness to others, autonomy, authenticity and competence. Fulfillment of any of these would reward a person with thriving wellbeing.

Different studies made with regard to overeducation concentrates on the antecedents and consequences of the phenomena and concentrates mainly on the impact on job satisfaction, career mobility, productivity, earnings etc. Certain studies have been made to examine the impact of work characteristics on employee well being. No study has so far concentrated on the impact of overeducation on the employee wellbeing. Hence a research gap has been identified. As such the present study has been carried out to 1) study the impact of objective and subjective overeducation on employee well being 2) Impact of job satisfaction on employee .

2.0 Research Methodology

The data was collected from the full time regular employees working in both public and private sector in the Service Industry of Kerala as it constitutes the dominant Industry in Kerala (HDR 2017). The sample size was 194 based on the standard deviation and estimation of means and comprises of 102 employees from public sector and 92 employees from private sector ranging between the ages of 21 and 49 years. The Organizations were randomly selected from the different areas in the service Industry like educational institutions, share broking, media, banks and government administrative offices. These areas were selected on the basis of ease of accessibility, proximity and convenience. Random sampling was then administered to select the employees from each of these Organisations. All the employees contacted were overeducated and includes very highly qualified lower primary school teachers to clerical staff.

Measuring Overeducation: An employee was considered overeducated if his educational level exceeds the required education level required for doing the job. The required education level is determined using worker Indirect Self-Assessment (ISA) method, asking the respondents the appropriate educational level for their job. Overqualification is then measured by comparing this level with the actual educational level possessed by the employees. These questions were asked in two ways: One way is to ask the respondents regarding the required level to do the job (Hartog and Oosterbeek, 1988). The second way is based on the question to the required level to get the job (Duncan and Hoffman; 1981). This method is chosen since it reflects the screening and selection behavior of employers (Verhaest and Omey 2006).

Subjective overeducation: Subjective Overeducation is the workers perception about the mismatch and their feelings associated with it. Several studies have explained that the consequence of overeducation is severe when the subjective overeducation is high. Jan de Jonge and Wilmer (1998) has substantiated that the job satisfaction derived with regard to different job characteristics are related with different indicators of employee-well being. The schedule of subjective overeducation is developed from secondary resources and expert opinion and is measured on a four item seven point scale.

Job satisfaction: The schedule for measuring job satisfaction is being developed after an exhaustive analysis of literature review and expert opinion. Both intrinsic and extrinsic factors were identified from the literature review to measure their overall satisfaction with the job. The intrinsic factors considered were extent of usage of skills, complexity, opportunity to learn new skills, stressfulness, challenge, autonomy, flexibility, variety of interests things to do, monotony, efforts required and promotional opportunities, the work itself, intention to quit. The extrinsic considered were job security, pay, work timings etc. All the variables were identified and validated using secondary resources and expert opinion.

Employee Well being

Well being is measured using the scale developed by WHO [WHO-QOL] which has been validated and adapted to the present context. The schedule consists of 25 questions measuring each of the five constituents of well being measured using a 5 point scale.

3.0 Data Analysis

It is observed that both objective and subjective overeducation does not exert much influence on well being of a worker. The employees were classified according to the degree of over education. There were employees who were overeducated by even five and seven years, but since the numbers were few, all employees are consolidated into four groups differing in degree of overeducation (Table 1). Majority were overeducated by two years and all employees who are overeducated more than four years are grouped under fourth group. And the wellbeing levels does not differ significantly between them ($p > 0.05$) (Table 1). Similarly for testing the impact of subjective over education with employee wellbeing, employees were classified according to their subjective feeling towards overeducation and three different levels were emerged. Employees possessing high, medium and low subjective overeducation. It was observed that majority of the employees do not have a high or low subjective overeducation but possess a medium subjective overeducation and the wellbeing score does not significantly differ between all the three levels of subjective overeducation ($p > 0.05$) (Table 2). This may be because majority employees doesn't

seemed to bother their overeducation explicitly due to the benefits derived from their current job. This is apparent when their intrinsic and extrinsic job satisfaction is been compared.

It was observed that employees possess a good extrinsic job satisfaction and a relatively low intrinsic job satisfaction (Table 3&4) and despite being overeducated the employees were generally satisfied with their jobs. This result tends to conclude that employees try to retain their jobs due to their preference for certain extrinsic benefits like job security, regular flow of income and other lifelong welfare benefits accompanying their current jobs. It is evident that employees value these nonmonetary benefits accrued from the job which plays a significant role in determining their mental health. To site an example, graduates who value a family life look for a job which offers them a balanced life. Such jobs may not be so rewarding in terms of earnings or may not be utilizing their skills fully, but rewarding in terms of a secure future, a better family and a social life (Jose -Gines Moria, 2007). Shorter commuting or a good social and co-worker network, less efforts required are some of the other reasons which pull back an employee from quitting the job for the want of a better match of job (Black 2012). Thus people alternatively are able to maximize their utility levels by satisfying their other aspirations in life through the available jobs. And this constitutes the reason why their well being levels are not affected by being in a lower level job than which they aspire for. This satisfaction can be obtained both from the work and non-work environment. And the organizational work which is a kind of human action (Rice et al 1985) is determined by the environment in which he is (Lewin 1951) and this constitutes the reason why their performance is not hindered.

Table 1. Impact of Objective Over-education on Well being

Degree of overeducation	N	Mean	SD	F - value	p - value
By 1 year	78	84.21	7.245	0.536	0.659
By two yrs	86	83.63	7.804		
By three yrs	16	87.25	6.606		
By four yrs	14	84.57	7.231		
Total	194	84.23	7.403		

Table 2. Impact of Subjective Over-education on Well being

Subjective Overeducation	N	Mean	SD	F - value	p - value
Low	112	84.48	7.256	1.788	0.173
Medium	58	85.24	6.583		
High	24	80.58	9.337		
Total	194	84.23	7.403		

Table 3.Extrinsic and Intrinsic job satisfaction

Extrinsic job satisfaction	Frequency	Percent	Intrinsic job satisfaction	Frequency	Percent
Poor	0	0	Poor	20	10.3
Average	64	33.0	Average	158	81.4
Good	130	67.0	Good	16	8.2
Total	194	100.0	Total	194	100.0

Above finding can also be substantiated through the following explanation. People anticipate certain outcomes from the environment in which they are. A person's decision to continue in his present state or not would depend upon the past, present and future expected outcomes. There are certain standards expected by every individual with regard to their aspirations, expectations, values, wants, needs, motives, social comparisons etc. The standards kept by each individuals with regard to all the above might be different. The difference between the standards and what they actually received will influence the mental state of an employee (Rice et al, 1985). For some their present state may be a fulfilled one but for other it may not. How much of these outcomes received by the persons would determine their perceived quality of life or well being. A person for whom money is not important may be not affected by a low pay but may be attracted to a job because of its non monetary benefits. The outcomes accrued to an employee can emanate from a good performance or just because an employee belongs to the member of that organization. For example the financial rewards accrued due to achievement of targets or high performance, improved productivity or low rates of absenteeism, incentives etc are of the first kind. Other outcomes like medical insurance, vacations, access to certain facilities etc are those benefits received by a person just because he is the member of a particular organization. These benefits are supplied in spite of whether a person has performed well or not. People would like to stay in those states where they experience a pleasant satisfactory outcome and would like to avoid such situations where they experience negative outcomes. They also compare their position with that of similar others and the consequent mental state has a significant influence on the general mental health of an employee. Generally people try to maintain positively experienced states and try to escape from negatively experienced states. It is not necessary that an adequately matched employee will be happy and would have a thriving well being because the job may not be a secured one or accompanied by mounting targets and high pressure of work load which may affect his mental health. Several studies indicated the relationship between job insecurity and the associated psychological distress, anxiety and depression and the consequent influence on work attitudes and behaviors (Rosenblatt et al., 1999) and psychological well being (Witte, 2010; Angeli Santos et al., 2012).

For the purpose of data analysis the level of wellbeing has been classified into thriving, average and poor well being. Majority of employees have an average wellbeing level. A significant result observed was that the Job satisfaction of employees positively and significantly correlates with the wellbeing (Table 4) which again validates the above explanation. Overeducation though creates some internal discontentment in the employees, get contended when they are able to satisfy their other aspirations or utility levels from the benefits obtained from the work and non-work environment. As regards the non-work environment a better financial position at home, the worker's personal or work values being met, more work life balance achieved, less work pressure, lack of a career ambition, a good social and co-worker relationship, alternate source of income etc can also serve as some other factors compensating their overeducation and hence not influencing the worker wellbeing. Well being of an individual also results from self esteem, relatedness to others, autonomy, authenticity and competence. A person will experience authenticity and integrity by being loyal to his deepest values and feel good about oneself. Fulfillment of any of these would reward a person with a good mental position and hence may not affect his wellbeing.

(Table 4). Correlation between well being and job Satisfaction

Job Satisfaction	Correlation	p - value
Extrinsic Job Satisfaction	0.264	0.009
Intrinsic Job Satisfaction	0.254	0.012

Moreover with regard to the performance or productivity of employees, as long as the organization for which a worker belongs to is able to fulfill his personal needs, he would try to reciprocate by performing well. It is true that more education always have the effect of raising the expectations of people and once if they are not able to achieve a desired job can result in adverse effects on employee. But this adverse effect can give away if their current job is able to fulfill their other aspirations in life like a government job, or enjoying more time with family etc (Artes et al, 2013). Overeducation seems to have a negative impact when a person compares his position with that of relative others. But in Kerala since almost all the individuals are overeducated and the phenomena is observed to be common everywhere, individuals see their similar others also in the same position. People themselves find some alternate ways to compensate their overeducation like engaging in some other activities like home tuitions, or working as freelance insurance agents or setting up a side business which can go hand in hand with their regular job. So on one side he is into a secured job even though he is overqualified, on the other hand he finds some ways to compensate himself for his overeducation. And hence they do not show any

decline in their performance or negative work attitudes which is contrary to what is mentioned in overeducation literatures.

4.0 Conclusion

To sum up it is observed that objective or subjective overeducation doesn't exert a significant influence on well being of employees. Overeducated people, any how would have some amount of subjective overeducation but the negative effects associated get nullified due to the other positive outcomes which they experience from their work and nonwork environment. As regards the work environment it is a matter of their personal and work values and motives being met, how they adjust with their work and how the presence of job attributes influence the utility derived by employees. As regards their non work environment their asset position at home, position and status in the society, alternate source of income, cultural values being satisfied, a good family and social relations, more leisure time, free from personal and psychological problems etc constitutes major factors. But even though this is the case, a closer analysis would throw light on to the hard earned human capital reaped after heavy investments which is being merely wasted, and the skills get deteriorated without being properly utilised. The intellectual capital possessed by these employees needs to be tapped to its fullest potential by redesigning and enriching their jobs so that their internal discontentment can be warded off. Underutilisation of skills may have the effect of lowering the economic well being of our Country. Since the reasons of overeducation can be largely attributed to the structural factors of the Kerala Economy measures have to be taken either to filter out only the needed talents for the market or devise policy policies to increase the job opportunities.

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AN EMPIRICAL STUDY ON HOW CULTURAL ORIENTATION SHAPES PURCHASE DECISIONS

* Dr. Debraj Datta

ABSTRACT

In the era of globalization, the barriers are fast breaking. With the help of technology and change in orientation towards life, people across various cities, regions, countries and continents are coming closer to each other in order to form an amalgamated culture. However, globalization does not necessarily mean the annihilation of individual culture. Even for a person living in current “global village”, it may be very difficult, if not impossible, to deny the roots embedded in his or her culture that consists of shared values, beliefs, attitudes, motivation, view towards life and interpretations of behaviours, which could be traced back for a time period that may range from hundreds to thousands of years. Subsequently, the purchase behaviour like any other behavioural orientation is heavily influenced by cultural orientations like linguistic ethnicity and religion in terms of rituals, occasions, amount of purchase, purchase decision-making pattern, information procession, comprehension of marketing communication and so on. Hence, for a company with globalization intent, it is imperative to understand the diversity of these profiles and then design the marketing-mix strategies accordingly. This paper studies consumer purchase pattern using Principal Component Analysis (PCA) and few other statistical tools to derive major factors and their impact on consumer buying pattern. This paper aimed to understand and fulfil people's needs and wants, which could result in bridging the great gaps in livelihood found across the regions and eventually paving the way for sustainable development with human face.

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INTRODUCTION

The main objective of this research paper is to understand the implication of marketing in a multicultural society. Culture is defined as “a combination of learned beliefs, values and customs that directs consumer behaviour in a specific society” (Ramesh 2004). The culture consists of shared values, beliefs, attitudes, motivation, view towards life and interpretations of behaviours. Cultures are made up of individuals, and there are reciprocal influence processes between individuals and cultures. Individuals grow up within a particular culture and are socialized in ways that internalize key aspects of that culture. The influences of culturally based experiences begin to influence and permeate our psychological natures at a very early age so that we become psychosocial individuals very early in life.

The paper presents empirical data from an ethnographic research conducted in Kolkata among different linguistic and religious groups keeping in mind the various age and gender profiles employing face-to-face interview methods. The research aims to make significant contributions to multicultural marketing knowledge domain applicable for Indian subcontinent, which is a queer mix of cultural diversity and unison.

LITERATURE REVIEW

Culture's consequences on consumer behaviour

The impact of culture as a powerful force in regulating human behaviour is so natural and automatic that only when we are exposed to people with different cultural values or customs we become aware of how culture has moulded our own behaviour (Schiffman and Kanuk 1997). The recognition of its importance has led to an increasing amount of research across cultures. More significantly, many studies have succeeded in establishing links between culture and consumer behaviour (McCracken 1986). A study by Wallace associates consumer behaviour directly with culture. He believes that culture is the all-encompassing force, which forms personality, which in turn is the key determinant of consumer behaviour (Wallace 1965). The main objective of numerous cross-cultural studies conducted in the past

was to make comparisons of behaviour between cultures (Gentry et al 1988). In these studies, differences were found in consumption patterns between people of various ethnic groups and various geographic subgroups that hold differing cultural values. The researches found differences in consumer behaviour aspects such as brand loyalty, novelty seeking and perceived risk across subcultures.

Cultural diversity and marketing

A number of scholars have stressed the significance of understanding the ethnic cultures and the associated cultural dimension to marketing (Penaloza and Gilly 1999). This is supported by a realization that the differences in ethnic aspirations and expectations are growing in size and this cultural heterogeneity has a strong impact on the purchase heuristics. It is for certain that the standardised mass marketing is a thing of the past and one needs to respond to consumer differences with differentiation and segmentation strategies. To address the issue, Burton (2000) proposed a conceptual framework to integrate ethnic identity and ethnicity into marketing theory and practice in the context of UK. The framework argued for:

- Greater understanding of the ways in which ethnicity and ethnic identity could be conceptualised,
- Operationalizing ethnicity to figure out the specific needs of ethnic minority consumers, and
- Adopting the marketing/services mix to satisfy those needs.

While the conceptual framework appears to be a good starting point, there remains a need to explore the role of marketing in a multicultural marketplace where the focus is beyond a simple understanding of the needs of some ethnic consumer groups, and modify the marketing mix accordingly since the cultural diversity of the marketplace influences most of the market transactions in terms of volume of purchase, preferred language and style of marketing communication, purchase occasion and so on. Thus a characteristic feature of a multicultural marketplace is the positioning of the marketers and consumers of different ethnic backgrounds into multiple and traversing cultural spheres (Penaloza and Gilly 1999). There is also evidence of social dissolution, extreme individuation of taste and consumption patterns and a fragmentation of collective meanings in such a marketplace (Firat and Schultz 1997). Marketers are increasingly confronted with issues that are related to the way

consumers continuously identify and re-identify themselves and the way marketers identify the market (Barber 1996). Some propose that marketing, in such a context, could be viewed as a cultural intermediary whose function is to produce new symbolic meanings and their interpretations (Elliot 1999). However, there is a lack of research on this topic considering Indian subcontinent although this region may be the most diverse in cultural interpretations. The current paper seeks to fill this gap with proper empirical evidence to support this theoretical proposition.

Ethnicity and consumption

Ethnicity implies many dimensions including “a sense of common customs, language, religion, values, morality, and etiquette” (Webster 1994). In simple terms, ethnicity can be viewed as a characteristic of racial group membership on the basis of some commonly shared features. However, many argue that ethnicity is also a process of self-identification whereby individuals define themselves and others into specific groups using ethnic labels (Rossiter and Chan 1998). At the individual level, the process of self-identification or ethnic identity is part of one's self concept which is based on his or her knowledge of membership in a social group(s) together with emotional significance and value that is attached to that membership. In other words, a person's ethnic identity involves one's sense of belonging to a group, as well as the feelings that go with being part of that group. In this sense, ethnic identity could be viewed as a complex psychological process that involves perceptions, cognition, affect and knowledge structures about how a person thinks and feels about himself and others in the society (Cuellar et al 1997). Maffesoli (1996) argues that consumers are actually joined together by strong emotional bonds such as the sharing of same tastes, habits, intellectual pursuits or participating in events like animal rights protests or anti-capitalism campaigns. According to Maffesoli, what unites an individual with the community is the ability to feel emotion together with others in the community and to share the same ambience. Membership of such a community transcends traditional cultural, national and race barriers.

Ethnicity in such a context becomes an image and a style that one can conveniently choose and adopt. A study on ethnic minority consumers in the USA emphasised the interdependence between consumption and ethnicity as moments in the ongoing

construction of personal and social identity and it also demonstrated how a consumer's personal and social identity could be constantly pulled in several directions at once, including class, race, and ethnic identification. The implications are that one can have multiple and co-existing identities that can influence one's buying behaviours, which are likely to be accompanied by both positive and negative affective feelings (Jamal and Chapman 2000). Further support comes from recent work that illustrated how the co-existence of consumers' mixed emotions or ambivalence becomes significant in the marketplace (Otnes et al 1997). Stayman and Deshpande (1989) made a related argument by suggesting that ethnicity is not just about one's identification with a particular ethnic group, but also about how strongly one identifies with that group in a particular situation. They concluded that persons in multicultural societies were likely to have a set of ethnic and other identities that might be differentially salient. In other words, the ethnic consumers are expected to have multiple selves whereby they act differently in different situations and with different individuals (Markus and Kunda 1986). On the basis of this, Donthu and Cherian (1994) cited the example of some Hispanics in America who behaved very much like the mainstream population all the year round except while celebrating Cindo de Mayo or while visiting a Hispanic restaurant with family and friends.

Cultural influence on information sharing pattern

Information sharing is defined as the extent with which individuals transmit information to others about consumption domains. It looks at the degree to which individuals share information or involve the people around them in their search for information on consumption and buying behaviour. It is also dependent upon social ties and social influence. People in a closely-knit group will be more inclined to share information with the people around them as compared to those who are individualistic. He conducted a study on Jewish ethnicity and information seeking and processing, which suggested that a person of Jewish ethnicity would exert a stronger effect on a fellow Jew's behaviour compared to the non-Jews since a Jew is thought to be born into a culture and religion, and is therefore expected to adhere to the ethnic dimensions. Because of this common identity, they are more collectivistic than non-Jews. It was found that the Jewish subjects indeed differed significantly

from non-Jewish subjects in information seeking, product information transfer and cognitive characteristics relevant to consumption information processing. This is consistent with the premise that culture is one of the determinant factors in information sharing. Similarly, Webster (1994) concluded that ethnic identification, which resulted in a more collective identity, had a significant effect on information search patterns as the respondents sought the advice of family members and other members of the in-group before they made any purchases. Therefore, information sharing is a consumer behaviour that differs across cultures, depending on the propensity to share such information.

PROBLEM FORMULATION AND HYPOTHESES

Human behaviour is largely the result of a learning process and as such individuals grow up learning a set of values, perceptions, preferences and behaviour patterns as the result of socialisation both within the family and a series of other key institutions (Kotler 1993). From this people develop a set of values, which determine and drive behavioural patterns to a very large extent. Values include achievement, success, efficiency, progress, material comfort, practicality, individualism, freedom, humanitarianism, youthfulness and practicality (Schiffman and Kanuk 1998). This broad set of values is then influenced by the subcultures like ethnic and religious groups, all of which exhibit degrees of difference in ethnic taste, cultural preferences, taboos, attitudes and lifestyle. So the first hypothesis of the research problem:

H1: There is strong influence of linguistic ethnicity and religious culture on purchase volume

Language is particularly culturally based. Even when a language is shared across cultures, there will be differences according to the local culture, differences between accents or dialects and choice of words of in various places are clearly understandable. The language has obvious influence in reception and comprehension of marketing communication. Different linguistic ethnicity may have different cultural backgrounds, which could have influence on the family structure, socio-

economic status and heuristics. Hence, the next hypotheses are:

H2a: There is association between linguistic ethnicity and type of purchase decision-making

H2b: There is association between linguistic ethnicity and family structure

Religious rituals and beliefs are universal features of social life. By their nature, religious beliefs tend to motivate other aspects of human behaviour beyond those, which would strictly be considered to be of religious concern. While the institutional structures which promote most of the major religions have taken on in their periods of rapid growth, many other beliefs and practices that have little relation to the core religion used to help a given institution to accommodate the political and social realities of its host cultures. On one hand, the ubiquity of religion seems to argue for some innate “religious instinct”, while on other hand the diversity of religious forms and the frequent conflicts among them seem to argue that religion is more a socially acquired characteristic of human life. Diversity of religious groupings set up different cultural backgrounds, which influence the socio-economic structure, attitude level and subsequently purchase heuristics. Hence, the next hypotheses are:

H3a: There is association between religious culture and type of purchase decision-making

H3b: There is association between religious culture and family structure

METHODOLOGY

Context of study

This study is based on an ethnographic research carried out in Kolkata. The city was chosen due to its century-old history of attracting different cultural groups from different parts of India. The city also had a successful history of ethnic minority participation in owning and managing a wide range of businesses.

Aims and objectives

The study aimed to investigate the purchase decision-making and nature of consumption of various ethnic groups different from each other in linguistic and

religious orientations. The objective was to investigate the factors important while taking one purchase decision.

Participants of the study

For the survey, the respondents were chosen from three linguistic groups viz. Bengalis, Marwaris and Gujarati and three religious groups viz. Hindus, Muslims and Jains.

Ethnographic profile:

The Bengali people can trace their ancestry to the early Indo-Aryans, as well as the indigenous Austro-Asiatic Munda inhabitants of Bengal and Bihar (descendants of the Proto-Australoids), the Assamese and Sino-Tibetan inhabitants of North East India, and the Dravidians from South India. They speak Bangla (or Bengali), a language of the Eastern branch of the Indo-Aryan branch of the Indo-Iranian languages.

Marwaris referring to a community of entrepreneurs are a group of Indo-Aryan people from the Marwar region of Rajasthan in India. Historically, Marwaris belong to the ancient Vedic Kshatriya community. During the middle and late Mughal period they started diversifying from their warrior culture into other occupations such as commerce, finance and industrial manufacturing. Traditionally, they are known to speak the Marwari (or Marrubhasha) language, which is a language belonging to the Sanskritic subgroup, of the Indo-Aryan branch, of the Indo-European language family written in Devanagari script although many Marwaris today are more comfortable in Hindi.

Gujaratis are believed to have some connection etymologically to "Gurjiya", the Persian name for Georgia, asserting that they were a Georgian contingent affiliated with the Hephthalites who invaded India and settled in Gujarat by 600 CE. The other scholars hold that "Gujar" or "Gujjar" is the Indic term for Khazars who have invaded historic North Western India (the former Indus Valley region) what is now Gujarat and Punjab in North Western India and Pakistan. Gujaratis speak in Gujarati, which is an Indo-Aryan language, part of the greater Indo-European language family, which is written using the Gujarati script, an abugida (alphasyllabary) very similar to

Devanagari, but without the characteristic horizontal line (*matra*) running across the top of the letters.

A 3 (Linguistic ethnicity: Bengalis vs. Marwaris vs. Gujaratis) * 3 (Religion: Hindus vs. Muslims vs. Jains) * 5 (Age: 18-25 vs. 25-35 vs. 35-45 vs. 45-60 vs. above 60) * 2 (Gender: males vs. females) mixed design will be used in order to test whether any consumption scale could be found out. For this, a sample of 700 respondents comprising Bengalis, Marwaris and Gujaratis was chosen to give response to 43 statements (refer Appendix I) on 5-itmes Likert Scale (1=Strongly disagree to 5=Strongly agree. While selecting, equal weightage was given for 5 age groups viz. 18-25, 25-35, 35-45, 45-60 and above 60, whereas the male-female ratio was kept at 3:2. The detailed breakup is given below:

Bengalis	Hindus										Muslims										Total
	200										100										300
	Age1	Age2	Age3	Age4	Age5	Age1	Age2	Age3	Age4	Age5											
	40	40	40	40	40	20	20	20	20	20											
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F			
	24	16	24	16	24	16	24	16	24	16	12	8	12	8	12	8	12	8	12	8	
Marwaris	Hindus										Jains										Total
	125										75										200
	Age1	Age2	Age3	Age4	Age5	Age1	Age2	Age3	Age4	Age5											
	25	25	25	25	25	15	15	15	15	15											
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F			
	15	10	15	10	15	10	15	10	15	10	9	6	9	6	9	6	9	6	9	6	
Gujaratis	Hindus					Jains					Muslims					Total					
	120					60					20					200					
	AgeGroup1	Age2	Age3	Age4	Age5	Age1	Age2	Age3	Age4	Age5	Age1	Age2	Age3	Age4	Age5						
	24	24	24	24	24	12	12	12	12	12	4	4	4	4	4						
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M		F	M	F	M	F
	15	9	15	9	15	9	15	9	15	9	7	5	7	5	7		5	7	5	7	5

[Age1: 18-25; Age2: 25-35; Age3: 35-45; Age4: 45-60; Age5: above 60; M: Males, F: Females]

The reason for selecting stratification sampling is to have an unbiased sample in terms of representation from the cultural groups being considered. The primary objective is to understand whether people incorporate cultural identity in their purchase decision-making. This process is quite complex and involves various factors like information processing, occasion of purchase, occupation, socio-economic structure etc. The research aims to find out whether people from the selected cultural groups identify some important factors of purchase decision-making, which could be used later to understand the degree of heterogeneity in purchase heuristics among them based on cultural differences.

Second part of analysis was carried out to understand the influence of cultural heterogeneity in terms of linguistic ethnicity and religion on purchase decision-making. For this, a sample of 1000 people having annual income of 2-10 lakhs from the same three linguistic groups was chosen equally. Like the first part of research, equal weightage was given for 5 age groups viz. 18-25, 25-35, 35-45, 45-60 and above 60, whereas the male-female ratio was maintained at 3:2. The detailed breakup is given below:

Bengalis	Hindus										Muslims										Total
	250										150										400
	Age1	Age2	Age3	Age4	Age5	Age1	Age2	Age3	Age4	Age5											
	50	50	50	50	50	30	30	30	30	30											
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F			
30	20	30	20	30	20	30	20	30	20	18	12	18	12	18	12	18	12	18	12		

Marwaris	Hindus										Jains										Total
	200										100										300
	Age1	Age2	Age3	Age4	Age5	Age1	Age2	Age3	Age4	Age5											
	40	40	40	40	40	20	20	20	20	20											
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F			
24	16	24	16	24	16	24	16	24	16	12	8	12	8	12	8	12	8	12	8		

Gujaratis	Hindus					Jains					Muslims					Total				
	150					100					50									
	Age1	Age2	Age3	Age4	Age5	Age1	Age2	Age3	Age4	Age5	Age1	Age2	Age3	Age4	Age5					
	30	30	30	30	30	20	20	20	20	20	10	10	10	10	10		300			
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M			F	M	F
18	12	18	12	18	12	18	12	18	12	12	8	12	8	12	8	12		8	6	4

[Age1: 18-25; Age2: 25-35; Age3: 35-45; Age4: 45-60; Age5: above 60; M: Males, F: Females]

The respondents for both the analyses were selected on the basis of the authors' social relations in all the communities, and also by “snowballing” technique with the help of students belonging to those cultural groups. The selection was strictly made to conform to the pre-selected stratification according to linguistic ethnicity, religion, gender and age group.

Sampling Method

The respondents for both the analyses were selected on the basis of the authors' social relations in all the communities, and also by “snowballing” technique with the help of students belonging to those cultural groups. The selection was strictly made to conform to the pre-selected stratification according to linguistic ethnicity, religion, gender and age group.

Data collection

Data were collected by face-to-face conversation with the aid of questionnaires (refer Appendix I & II).

Method of data analysis

For the first part of the analysis, factor analysis was used to find out major cultural components in purchase decision-making required to find CARPH (Cultural Attributes Related to Purchase Heuristics) scale. Cronbach's alpha for CARPH scale was found out to test the reliability of the scale.

For the second part of the analysis, Multinomial Logistic Regression was run between Linguistic ethnicity, and Religion as Independent Variables and Purchase

volume as Dependent Variables to find out whether data are consistent with the model assumptions by goodness-of-fit test, whether the model fits the data better than a null model and the contribution of each effect to the model by Likelihood ratio tests, variation explained by the model by pseudo r-square statistics (Cox & Snell etc.) and practical results of using the multinomial logistic regression model by Classification analysis.

Chi-square was used to test the independence of religion and linguistic ethnicity with Purchase decision-making pattern, Family structure and Type of profession of Chief Wage Earner (CWE). Various measures of association like Cramer's V and Contingency Coefficient were used out to test the strength of association between the attributes.

In order to test the hypotheses, ANOVA was primarily used along with Levene test of homogeneity of variances and various post-hoc tests like Scheffé for Equal Variances Assumed and Tamhane's T2 for Equal Variances Not Assumed, as and when applied.

DATA ANALYSIS

Construction of scale by Factor Analysis

Factor analysis selections produce a solution using principal components extraction, which is then rotated for ease of interpretation. Components with eigenvalues greater than 1 are saved to the working file. We will first examine the necessity of Factor analysis.

Bartlett's test of sphericity (Approx. Chi-Square=7640.68, df=903, $p < .05$) is significant implying that the variables are correlated in the population so that further data reduction is necessary. The very high value (=0.861) of Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy indicates that the Factor analysis is appropriate. High communalities indicate that the extracted components represent the variables well.

[Insert Table 1]

The extracted components explain nearly 88% of the variability in the original ten

variables, so we can considerably reduce the complexity of the data set by using these components, with only a 12% loss of information. The rotated component matrix helps to determine what the components represent. The results are as mentioned below.

- The first component is most highly correlated with statements 3,13,16,32,37 and 43. So it can be named as “Preferred language of advertising message”.
- The second component is most highly correlated with statements 2,20,24,29,31,38. So it can be named as “Purchase decision-making pattern”.
- The third component is most highly correlated with statements 4,7,12,15,42. So it can be named as “Family structure”.
- The fourth component is most highly correlated with statements 5,8,10,17,25,33,40. So it can be named as “Purchase influencers”.
- The fifth component is most highly correlated with statements 1,6,11,14,19,22,28,35,39. So it can be named as “Preferred style of marketing communication”.
- The sixth component is most highly correlated with statements 18,21,23,27,30,36. So it can be named as “Type of profession of CWE (Chief Wage Earner) of the family”.
- The seventh component is most highly correlated with statements 9,26,34,41. So it can be named as “Purchase occasion”.

[Insert Table 2]

Influence of linguistic ethnicity and religious culture on purchase volume

The Pearson (Chi-Square=14.719, df=18, $p>.05$) and deviance (Chi-Square=15.381, df=18, $p>.05$) statistics used as goodness-of-fit test in the Multinomial Logistics Regression model to examine the influence of linguistic ethnicity and religious culture on purchase volume support the null hypothesis that the data are consistent with the model assumptions. The likelihood ratio tests the model (Final) against one in which all the parameter coefficients are equal to 0 (Null). The chi-square statistic (=76.164, df=8, $p<.05$) as the difference between the -2 log-likelihoods of the Null and Final models concludes that the Final model is outperforming the Null. The

likelihood ratio also tests the contribution of each effect to the model. The chi-square statistic as the difference between the -2 log-likelihoods of the Reduced model and the Final model for both linguistic ethnicity (Chi-Square=43.221, df=4, $p<.05$) and religion (Chi-Square=9.721, df=4, $p<.05$) shows that both of them contribute to the model. Moderate value of pseudo r-square statistics (Cox and Snell=.224, Nagelkerke=.256) indicates that the model explains significant amount of variation. The classification analysis has found out that overall, the model classified 54.7% of the cases are correctly.

So, we should accept H1: There is strong influence of linguistic ethnicity and religious culture on purchase volume

Influence of linguistic ethnicity on purchase heuristics

Influence of linguistics ethnicity on purchase decision-making pattern, family structure and CWE profession

Chi-square test (=99.543, df=8, $p<.05$) rejected the hypothesis that the linguistic ethnicity and purchase decision-making pattern are independent to each other. The symmetric measures (Cramer's V=.407, Contingency Coefficient=.499) found out quite significant association between linguistic ethnicity and purchase decision-making pattern.

So, we should accept H2a: There is association between linguistic ethnicity and type of purchase decision-making.

Chi-square test (=137.52, df=8, $p<.05$) rejected the hypothesis that the linguistic ethnicity and family structure are independent to each other. The symmetric measures (Cramer's V=.479, Contingency Coefficient=.561) found out quite significant association between linguistic ethnicity and family structure.

So, we should accept H2b: There is association between linguistic ethnicity and family structure

Influence of religious culture on purchase heuristics

Influence of religion on purchase decision-making pattern, family structure and CWE profession

Chi-square test ($=59.365$, $df=8$, $p<.05$) rejected the hypothesis that the religion and purchase decision-making pattern are independent to each other. The symmetric measures (Cramer's $V=.315$, Contingency Coefficient $=.406$) found out quite significant association between religion and purchase decision-making pattern.

So, we should accept H3a: There is association between religion and type of purchase decision-making.

Chi-square test ($=100.385$, $df=8$, $p<.05$) rejected the hypothesis that the religion and family structure are independent to each other. The symmetric measures (Cramer's $V=.409$, Contingency Coefficient $=.501$) found out quite significant association between religion and family structure.

So, we should accept H3b: There is association between religion and family structure

DISCUSSIONS AND CONCLUSIONS

From the Factor analysis, CARPH scale was constructed. The components are:

1. Preferred language of advertising message: It signifies the language that the customers want for the advertisements of the products. The options for this component are English, Combination of Hindi and English, Hindi, Vernacular and Nothing
2. Purchase decision-making pattern: It signifies how a decision takes place before purchase of a product. The decision could be taken by individual who is the main earner of the family (CWE-Chief Wage Earner). Or the housewife may take decisions considering that she is the charge of family. This is described as Individualistic-NFN (Non-earning Family Nucleus). The decisions may also be Consultative (i.e. the decision-maker is open to other's views and opinions), Participative (i.e. all the members of a family jointly take a decision) and Free Reign (i.e. each member is free to take own decision).

3. Family structure: Different cultures tend to have different family structures due to different socio-economic compulsions. The family may be Nuclear family with no kid, Nuclear family with kid/s, Joint family of family of procreation with family of orientation, Joint family of siblings or any other type (like NRI, hostel/PG stay etc)
4. Purchase influencers: Different factors like Friends/Family members, Retailers, Advertisements and/or Past experience may influence purchase decision-making or for some people nothing could relay influence to make a particular purchase decision.
5. Preferred style of marketing communication: The style of marketing communication may vary from Conservative maintaining Indian tradition and taboos to Very much open using provocative elements, Humourous/Satiric to degrade and attack the competitors, using the charisma of celebrities (film/sports/others) and Informative.
6. Type of profession of CWE (Chief Wage Earner) of the family: Different ethnic groups tend to have inclinations for different occupations, which can be Govt. service, private/corporate, academics, self-employed with professional qualification (doctors/lawyers/ consultants) and business.
7. Purchase occasion: There may not be any fixed purchase occasion or people buy before and during own national festival (e.g. Durga Pujo Bengali Hindus and Bengali New Year for all Bengalis), other Indian festivals (e.g. Bengalis buying golden ornaments during Dhanteras, a festival of Marwaris, Gujaratis and North Indians), global festivals (English New Year) etc.

Hence, the “cultural marketers”, a term being used to refer to all those marketers who want to consider the multi-ethnic profiles of customers should consider the above issues since various culture groups may differ in their purchase heuristics that could

be evident from their aggregate CARPH scores. Integrated Cultural Orientation Spectrum (ICOS) for each ethnic group is required to be found out in order to have a macro-level understanding of any culture.

The study found out that there is strong influence of linguistic ethnicity and religious culture on purchase volume and there is interaction among them. There is strong association between linguistic ethnicity and type of purchase decision-maker, family structure and type of profession of CWE. Now results from the study on the influence of linguistic ethnicity on *Overall Purchase Heuristics (OPH)* based on the CARPH scores found out that the Marwaris and Gujaratis do not statistically differ in OPH whereas Bengalis differ significantly from both of them. So we may conclude that Marwaris and Gujaratis are relatively closer to each other in purchase heuristics although they are linguistically different whereas Bengalis are far apart from them. The influence pattern of inter-linguistic group similarity or dissimilarity differs for different religions. The study found out that the Marwari and Gujarati Hindus do not statistically differ in OPH although Bengali Hindus differ significantly from both of them whereas total average CARPH scores are equal across Muslims and Jains of different linguistic ethnic groups. So we may infer that Muslims and Jains exhibit much more pan-religious pattern while purchasing inspite of linguistic differences (i.e. ICOS of these two religious groups is congruous irrespective of linguistic differences) whereas Hindus differ markedly in rituals, attitudes and overall purchase heuristics for different linguistic ethnic groups although this difference is more significant for Bengalis and Marwaris or Bengalis and Gujaratis and insignificant for Marwaris and Gujaratis (i.e. ICOS of Hindu Bengalis is different from that of Marwari and Gujarati Hindus whereas the later two are more congruous in nature).

There is strong association between religion and type of purchase decision-maker, family structure and type of profession of CWE as well. Now results from the study on the influence of religion on *Overall Purchase Heuristics* based on the CARPH scores found out that the Muslims are quite different in purchase decision-making from Hindus and Jains whereas Hindus and Jains are more culturally congruous in purchase heuristics.

So, we may infer that a consumer's identity is construed of individual and group elements. By individual, we mean to interpret that the every individual is ideally not the same as that of others and hence the focus of the target marketing is further shifting from local basis to individual customer basis in the form of customised and personalised marketing. The group elements signify the presence of various groups where we belong to, which could be socio-cultural groups like ethnicity, religion, gender, age etc. As members of a particular group, people exhibit same type of behaviour, better known as "herd instinct". So a customer's group identity resembles onion shells, being made of concentric circles of Purchase Heuristics Critical Factors (PHCF) corresponding to group characteristics. These groups create structures of motivation, perception, learning, beliefs, attitude, goals, risk-taking ability and heuristics. The levels of interplay between factors create many possible combinations, which pave the way for as many segmenting and positioning options. And with this opportunity, marketers face uphill tasks to identify and put a customer in a proper profile. For example, in our study, the combinations of linguistics ethnicity (3 groups considered), religion (3 groups considered), gender (2 groups considered) and age (5 groups considered) generate 90 combinations with possibly different cultural profiles, aspirations and purchase heuristics making the job very difficult for the marketers. The degree of difficulty in culture-centric marketing gets complicated further since the groups may overlap or may be clearly distinguishable depending on degree of congruity between them. Some groups are very close to each other such as Marwaris and Gujaratis irrespective of age and gender and also Muslims and Jains irrespective of linguistic differences. Hindus differ markedly in rituals, attitudes and overall purchase heuristics for different linguistic ethnic groups although this difference is significant for some groups (e.g. Bengalis and Marwaris or Bengalis and Gujaratis) and insignificant for certain groups (e.g. Marwaris and Gujaratis). Hence, irrespective of same religious belongingness, Hindu Bengalis mostly purchase in *Durga Pujo*, *Kali Pujo*, *Bhai Phota*, *Nawboborsho* whereas Marwaris prefer to buy most in *Dhanterash* (especially ornaments), *Diwali*, *Jhulan*, *Raksha Bandhan* and Gujaratis utilise *Navratri* and other festivals observed by Marwaris. The difference is so marked that Bengali Hindus buy crackers in *Kali Pujo* and body colours like *aabir* in colour festival of Dol (started by Sri Chaitanya Dev in

Nabadwip town of Bengal 500 years ago as part of liberal *Baishnab* movement) whereas Marwaris and Gujarati Hindus observe the same occasion as *Diwali* and *Holi* (observed as the commemoration of killing of Holika demon-the totally different cultural context form *Dol*) on the next days. Thus same cracker and colour festival within the same religion have different cultural contexts, expressions and observing days for different linguistic groups. Hence, “culture marketers” need to identify these subtle differences for various groups they are targeting for. The corresponding marketing-mix strategies including advertising message, marketing style, use of socio-culturally significant icons, language of Integrated Marketing Communication (IMC) and the media planning should thereby be researched, outlined, prepared and delivered in a manner keeping in mind the end consumers' cultural profiles related to purchase heuristics. But this complex marketing strategising will not be so much required for Muslims and Jains since they are more or less congruous in purchase heuristics irrespective of linguistic ethnicity, gender and age. Moreover, Jains, who are normally Gujaratis and Marwaris resemble very much with Hindus of same linguistic groups in terms of rituals, food habits, life style and occupational pattern (most of them are small-time traders, businessmen and industrialists). Since there is strong association between religion as well as linguistic ethnicity and type of purchase decision-maker, family structure and type of profession of CWE as well, the overall marketing-mix in terms of advertising style, pricing and product features must consider the cultural differences.

Hence, for a company that wants to do business in Indian subcontinent has to understand the diversity of cultural profiles. The subcontinent may be thought of “Culture Mosaic” or “Culture Chequerboard” with so many different profiles but with an underlying thread of cultural congruity among them formed as a result of thousand years of cultural assimilation process. The authors want to propose some ICOS zones, which are different from each other although there is underlying cultural thread that signifies the particular ethnographic orientation of the subcontinent. It is to be understood that these zones are not absolute homogeneous in nature. There are some significant variations in dialects, rituals, life styles for different geographical areas; but these intra-cultural variations do not offset the overall macro-level congruity for a particular group. The zones are:

1. Eastern Paddy Basin: It comprises of 3 major subgroups viz. Bengalis, Oriyas and Assamese covering West Bengal, Orissa and Assam of India and Bangladesh. The population is around 250 million who have river-centric paddy (and jute) cultivation oriented culture (for example, West Bengal produced 14.8 million tons of paddy out of 16.1 million tons of overall food grains production in 2005), eat rice and fish, speak in very close languages (even the scripts are almost same for Bangla and Assamese) and have very close rituals (like *Nabanna* in Bengal and *Bihu* in Assam-both for new crop).
2. Sub-Himayalan Range: It comprises North East India (excluding the three predominantly Sylheti, the Bangla dialect-speaking districts of southern Assam viz. Silchar, Karimganj, and Hailakandi and also Bangla speaking Tripura), Sikkim, Nepal and Bhutan. Although languages differ from Nepali to Naga and also Religion from Hindu (e.g. Nepal) to Christian (e.g. Mizoram), the food habit and life style resemble to each other due to same geographical and climatic conditions.
3. North-Middle Cow Belt: This zone covers the vast area of North and Middle India including Bihar, UP, MP, Uttaranchal, Chattishgarh, Punjab and Haryana in which a significant portion may be sub grouped as Hindi Hinterland for Hindi as predominant language. The climate is more extreme, food is mostly wheat and milk; rituals also vary significantly from the above two zones.
4. Western Part: The zone consists of Maharashtra, Gujarat and Rajasthan, where people speak in close languages, are mostly vegetarian and have a history of cultural mingling for over the last centuries. The people mostly are traders and the farmers of sugarcane and cotton.
5. Deccan Distinctive: The four South Indian states (Karnataka, AP, Tamilnadu and Kerala) and Sri Lanka exhibit this culture, which is significantly different from the above three zones mainly because of presence of Vindhya mountain range acting as geographical, cultural and perceptual barrier of North and South India. The food habit is mostly vegetarian with queer items (e.g. dosa, idli, vada) cooked in utter delicacies (although Keralites eat fish mostly due to its river-centric culture resembling the first zone), dressing is different (e.g.

vesthi as ethnic dress significantly different from *dhoti* of North India) and the religious occasions and rituals are also wide apart from Northern Indian counterparts.

The so-called national boundaries, conflicting political interests and even some brutal wars and ongoing political tension could not wipe the macro-level similarity in various contiguous areas and geo-political blocs such as SAARC, LDC, Cotton 4, APC, African Group, NATO, ASEAN etc. The economy is the great leveller and with proper understanding of cultural psyche of each other, the entire world with all its nations, tribes, castes, ethnic groups and religions can really march toward a better and more prosperous tomorrow. The true globalization must take into account the holistic development with human face that would obliterate the great divide which could still be found across regions. Along with others, corporates must also take socially responsible and humanistic steps to usher that age. Honest and proper understanding of influence of cultural heterogeneity on purchase heuristics and subsequent customization of marketing-mix and other relevant business strategy should be construed as the first step towards achieving that.

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Appendix-I

Questionnaire for 1st Survey

Name of the Respondent: Contact No:

Gender: Male Female **Ethnic Group:** Bengali Gujarati Marwari

Religion: Hindu Muslim Jain **Age:** 18-25 25-35 35-45 45-60 >60

Give your comment on the following statements as per the 5-itmes Likert Scale as below.

1. Strongly disagree, 2. Disagree, 3. Neither agree nor disagree, 4. Agree, 5. Strongly agree

- 1) Most of the advertisements are meaningless _____
- 2) You cannot think of taking any family decision without consulting other family members _____
- 3) You are not bothered about the language of the advertising _____
- 4) You do not like to stay with your relatives _____
- 5) You are not influenced by others while buying something _____
- 6) Many advertisements are more for style than for content _____
- 7) There are many facilities if somebody stays in joint family _____
- 8) Your purchase does not follow any systematic pattern; rather it is a spontaneous and sporadic process _____
- 9) The volume of purchase is same all throughout the year _____
- 10) You believe in experiential learning _____
- 11) Some advertisements are very enjoyable for the storyline and visuals _____
- 12) It is very much enjoyable to live in joint families _____
- 13) You prefer English in advertising since it is the International lingua franca _____
- 14) You like certain advertisements for the presence of some celebrities you like _____
- 15) There is much more independence in staying alone _____
- 16) Hinglish-a combination of Hindi and English is most suitable _____
- 17) You take others' advice and suggestions before any purchase _____
- 18) You consider service as modified form of slavery _____
- 19) You do not like those advertisements which exhibit vulgarity _____
- 20) You believe women should take decisions regarding household affairs _____
- 21) You believe that the self-employment is the backbone of nation _____

- 22) Humourous advertisements are remembered for years _____
- 23) You consider business is a very risky profession _____
- 24) Too much of democracy could bring anarchy in even family matters _____
- 25) You are influenced by advertisements while purchasing _____
- 26) You purchase at your convenience _____
- 27) Business is one of the dirtiest professions _____
- 28) You want for information from the advertisements _____
- 29) You recognise the presence of “pester power” i.e. the influence of children in decision-making even for non-kid products in your family _____
- 30) You prefer job security rather than opulence in your life _____
- 31) All the family members should jointly take any purchase decision _____
- 32) You think that local language must be given preference in business communication _____
- 33) You do not consider any family or social gathering to be a good source of knowledge required for any purchase _____
- 34) You purchase more before and during your national festivals _____
- 35) Some punch lines are so catchy that it is worth to remember them _____
- 36) You want to be job provider rather than job seeker _____
- 37) You consider Hindi to be appropriate in advertising since it is more or less accepted language in India _____
- 38) You strongly believe that the main wage earner should have final say in any kind of purchase _____
- 39) You like the satiric competitive advertisements _____
- 40) You think the shopkeepers are the most trustworthy people to know about a product _____
- 41) You also purchase significantly in other festivals _____
- 42) It is better staying alone rather than staying in a joint family in order to maintain healthy relationship _____
- 43) Vernacular must be given preference in all sorts of marketing communication since it is easily understandable _____

Appendix-II

Questionnaire for 2nd Survey

Name of the Respondent: Contact No:

Gender: Male Female **Ethnic Group:** Bengali Gujarati Marwari

Religion: Hindu Muslim Jain **Age:** 18-25 25-35 35-45 45-60 >60

- 1) What is your most preferred language of advertising message? [Tick the right option]
 English; Combination of Hindi and English; Hindi; Vernacular;
 Nothing
- 2) Who makes decisions at the time of purchase? [Tick the appropriate option]
 Main earner; Housewife; Consultative; Participative;
 Free Reign
- 3) What is the structure of your family? (Tick the right option)
 Nuclear family with no kid; Nuclear family with kid/s; Joint family of
 family of procreation with family of orientation; Joint family of siblings;
 any other type (please specify _____)
- 4) Who/which influence you when you take purchase decisions? [Tick the right option]
 Friends/Family members; Retailers; Advertisements; Past
 experience
- 5) What should be the preferred style of marketing communication process? [Tick the right
 option]
 Very much open using provocative elements; Humourous or Satiric;
 using the charisma of celebrities; Informative
- 6) What is the profession of CWE (Chief Wage earner) of your family?
 Govt. service; private/corporate; academics; self-
 employed with professional qualification; business
- 7) What is the time or occasion when you mostly purchase the products?
 No fixed occasion or people; Own national festival; Other
 Indian festivals; Global festivals

TABLES

TABLE 1

	Initial	Extraction		Initial	Extraction		Initial	Extraction		Initial	Extraction
St_1	1.000	0.888	St_12	1.000	0.932	St_23	1.000	0.923	St_34	1.000	0.892
St_2	1.000	0.957	St_13	1.000	0.843	St_24	1.000	0.954	St_35	1.000	0.914
St_3	1.000	0.940	St_14	1.000	0.879	St_25	1.000	0.932	St_36	1.000	0.874
St_4	1.000	0.957	St_15	1.000	0.792	St_26	1.000	0.893	St_37	1.000	0.881
St_5	1.000	0.856	St_16	1.000	0.856	St_27	1.000	0.983	St_38	1.000	0.915
St_6	1.000	0.752	St_17	1.000	0.962	St_28	1.000	0.852	St_39	1.000	0.924
St_7	1.000	0.854	St_18	1.000	0.932	St_29	1.000	0.876	St_40	1.000	0.968
St_8	1.000	0.965	St_19	1.000	0.982	St_30	1.000	0.986	St_41	1.000	0.886
St_9	1.000	0.783	St_20	1.000	0.854	St_31	1.000	0.984	St_42	1.000	0.881
St_10	1.000	0.924	St_21	1.000	0.832	St_32	1.000	0.768	St_43	1.000	0.944
St_11	1.000	0.921	St_22	1.000	0.958	St_33	1.000	0.962			

Extraction Method: Principal Component Analysis

TABLE 2

Rotated Component Matrix *

	Component						
	1	2	3	4	5	6	7
VAR00001	-.355	-.372	-3.78E-02	.291	.730	8.508E-03	-1.78E-02
VAR00002	.480	.763	.266	.111	-.205	.115	6.028E-02
VAR00003	.805	6.134E-02	.322	4.011E-03	.300	-3.18E-02	.274
VAR00004	-.153	-8.58E-02	-.954	.103	5.350E-02	8.235E-02	-.133
VAR00005	.254	.423	3.690E-02	.806	-.113	-.133	-.152
VAR00006	-.421	4.183E-02	7.124E-02	.268	-.839	8.035E-02	-7.69E-02
VAR00007	.456	.125	.894	-.129	2.388E-04	5.568E-02	-3.02E-02
VAR00008	.169	.293	4.432E-02	-.705	6.603E-02	-.305	-3.25E-02
VAR00009	-3.90E-02	-.208	5.849E-02	-6.25E-02	2.089E-02	-4.75E-02	.796
VAR00010	-.794	-.482	8.925E-02	.820	6.923E-02	.222	.106
VAR00011	7.296E-02	.316	-5.70E-02	-4.96E-02	-.844	-.143	-9.91E-02
VAR00012	9.396E-03	.160	.751	-.124	-2.20E-02	5.574E-02	-.153
VAR00013	.937	9.406E-02	-.253	-.178	-.136	-.141	-.113
VAR00014	.205	9.958E-02	5.023E-02	-.197	-.710	-6.11E-02	-6.96E-02
VAR00015	-.196	-.372	.675	.186	8.728E-02	4.751E-02	-1.77E-02
VAR00016	-.985	-.491	.382	.172	.381	.204	.262
VAR00017	-.187	-.246	-.168	.721	9.203E-02	.219	.154
VAR00018	.227	.284	.162	3.148E-03	7.626E-02	.820	-2.03E-02
VAR00019	-.198	-.100	.178	4.619E-02	.714	.143	-.271
VAR00020	.304	.709	.297	-6.71E-02	-2.89E-02	-7.72E-02	-.147
VAR00021	.193	-3.87E-02	.138	-1.23E-02	1.165E-02	-.732	.250
VAR00022	.234	.104	.285	.268	-.707	.163	4.814E-02
VAR00023	-.254	-3.26E-02	-.133	5.542E-02	7.714E-03	.740	-.164
VAR00024	-.403	-.747	-6.17E-02	-3.24E-02	.287	-9.08E-02	-.220
VAR00025	-.273	-.478	-.117	.698	6.328E-02	.297	.129
VAR00026	9.210E-02	-.200	-.209	8.811E-02	-.147	-8.07E-02	.823
VAR00027	-9.37E-02	-.248	.104	4.405E-02	-7.10E-03	.684	-2.08E-02
VAR00028	-.457	.202	6.954E-02	.493	-.760	.466	.178
VAR00029	4.585E-02	.851	-.171	-.343	3.453E-02	-1.94E-02	5.406E-02
VAR00030	-8.91E-02	-.374	-5.03E-02	.132	6.415E-02	-.718	.152
VAR00031	.456	.776	7.210E-02	-.305	-6.46E-02	.246	4.223E-02
VAR00032	.841	.167	.106	.186	-.238	-.430	-.136
VAR00033	.237	.179	.227	-.787	-.115	-8.51E-02	-.109
VAR00034	-.293	-1.36E-02	.125	.308	-.116	.162	-.777
VAR00035	.472	8.929E-02	.482	-.357	.763	-.270	.216
VAR00036	.192	.162	-8.30E-02	3.726E-02	9.534E-02	-.886	.111
VAR00037	.813	-3.96E-03	-.200	-4.08E-02	-.202	.108	.110
VAR00038	-.104	-.717	-8.51E-02	-.446	-.142	-.136	-8.70E-02
VAR00039	.293	.518	.436	.248	.684	5.482E-02	-.139
VAR00040	-7.62E-02	-.366	-.201	-.731	.132	6.096E-02	-.132
VAR00041	-5.38E-04	5.347E-02	2.451E-02	-.163	.196	-5.59E-02	-.818
VAR00042	-.192	-.158	.601	.280	1.695E-02	.108	-.104
VAR00043	.747	.273	-1.67E-02	9.554E-02	.260	-.117	-.109

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 8 iterations.

INDIAN RETAIL INDUSTRY -ITS GROWTH, CHALLENGES AND OPPORTUNITIES

* Prof. Pushparaj.Kodagnur

Abstract

This paper provides detailed information about the growth of retailing industry in India. It examines the growing awareness and brand consciousness among people across different socio-economic classes in India and how the urban and semi-urban retail markets are witnessing significant growth. It explores the role of the Government of India in the industries growth and the need for further reforms. In India the vast middle class and its almost untapped retail industry are the key attractive forces for global retail giants wanting to enter into newer markets, which in turn will help the India Retail Industry to grow faster. The paper includes growth, challenges & opportunities of retail sector in India. This paper concludes with the likely impact of the entry of global players into the Indian retailing industry. It also highlights the challenges faced by the industry in near future.

Introduction:

Retail industry in India is undoubtedly one of the fastest growing retail industry in the world. It is the largest among all industries accounting to 10 per cent of the country GDP and employs around 8 per cent of the workforce. India has seen a drastic shopping revolution in terms of format and consumer buying behaviour.

From shopping centers to multi-storied malls to huge complexes offering shopping, entertainment and food all under one roof and it is because of this trend that the retail industry is witnessing a revolution as many new format markets like hypermarkets, supermarkets, departmental stores have made their way in the market.

A large young working population with median age of 24 years, nuclear families in urban areas, along with increasing workingwomen population and

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emerging opportunities in the services sector are going to be the key factors in the growth of the organized Retail sector in India. The growth pattern in organized retailing and in the consumption made by the Indian population will follow a rising graph helping the newer businessmen to enter the India Retail Industry.

India has also been world's top sourcing destination in 2016-17 and the share in this category is 55 per cent. In India, a major chunk of the middle class and also the untapped market of retail is an attractive force for all the retail giants from across the globe. Our working population with a median age of 24 years, along with emerging opportunities in the retail sector is one of the major factors of the growth in the retail industry of India. As many new businessmen are entering the industry, there is expected to be a growth in the retail sector.

RETAILING FORMAT IN INDIA

Ø Malls:

The largest form of organized retailing today. Located mainly in metro cities, in proximity to urban outskirts. Ranges from 60,000 sq ft to 7,00,000 sq ft and above. They lend an ideal shopping experience with an amalgamation of product, service and entertainment, all under a common roof. Examples include Shoppers Stop, Piramyd, and Pantaloon.

Ø Specialty Stores:

Chains such as the Bangalore based Kids Kemp, the Mumbai books retailer Crossword, RPG's Music World and the Times Group's music chain Planet M, are focusing on specific market segments and have established themselves strongly in their sectors.

Ø Discount Stores:

As the name suggests, discount stores or factory outlets, offer discounts on the MRP through selling in bulk reaching economies of scale or excess stock left over at the season. The product category can range from a variety

of perishable/ non-perishable goods.

Ø **DepartmentStores:**

Large stores ranging from 20000-50000 sq. ft, catering to a variety of consumer needs. Further classified into localized departments such as clothing, toys, home, groceries, etc. Departmental Stores are expected to take over the apparel business from exclusive brand showrooms. Among these, the biggest success is K Raheja's Shoppers Stop, which started in Mumbai and now has more than seven large stores (over 30,000 sq. ft) across India.

Ø **Hypermarts/Supermarkets:**

Large self-service outlets, catering to varied shopper needs are termed as Supermarkets. These are located in or near residential high streets. These stores today contribute to 30% of all food & grocery organized retail sales. Super Markets can further be classified in to mini supermarkets typically 1,000 sq ft to 2,000 sq ft and large supermarkets ranging from of 3,500 sq ft to 5,000 sq ft. having a strong focus on food & grocery and personal sales.

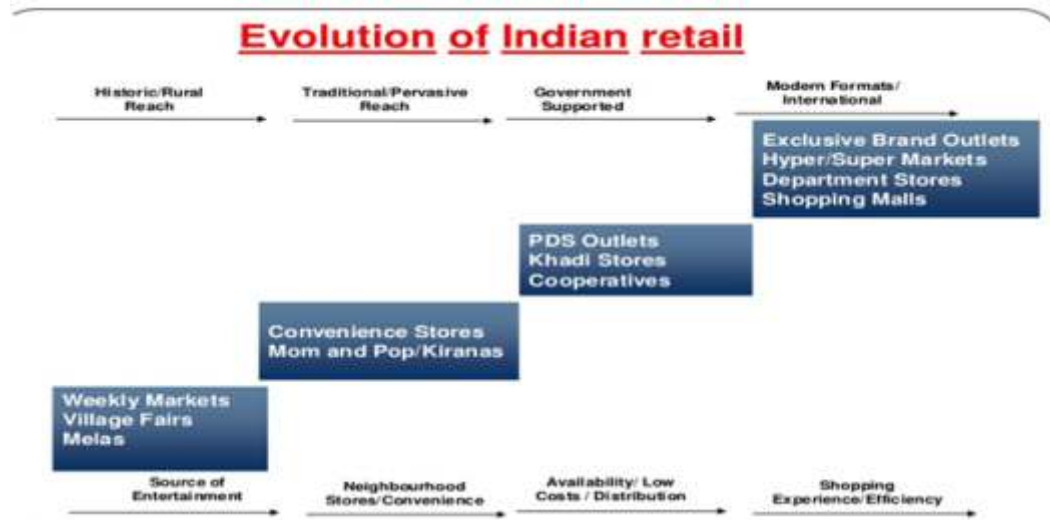
Ø **ConvenienceStores:**

These are relatively small stores 400-2,000 sq. feet located near residential areas. They stock a limited range of high-turnover convenience products and are usually open for extended periods during the day, seven days a week. Prices are slightly higher due to the convenience premium

Ø **MBOs:**

Multi Brand outlets, also known as Category Killers, offer several brands across a single product category. These usually do well in busy market places and Metros.

Evolution of Indian Retail



GROWTH DRIVERS OF ORGANISED RETAIL IN INDIA

- 1) Increasing proportion of young working population.
- 2) Increase in use of Debit and Credit cards.
- 3) Rapid Urbanisation.
- 4) Increase in the number of working women population for double income households.
- 5) Huge expansion in Tier II Cities.
- 6) The Booming Indian Economy.

Growth of Organised Retailing in India

Due to the large scope of business and high growth potential, India is attracting investors across the globe. In FDI Confidence Index, India ranks 8th (after U.S., Germany, China, UK, Canada, Japan, and France). India is all set to gain from the latest FDI policy in retail.

There has been an increase in purchasing power of the consumer due to easy availability of credit which has given a push to higher value items and encouraged repeated purchases. There has been a clear shift in consumer mindset in buying. They are more educated and well informed. They have become more experimenting and are willing to try and buy products which they haven't been used as yet. The

expansion of middle class has led to higher purchases of luxury products and brand consciousness. Significant growth in discretionary income and changing lifestyles are among the major growth drivers of Indian retail industry.

With GST taking its shape, it has helped the retailers simplify its tax structure. This will lead to better supply chain structure, better cash flows, pricing, and profitability.

Opportunities of Organised Retailing in India:

Rural markets show high growth potential if tapped with the right set of products and pricing. With increasing investments in infrastructure, connectivity to such towns is now becoming easier. This helps the retailer to increase reach in such high potential markets.

The private label space in the organized Indian retail industry has begun experiencing an increased level of activity. The share of private label strategy in the US and the UK markets is 19 per cent and 39 per cent, respectively, while its share in India is just 6 percent. Thus this gives a tremendous opportunity for the homegrown label to expand its base.

India's price competitiveness attracts large retail players to use it as a sourcing base.

Many international retailers are increasing their sourcing from India and are moving from third-party buying offices to establishing their own wholly-owned/wholly-managed sourcing and buying offices

Challenges of Organised Retailing in India:

Although retail industry in India is on a growing track not everyone has tasted success. Due to various diversities in the state policies and local influences, it becomes a larger hindrance for the retail to expand rapidly.

The high cost of real estate, deep discounting from e-tailers, non-availability of skilled labor in rural market are a few challenges that may hinder the growth of retail industry. Innovative concepts and model shall survive the test of time and investment.

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CONCLUSION

Retailing provides a crucial link between producers and consumers in modern market economy. Retail in India is most dynamic industry and represents a huge opportunity both for domestic and international retailers. Modern retailing is not threat to independent Mom and Pop stores as most of the consumers said that they never stopped visiting Kirana stores. They strongly agreed on coexistence of both is requirement of the day. Their frequency of going to kirana stores is reduced but its kind of opportunities for reorienting Mom and Pop stores for attracting more customers.

So, organised retailing is beneficial for India because it's not alarming to create Conflict with unorganized stores but reshaping unorganized stores into budding/nascent organised stores. Modern retailing has miles to go in India. The growth of modern formats has been much slower in India as compared to other countries and the development of this sector is restricted by the presence of regulatory and structural constraints.

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ORGANIC FARMING

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Organic farming is an alternative agricultural system which originated early in the 20th century in reaction to rapidly changing farming practices. Organic farming continues to be developed by various organic agriculture organizations today. It relies on fertilizers of organic origin such as compost manure, green manure, and bone meal and places emphasis on techniques such as crop rotation and companion planting. Biological pest control, mixed cropping and the fostering of insect predators are encouraged. In general, organic standards are designed to allow the use of naturally occurring substances while prohibiting or strictly limiting synthetic substances.[2] For instance, naturally occurring pesticides such as pyrethrin and rotenone are permitted, while synthetic fertilizers and pesticides are generally prohibited. Synthetic substances that are allowed include, for example, copper sulfate, elemental sulfur and Ivermectin. Genetically modified organisms, nanomaterials, human sewage sludge, plant growth regulators, hormones, and antibiotic use in livestock husbandry are prohibited.[3][4] Reasons for advocacy of organic farming include advantages in sustainability,[5][6] openness, self-sufficiency, autonomy/independence,[6] health, food security, and food safety.

Organic agricultural methods are internationally regulated and legally enforced by many nations, based in large part on the standards set by the International Federation of Organic Agriculture Movements (IFOAM), an international umbrella organization for organic farming organizations established in 1972.[7] Organic agriculture can be defined as:

an integrated farming system that strives for sustainability, the enhancement of soil fertility and biological diversity whilst, with rare exceptions, prohibiting synthetic pesticides, antibiotics, synthetic fertilizers, genetically modified organisms, and growth hormones.[8][9][10][11]

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Since 1990 the market for organic food and other products has grown rapidly, reaching \$63 billion worldwide in 2012.[12]²⁵ This demand has driven a similar increase in organically managed farmland that grew from 2001 to 2011 at a compounding rate of 8.9% per annum.[13] As of 2011, approximately 37,000,000 hectares (91,000,000 acres) worldwide were farmed organically, representing approximately 0.9 percent of total world farmland

History

Agriculture was practiced for thousands of years without the use of artificial chemicals. Artificial fertilizers were first created during the mid-19th century. These early fertilizers were cheap, powerful, and easy to transport in bulk. Similar advances occurred in chemical pesticides in the 1940s, leading to the decade being referred to as the 'pesticide era'. [14] These new agricultural techniques, while beneficial in the short term, had serious longer term side effects such as soil compaction, erosion, and declines in overall soil fertility, along with health concerns about toxic chemicals entering the food supply. [15]¹⁰ In the late 1800s and early 1900s, soil biology scientists began to seek ways to remedy these side effects while still maintaining higher production.

Biodynamic agriculture was the first modern system of agriculture to focus exclusively on organic methods. [16][17][18][19] Its development began in 1924 with a series of eight lectures on agriculture given by Rudolf Steiner. [20][21] These lectures, the first known presentation of what later came to be known as organic agriculture, [16] were held in response to a request by farmers who noticed degraded soil conditions and a deterioration in the health and quality of crops and livestock resulting from the use of chemical fertilizers. [22] The one hundred eleven attendees, less than half of whom were farmers, came from six countries, primarily Germany and Poland. [16] The lectures were published in November 1924; the first English translation appeared in 1928 as *The Agriculture Course*. [23]

In 1921, Albert Howard and his wife Gabrielle Howard, accomplished botanists, founded an Institute of Plant Industry to improve traditional farming methods in

India. Among other things, they brought improved implements and improved animal husbandry methods from their scientific training; then by incorporating aspects of the local traditional methods, developed protocols for the rotation of crops, erosion prevention techniques, and the systematic use of composts and manures.[24] Stimulated by these experiences of traditional farming, when Albert Howard returned to Britain in the early 1930s[25] he began to promulgate a system of natural agriculture.

In July 1939, Ehrenfried Pfeiffer, the author of the standard work on biodynamic agriculture (*Bio-Dynamic Farming and Gardening*),[26] came to the UK at the invitation of Walter James, 4th Baron Northbourne as a presenter at the Betteshanger Summer School and Conference on Biodynamic Farming at Northbourne's farm in Kent.[27] One of the chief purposes of the conference was to bring together the proponents of various approaches to organic agriculture in order that they might cooperate within a larger movement. Howard attended the conference, where he met Pfeiffer.[28] In the following year, Northbourne published his manifesto of organic farming, *Look to the Land*, in which he coined the term "organic farming." The Betteshanger conference has been described as the 'missing link' between biodynamic agriculture and other forms of organic farming.[27]

Terminology

Biodynamic agriculturists, who based their work on Steiner's spiritually-oriented anthroposophy, used the term "organic" to indicate that a farm should be viewed as a living organism,[19]¹⁷⁻¹⁹[27] in the sense of the following quotation:

"An organic farm, properly speaking, is not one that uses certain methods and substances and avoids others; it is a farm whose structure is formed in imitation of the structure of a natural system that has the integrity, the independence and the benign dependence of an organism"

— Wendell Berry, *The Gift of Good Land*"

The use of "organic" popularized by Howard and Rodale, on the other hand, refers more narrowly to the use of organic matter derived from plant compost and animal manures to improve the humus content of soils, grounded in the work of early soil

scientists who developed what was then called "humus farming." Since the early 1940s the two camps have tended to merge

Methods

"Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved..."

Organic farming methods combine scientific knowledge of ecology and modern technology with traditional farming practices based on naturally occurring biological processes. Organic farming methods are studied in the field of agroecology. While conventional agriculture uses synthetic pesticides and water-soluble synthetically purified fertilizers, organic farmers are restricted by regulations to using natural pesticides and fertilizers. An example of a natural pesticide is pyrethrin, which is found naturally in the Chrysanthemum flower. The principal methods of organic farming include crop rotation, green manures and compost, biological pest control, and mechanical cultivation. These measures use the natural environment to enhance agricultural productivity: legumes are planted to fix nitrogen into the soil, natural insect predators are encouraged, crops are rotated to confuse pests and renew soil, and natural materials such as potassium bicarbonate[35] and mulches are used to control disease and weeds. Genetically modified seeds and animals are excluded.

While organic is fundamentally different from conventional because of the use of carbon based fertilizers compared with highly soluble synthetic based fertilizers and biological pest control instead of synthetic pesticides, organic farming and large-scale conventional farming are not entirely mutually exclusive. Many of the methods developed for organic agriculture have been borrowed by more conventional agriculture. For example, Integrated Pest Management is a multifaceted strategy that uses various organic methods of pest control whenever possible, but in conventional farming could include synthetic pesticides only as a last resort

Crop diversity

Organic farming encourages Crop diversity. The science of agroecology has revealed the benefits of polyculture (multiple crops in the same space), which is often employed in organic farming.[37] Planting a variety of vegetable crops supports a wider range of beneficial insects, soil microorganisms, and other factors that add up to overall farm health. Crop diversity helps environments thrive and protects species from going extinct.

Soil management

Organic farming relies heavily on the natural breakdown of organic matter, using techniques like green manure and composting, to replace nutrients taken from the soil by previous crops. This biological process, driven by microorganisms such as mycorrhiza, allows the natural production of nutrients in the soil throughout the growing season, and has been referred to as *feeding the soil to feed the plant*. Organic farming uses a variety of methods to improve soil fertility, including crop rotation, cover cropping, reduced tillage, and application of compost. By reducing tillage, soil is not inverted and exposed to air; less carbon is lost to the atmosphere resulting in more soil organic carbon. This has an added benefit of carbon sequestration, which can reduce green house gases and help reverse climate change.

Plants need nitrogen, phosphorus, and potassium, as well as micronutrients and symbiotic relationships with fungi and other organisms to flourish, but getting enough nitrogen, and particularly synchronization so that plants get enough nitrogen at the right time (when plants need it most), is a challenge for organic farmers.[39] Crop rotation and green manure ("cover crops") help to provide nitrogen through legumes (more precisely, the Fabaceae family), which fix nitrogen from the atmosphere through symbiosis with rhizobial bacteria. Intercropping, which is sometimes used for insect and disease control, can also increase soil nutrients, but the competition between the legume and the crop can be problematic and wider spacing between crop rows is required. Crop residues can be ploughed back into the soil, and different plants leave different amounts of nitrogen, potentially aiding synchronization.[39] Organic farmers also use animal manure, certain processed fertilizers such as seed meal and various mineral powders such as rock phosphate and

green sand, a naturally occurring form of potash that provides potassium. Together these methods help to control erosion. In some cases pH may need to be amended. Natural pH amendments include lime and sulfur, but in the U.S. some compounds such as iron sulfate, aluminum sulfate, magnesium sulfate, and soluble boron products are allowed in organic farming

Weed management

Organic weed management promotes weed suppression, rather than weed elimination, by enhancing crop competition and phytotoxic effects on weeds.[43] Organic farmers integrate cultural, biological, mechanical, physical and chemical tactics to manage weeds without synthetic herbicides.

Organic standards require rotation of annual crops,[44] meaning that a single crop cannot be grown in the same location without a different, intervening crop. Organic crop rotations frequently include weed-suppressive cover crops and crops with dissimilar life cycles to discourage weeds associated with a particular crop.[43] Research is ongoing to develop organic methods to promote the growth of natural microorganisms that suppress the growth or germination of common weeds.[45]

Other cultural practices used to enhance crop competitiveness and reduce weed pressure include selection of competitive crop varieties, high-density planting, tight row spacing, and late planting into warm soil to encourage rapid crop germination.[43]

Mechanical and physical weed control practices used on organic farms can be broadly grouped as:[46]

Tillage

- - Turning the soil between crops to incorporate crop residues and soil amendments; remove existing weed growth and prepare a seedbed for planting; turning soil after seeding to kill weeds, including cultivation of row crops;
- Mowing and cutting - Removing top growth of weeds;
- Flame weeding and thermal weeding - Using heat to kill weeds; and

Mulching

- - Blocking weed emergence with organic materials, plastic films, or landscape fabric.[47] Some critics, citing work published in 1997 by David Pimentel of Cornell University,[48] which described an epidemic of soil erosion worldwide, have raised concerns that tillage contributes to the erosion epidemic.[49] The FAO and other organizations have advocated a 'no-till' approach to both conventional and organic farming, and point out in particular that crop rotation techniques used in organic farming are excellent no-till approaches.[49][50] A study published in 2005 by Pimentel and colleagues[51] confirmed that 'Crop rotations and cover cropping (green manure) typical of organic agriculture reduce soil erosion, pest problems, and pesticide use.'

Controlling other organisms

See also: Biological pest control and Integrated Pest Management

Organisms aside from weeds that cause problems on organic farms include arthropods (e.g., insects, mites), nematodes, fungi and bacteria. Organic practices include, but are not limited to:

- encouraging predatory beneficial insects to control pests by serving them nursery plants and/or an alternative habitat, usually in a form of a shelterbelt, hedgerow, or beetle bank;
- encouraging beneficial microorganisms;

rotating crops

- to different locations from year to year to interrupt pest reproduction cycles;
- planting companion crops and pest-repelling plants that discourage or divert pests;
- using row covers to protect crops during pest migration periods;
- using biologic pesticides and herbicides;
- using stale seed beds to germinate and destroy weeds before planting;[54]

- using sanitation to remove pest habitat;
- using insect traps to monitor and control insect populations; and
- using physical barriers, such as row covers.

Livestock

Raising livestock and poultry, for meat, dairy and eggs, is another traditional farming activity that complements growing. Organic farms attempt to provide animals with natural living conditions and feed. Organic certification verifies that livestock are raised according to the USDA organic regulations throughout their lives.[74] These regulations include the requirement that all animal feed must be certified organic.

Organic livestock may be, and must be, treated with medicine when they are sick, but drugs cannot be used to promote growth, their feed must be organic, and they must be pastured.[75]^{19ff}[76]

Also, horses and cattle were once a basic farm feature that provided labor, for hauling and plowing, fertility, through recycling of manure, and fuel, in the form of food for farmers and other animals. While today, small growing operations often do not include livestock, domesticated animals are a desirable part of the organic farming equation, especially for true sustainability, the ability of a farm to function as a self-renewing unit.

Genetic modification

A key characteristic of organic farming is the rejection of genetically engineered plants and animals. On 19 October 1998, participants at IFOAM's 12th Scientific Conference issued the Mar del Plata Declaration, where more than 600 delegates from over 60 countries voted unanimously to exclude the use of genetically modified organisms in food production and agriculture.

Although opposition to the use of any transgenic technologies in organic farming is strong, agricultural researchers Luis Herrera-Estrella and Ariel Alvarez-Morales continue to advocate integration of transgenic technologies into organic farming as the optimal means to sustainable agriculture, particularly in the developing world,[77] as does author and scientist Pamela Ronald, who views this kind of

biotechnology as being consistent with organic principles.[78]

Although GMOs are excluded from organic farming, there is concern that the pollen from genetically modified crops is increasingly penetrating organic and heirloom seed stocks, making it difficult, if not impossible, to keep these genomes from entering the organic food supply. Differing regulations among countries limits the availability of GMOs to certain countries, as described in the article on regulation of the release of genetic modified organisms.

Tools

Organic farmers use a number of traditional farm tools to do farming. Due to the goals of sustainability in organic farming, organic farmers try to minimize their reliance on fossil fuels. In the developing world on small organic farms tools are normally constrained to hand tools and diesel powered water pumps.

Standards

Standards regulate production methods and in some cases final output for organic agriculture. Standards may be voluntary or legislated. As early as the 1970s private associations certified organic producers. In the 1980s, governments began to produce organic production guidelines. In the 1990s, a trend toward legislated standards began, most notably with the 1991 EU-Eco-regulation developed for European Union,[79] which set standards for 12 countries, and a 1993 UK program. The EU's program was followed by a Japanese program in 2001, and in 2002 the U.S. created the National Organic Program (NOP).[80] As of 2007 over 60 countries regulate organic farming (IFOAM 2007:11). In 2005 IFOAM created the Principles of Organic Agriculture, an international guideline for certification criteria.[81] Typically the agencies accredit certification groups rather than individual farms.

Organic production materials used in and foods are tested independently by the Organic Materials Review Institute

Composting

Using manure as a fertilizer risks contaminating food with animal gut bacteria,

including pathogenic strains of E. coli that have caused fatal poisoning from eating organic food.[83] To combat this risk, USDA organic standards require that manure must be sterilized through high temperature thermophilic composting. If raw animal manure is used, 120 days must pass before the crop is harvested if the final product comes into direct contact with the soil. For products that don't directly contact soil, 90 days must pass prior to harvest

Economics

The economics of organic farming, a subfield of agricultural economics, encompasses the entire process and effects of organic farming in terms of human society, including social costs, opportunity costs, unintended consequences, information asymmetries, and economies of scale. Although the scope of economics is broad, agricultural economics tends to focus on maximizing yields and efficiency at the farm level. Economics takes an anthropocentric approach to the value of the natural world: biodiversity, for example, is considered beneficial only to the extent that it is valued by people and increases profits. Some entities such as the European Union subsidize organic farming, in large part because these countries want to account for the externalities of reduced water use, reduced water contamination, reduced soil erosion, reduced carbon emissions, increased biodiversity, and assorted other benefits that result from organic farming.[56]

Traditional organic farming is labor and knowledge-intensive whereas conventional farming is capital-intensive, requiring more energy and manufactured inputs.[85]

Organic farmers in California have cited marketing as their greatest obstacle.[

Geographic producer distribution

The markets for organic products are strongest in North America and Europe, which as of 2001 are estimated to have \$6 and \$8 billion respectively of the \$20 billion global market.[55]⁶ As of 2007 Australasia has 39% of the total organic farmland, including Australia's 1,180,000 hectares (2,900,000 acres) but 97 percent of this land is sprawling rangeland (2007:35). US sales are 20x as much.[55]⁷ Europe farms 23 percent of global organic farmland (6,900,000 ha (17,000,000 acres)), followed by

Latin America with 19 percent (5.8 million hectares - 14.3 million acres). Asia has 9.5 percent while North America has 7.2 percent. Africa has 3 percent

Growth

In 2001, the global market value of certified organic products was estimated at USD \$20 billion. By 2002, this was USD \$23 billion and by 2015 more than USD \$43 billion.[97] By 2014, retail sales of organic products reached USD \$80 billion worldwide.[98] North America and Europe accounted for more than 90% of all organic product sales.[98]

Organic agricultural land increased almost fourfold in 15 years, from 11 million hectares in 1999 to 43.7 million hectares in 2014.[98] Between 2013 and 2014, organic agricultural land grew by 500,000 hectares worldwide, increasing in every region except Latin America.[98] During this time period, Europe's organic farmland increased 260,000 hectares to 11.6 million total (+2.3%), Asia's increased 159,000 hectares to 3.6 million total (+4.7%), Africa's increased 54,000 hectares to 1.3 million total (+4.5%), and North America's increased 35,000 hectares to 3.1 million total (+1.1%).[98] As of 2014, the country with the most organic land was Australia (17.2 million hectares), followed by Argentina (3.1 million hectares), and the United States (2.2 million hectares).[98]

In 2013, the number of organic producers grew by almost 270,000, or more than 13%. [98] By 2014, there were a reported 2.3 million organic producers in the world.[98] Most of the total global increase took place in the Philippines, Peru, China, and Thailand.[98] Overall, the majority of all organic producers are in India (650,000 in 2013), Uganda (190,552 in 2014), Mexico (169,703 in 2013) and the Philippines (165,974 in 2014)

Productivity

Studies comparing yields have had mixed results.[99] These differences among findings can often be attributed to variations between study designs including differences in the crops studied and the methodology by which results were gathered.

A 2012 meta-analysis found that productivity is typically lower for organic farming

than conventional farming, but that the size of the difference depends on context and in some cases may be very small.[100] While organic yields can be lower than conventional yields, another meta-analysis published in Sustainable Agriculture Research in 2015, concluded that certain organic on-farm practices could help narrow this gap. Timely weed management and the application of manure in conjunction with legume forages/cover crops were shown to have positive results in increasing organic corn and soybean productivity.

Long term studies

A study published in 2005 compared conventional cropping, organic animal-based cropping, and organic legume-based cropping on a test farm at the Rodale Institute over 22 years.[104] The study found that "the crop yields for corn and soybeans were similar in the organic animal, organic legume, and conventional farming systems". It also found that "significantly less fossil energy was expended to produce corn in the Rodale Institute's organic animal and organic legume systems than in the conventional production system. There was little difference in energy input between the different treatments for producing soybeans. In the organic systems, synthetic fertilizers and pesticides were generally not used". As of 2013 the Rodale study was ongoing[105] and a thirty-year anniversary report was published by Rodale in 2012

Profitability

In the United States, organic farming has been shown to be 2.9 to 3.8 times more profitable for the farmer than conventional farming when prevailing price premiums are taken into account.[108] Globally, organic farming is between 22 and 35 percent more profitable for farmers than conventional methods, according to a 2015 meta-analysis of studies conducted across five continents. The profitability of organic agriculture can be attributed to a number of factors. First, organic farmers do not rely on synthetic fertilizer and pesticide inputs, which can be costly. In addition, organic foods currently enjoy a price premium over conventionally produced foods, meaning that organic farmers can often get more for their yield.

Energy efficiency

In the most recent assessments of the energy efficiency of organic versus

conventional agriculture, results have been mixed regarding which form is more carbon efficient. Organic farm systems have more often than not been found to be more energy efficient, however, this is not always the case. More than anything, results tend to depend upon crop type and farm size.–[114]

A comprehensive comparison of energy efficiency in grain production, produce yield, and animal husbandry concluded that organic farming had a higher yield per unit of energy over the vast majority of the crops and livestock systems.[115] For example, two studies - both comparing organically- versus conventionally-farmed apples - declare contradicting results, one saying organic farming is more energy efficient, the other saying conventionally is more efficient

Sales and marketing

Most sales are concentrated in developed nations. In 2008, 69% of Americans claimed to occasionally buy organic products, down from 73% in 2005. One theory for this change was that consumers were substituting "local" produce for "organic" produce

Distributors

The USDA requires that distributors, manufacturers, and processors of organic products be certified by an accredited state or private agency.[119] In 2007, there were 3,225 certified organic handlers, up from 2,790 in 2004.

Labor and employment

Organic production is more labor-intensive than conventional production.[127] On the one hand, this increased labor cost is one factor that makes organic food more expensive.[127] On the other hand, the increased need for labor may be seen as an "employment dividend" of organic farming, providing more jobs per unit area than conventional systems.[128] The 2011 UNEP Green Economy Report suggests that "[a]n increase in investment in green agriculture is projected to lead to growth in employment of about 60 per cent compared with current levels" and that "green agriculture investments could create 47 million additional jobs compared with

BAU2 over the next 40 years." [129] The United Nations Environment Programme (UNEP) also argues that "[b]y greening agriculture and food distribution, more calories per person per day, more jobs and business opportunities especially in rural areas, and market-access opportunities, especially for developing countries, will be available."

Disadvantages
Agriculture imposes negative externalities (uncompensated costs) upon society through public land and other public resource use, biodiversity loss, erosion, pesticides, nutrient runoff, subsidized water usage, subsidy payments and assorted other problems. Positive externalities include self-reliance, entrepreneurship, respect for nature, and air quality. Organic methods reduce some of these costs. [143] In 2000 uncompensated costs for 1996 reached 2,343 million British pounds or £208 per ha (£84.20/ac). [144] A study of practices in the US published in 2005 concluded that cropland costs the economy approximately 5 to 16 billion dollars (\$30–96/ha – \$12–39/ac), while livestock production costs 714 million dollars. [145] Both studies recommended reducing externalities. The 2000 review included reported pesticide poisonings but did not include speculative chronic health effects of pesticides, and the 2004 review relied on a 1992 estimate of the total impact of pesticides.

Environmental impact and emissions

Researchers at Oxford University analyzed 71 peer-reviewed studies and observed that organic products are sometimes worse for the environment. [151] Organic milk, cereals, and pork generated higher greenhouse gas emissions per product than conventional ones but organic beef and olives had lower emissions in most studies. [151] Usually organic products required less energy, but more land. [151] Per unit of product, organic produce generates higher nitrogen leaching, nitrous oxide emissions, ammonia emissions, eutrophication, and acidification potential than conventionally grown produce. [152] Other differences were not significant. [152] The researchers concluded that public debate should consider various manners of employing conventional or organic farming, and not merely debate conventional farming as opposed to organic farming. They also sought to find specific solutions to specific circumstances.

Land use

The Oxford meta-analysis of 71 studies found that organic farming requires 84% more land for an equivalent amount of harvest, mainly due to lack of nutrients but sometimes due to weeds, diseases or pests, lower yielding animals and land required for fertility building crops.[152] While organic farming does not necessarily save land for wildlife habitats and forestry in all cases,[151] the most modern breakthroughs in organic are addressing these issues with success.[160][161][162]

Professor Wolfgang Branscheid says that organic animal production is not good for the environment, because organic chicken requires twice as much land as "conventional" chicken and organic pork a quarter more.[163] According to a calculation by Hudson Institute, organic beef requires three times as much land.[164] On the other hand, certain organic methods of animal husbandry have been shown to restore desertified, marginal, and/or otherwise unavailable land to agricultural productivity and wildlife.[165][166] Or by getting both forage and cash crop production from the same fields simultaneously, reduce net land use.[167]

In England organic farming yields 55% of normal yields.[168][169] In other regions of the world, organic methods have started producing record yields

THE ROLE OF INTERNET BANKING AND SOCIETY

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ABSTRACT

Online banking, also known as internet banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services. In the 1990s, the banking sector in India saw greater emphasis being placed on technology and innovation. Banks began to use technology to provide better quality of services at greater speed. The Internet Banking is becoming one of the fastest growing technologies that is playing a significant role in the daily lives of human beings. Internet Banking and Mobile Banking made it convenient for customers to do their banking from geographically diverse places. Banks also sharpened their focus on rural markets and introduced a variety of services geared to the special needs of their rural customers. The Internet is slowly gaining popularity in India. The Internet Banking is changing the banking industry and is having the major effects on banking relationships. Internet Banking involves delivery of banking products and services. At present many of the banks around the world have web presence in form of ATMs, Internet Banking, Support services etc. In the world of banking, the development in information technology has an enormous effect on development of more flexible payment methods and more- user friendly banking services. Electronic Banking services are new and the development and diffusion of these technologies by financial institutions is expected to result in more efficient banking system.

Keywords: Online Banking, Financial Institution, ATM, Mobile Banking etc.

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I.INTRODUCTION

Banking in India originated in the last decades of the 18th century. The oldest bank in existence in India is the State Bank of India a government-owned bank that traces its origins back to June 1806 and that is the largest commercial bank in the country. Central banking is the responsibility of the Reserve Bank of India 1935 formally took over these responsibilities from the then Imperial Bank of India, relegating it to commercial banking functions. After India's independence in 1947, the Reserve Bank was nationalized and given broader powers. In 1969 the government nationalized the 14 largest commercial banks; the government nationalized the six next largest in 1980. Currently, India has 96 scheduled commercial banks (SCBs) - 27 public sector banks (that is with the Government of India holding a stake), 31 private banks (these do not have government stake; they may be publicly listed and traded on stock exchanges) and 38 foreign banks. They have a combined network of over 53,000 branches and 17,000 ATMs. According to a report by ICRA Limited, a rating agency, the public sector banks hold over 75 percent of total assets of the banking industry, with the private and foreign banks holding 18.2% and 6.5% respectively.

1.1 Definition of E-Banking

E-Banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels, E-banking includes the systems that enable financial institution customers, individuals of businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet. Customers access e-banking services using an intelligent electronic device, such as a personal computer, personal digital assistant, automated teller machine, Touch tone telephone. While the risks and controls are similar for the various e-banking access channels, this booklet focuses specifically on Internet-based services. 1.2 What is Internet Banking Internet Banking refers to the banking services provided by the banks over the internet. Some of these services include paying of bills, funds transfer, viewing account statement, etc. Banks also deliver their latest products and services over the internet. Internet banking is performed through a computer system or similar devices that can connect to the banking site via the internet. Nowadays, you can also use internet

banking on your mobile phones using a Wi-Fi or 3G connection. With the ease of availability of cyber cafes in the cities, it has become quite popular. Banking is now no more limited in going and visiting the bank in person for various purposes like depositing and withdrawing money, requesting for account statement, stop a payment, etc. You can do all these tasks and manymore using the online services offered by the banks. You can also keep a track of your account transactions and balance all the time. Now getting passbooks updated to know the total account balance is a matter of past. The overall objective of the present study is to analysis the role of Internet banking in India.

The specific objectives of the study are enunciated below ;

- To Study the Role of internet banking
- To analyze awareness among customers using internet banking
- To identity the level of security among customers in using these services

Functions of Internet Banking

The following are the main function of internet banking in India Issue Demand Drafts
online Transfer funds to own and third party accounts

Credit beneficiary accounts using the VISA Money Transfer, RTGS/NEFT feature

Generate account statements

Setup Standing Instructions

Configure profile settings

Use e Tax for online tax payment

Use e Pay for automatic bill payments

Interface with merchants for railway and airline reservation

Avail DEMAT and IPO services

Internet Banking in India

The Reserve Bank of India constituted a working group on Internet Banking. The group divided the internet banking products in India into 3 types based on the levels.

1.Information Only System:

General purpose information like interest rates, branch location, bank products and their features, loan and deposit calculations are provided in the banks website. There exist facilities for downloading various types of application forms. The communication is

normally done through e-mail. There is no interaction between the customer and bank's application system. No identification of the customer is done. In this system, there is no possibility of any unauthorized person getting into production systems of the bank through internet.

2. Electronic Information Transfer System:

The system provides customer- specific information in the form of account balances, transaction details, and statement of accounts. The information is still largely of the 'read only' format. Identification and authentication of the customer is through password. The information is fetched from the bank's application system either in batch mode or off-line. The application systems cannot directly access through the internet.

3. Fully Electronic Transactional System:

This system allows bi-directional capabilities. Transactions can be submitted by the customer for online update. This system requires high degree of security and control. In this environment, web server and application systems are linked over secure infrastructure. It comprises technology covering computerization, networking and security, inter-bank payment gateway and legal infrastructure.

II. SWOT ANALYSIS OF INTERNET BANKING

The following are the strength, Weakness opportunists and threats of Internet Banking in India

Strength Aggression towards development of the existing standards of banks

Strong regulatory impact by central bank to all the banks

Presence of intellectual capital to face the change in implementation with good quality

Fully computerized and techno savvy

A person can access his account from anywhere he is A person can do banking transactions like funds transfer to any account, book ticket, bill pay at any time of the day

Weakness High bank service charges. All the bank charges highly to the customers for the services provided through

internet banking Poor technology infrastructure

Ineffective risk measures

Easy Access of internet banking account by wrong people through email ids

When the server is down the whole process is handicapped

Opportunities Increasing risk management expertise Advancement of technologies, strong asset base would help in bigger growth Safety of using internet banking is robust,

so more internet banking users in future The international scope of internet banking provides new growth perspectives and internet business is a catalyst for new technologies and new business processes Threats Banks provides all services through electronic computerized machines and this creates problems to the less educated people Inability to meet the additional capital requirements Huge investment in technologies Internet banking will be replaced by mobile banking

III. THE ROLE OF INTERNET BANKING IN SOCIETY

Are you worried about standing in a queue for a long time for doing your financial transactions? Don't panic. Here's where internet banking comes in. Internet banking is considered to be an important sector in finance industry. It provides a platform for the society, as they can check their account details, make payments and transfer money between accounts within short span of time. Since most of us are busy in our day to day lives, we don't even get quality time to spend with our dear and close ones. In such a scenario, standing in long queues for simply requesting financial transaction, turns out nothing less than a headache. Thus, to stay away from such irritations, the concept of online banking was conceived. This has reduced the time to process banking transactions and has helped to save customers time. Thus, have a look at our write-up on how the internet banking has influenced our society

3.1 Ways In Which Internet Banking Is Influencing Modern Lives

1. Easy to Set-up Internet banking permits to easily set up your online accounts with only prior bank account information. You can use your computer or even smart phones for creating your online accounts. Once it is done, you can easily access your account and transfer money for your loved ones from anywhere and at anytime.
2. Secure Online banking allows you to conduct your bank transactions safely and securely. You can monitor and keep track of all your financial transactions and make sure your balance information is correct. As the technology is evolving, experts are coming up with the new idea that will completely replace passwords with thumb impression while using internet banking services. This gives more accurate and secure transactions and thus, can help you in detecting fraudulent transactions easily.
3. Convenience Internet banking gives you a platform for paying your electric bills, telephone bills and transfer funds. Making transactions right from your door step or offices are easy with

single payments or recurring payments. Keeping track of your accounts is easier and also you do not have to keep the receipts of all the bills as you can easily view your transactions.

4. Services Internet banking acts as a great medium for the banks to endorse their products and services. These services include financial planning, investment options, loan calculators and many others as simple applications on the bank's website. All these services are available 24/7 i.e., you can avail these services at anytime, anywhere and even when the banks are closed. Some services also offer features like balance alerts, so that you can monitor your account and avoid late fees. They also provide easy access for online statements.

5. Cost-Effective For the bankers, internet banking facility is cost-effective. Administrative and paper related works which occupies not only office spaces but as well creates job opportunities have been cut down with the introduction of internet banking. Though it has turned out to be disadvantage for employees, it has none the less benefited the banks. Moreover, banks can easily promote their services to a number of customers at the same time. The profits gained by the banks are increasing due to these factors. This has enabled them to offer acceptable interest rates on credit cards and savings bank accounts.

6. Fast and Efficient Through internet banking, fund transfer for both national and international has become faster and convenient. Nowadays, you can transfer your money within short time efficiently. You can carry out stock trading and other investments and also manage several accounts easily. All these factors have created online banking ideal for all those who make number of financial transactions every day.

3.2 Advantages of Internet Banking

Internet Banking has several advantages over traditional one which makes operating an account simple and convenient. It allows you to conduct various transactions using the bank's website and offers several advantages. Some of the advantages of internet banking are:

Online account is simple to open and easy to operate. It is quite convenient as you can easily pay your bills, can transfer funds between accounts, etc. Now you do not have to stand in a queue to pay off your bills; also you do not have to keep receipts of all the bills as you can now easily view your transactions. It is available all the time, i.e. 24x7. You

can perform your tasks from anywhere and at any time; even in night when the bank is closed or on holidays. The only thing you need to have is an active internet connection. It is fast and efficient. Funds get transferred from one account to the other very fast. You can also manage several accounts easily through internet banking. Through Internet banking, you can keep an eye on your transactions and account balance all the time. This facility also keeps your account safe. This means that by the ease of monitoring your account at anytime, you can get to know about any fraudulent activity or threat to your account before it can pose your account to severe damage.

3.3 Disadvantages of Internet Banking

Though there are many advantages of internet banking, but nothing comes without disadvantages and everything has its pros and cons; same is with internet banking. It also has some disadvantages which must be taken care of. The disadvantages of online banking include the following: Understanding the usage of internet banking might be difficult for a beginner at the first go. Though there are some sites which offer a demo on how to access online accounts, but not all banks offer this facility. So, a person who is new, might face some difficulty. You cannot have access to online banking if you don't have an internet connection; thus without the availability of internet access, it may not be useful. Security of transactions is a big issue. Your account information might get hacked by unauthorized people over the internet. Password security is a must. After receiving your password, do change it and memorize it otherwise your account may be misused by someone who gets to know your password inadvertently. You cannot use it, in case, the bank's server is down.

IV. FINDINGS

Since most of us are busy in our day to day lives, we don't even get quality time to spend with our dear and close ones. In such a scenario, standing in long queues for simply requesting financial transaction, turns out nothing less than a headache. Thus, to stay away from such irritations, the concept of online banking was conceived. This has reduced the time to process banking transactions and has helped to save customers time. The services that are mostly used by maximum customers are transactions, online trading, bill payment, shopping etc. The mode of the cash deposit in bank is for use to

online transaction cash, cheque&e-banking. Different banks different charge on online service. Although there is some feeling of insecurity also but still due to the multi-features service and business class prefer it

V. SUGGESTIONS

To prevent online banking from remaining customers to prompt this service through advertising company.

After repairing this basic deficiency, banks must ensure that their service is competitive. Bank should provide the services in different languages.

All the complaints felt by the customers should be considered with seriousness and solution based approach to keep them satisfied in long run, The bank should extend their tie-up contracts with other various institutions whether financial or nonfinancial for convenience of its customers. Bank should extend the technology which is used in internet banking in order to remove the difficulties

VI. CONCLUSION

Internet banking has become a necessary survival weapon and is fundamentally changing the banking industry worldwide. Today, the click of the mouse offers customers banking services at a much lower cost and also empowers them with unprecedented freedom in choosing vendors for their financial service needs. The rise of Internet banking is redefining business relationship with the customers. The International scope of Internet banking provides new growth perspectives and Internet business is a catalyst for new technologies and new business processes. The reach of Internet banking has rapidly increased due to the Telecommunication Infrastructure development in India

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