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Dear Friend,

It gives me immense pleasure to introduce to you the eighth issue of 'APOTHEOSIS' Tirpude's National Journal of Business Research, an online publication that encompasses scholarly work of academicians and corporate professionals. We received an good response for this issue with some quality research papers in domains like finance, e-commerce, human resources etc.

A strong research culture is a precursor to academic development and environment. Knowledge disbursal then becomes more enriching. High quality original research enables an academic institution to serve its primary objective of value addition of updated and relevant knowledge to its students and the academic community at large. Research is one strand, which when weaved with other academic activities helps an institution to reach the pinnacle of academic excellence.

'APOTHEOSIS' offers its readers practical and meaningful contributions from academicians, research scholars and industry professionals in the field of business management that can be utilized for practical application in relevant fields.

This issue of APOTHEOSIS contains an array of research work conducted by various authors under numerous topics like E- commerce, Emotional Intelligence, Customer Satisfaction , Consumer Attitude and Inventory Management.

My task as an editor was extremely difficult selecting the best papers for publication though I could select a few based on originality with the help of our reviewing team comprising of erudite scholars from academia and industry.

I appeal to all my contemporaries in management education and related areas to subscribe to our Journal. This will facilitate dissemination of knowledge contained therein to one and all.

I am sure you will find the contents extremely enriching and of immense value and relevance to all concerned.

Thanking you in anticipation,

Dr. Praveen Mustoor
Editor

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Impact of Emotional Intelligence on Performance in Professional Educational Institute

**Dr Rajeev K Shukla, **Richa Tembre*

Abstract

Emotional intelligence (EI) refers to about social and emotional abilities that have been shown to be linked to successful performance in the workplace. These abilities can be grouped into five core areas: self-awareness, self-regulation, self-motivation, social awareness, and social skills.

Current interest in "emotional intelligence" has raised the question of whether it is possible to improve the social and emotional competence of adult workers in professional institutes. Findings of the study revealed that Respondent's performance depends on the one's attitude towards his responsibilities – the more positive his attitude towards work, the better is his performance in workplace. In a sense employees attitude can be treated as a measure of his/her level of utilizing Emotional Intelligence at work place.

Level of emotional intelligence was found to be positively correlated with respondents feeling pride to do jobs at their workplace, trusting their organization, eagerly waiting for new responsibilities, there role in participating in decision making process, keen to learn new skills for betterment of their organization and there readiness to work for extra hours in the organization, whenever required. So it is concluded from the study that level of employees' emotional intelligence positively affects almost all aspect of their job performance in professional institutes.

Key words: *EI, Job performance, Correlation, Professional Institutes, Education*

Introduction

Emotional intelligence refers to an ability to recognize the meanings of emotion and their relationships and to reason and problem-solve on the basis of them. Emotional intelligence is concerned with the capacity to perceive emotions,

assimilate emotion-related feelings, understand the information of those emotions and manage them.

Typically, emotional intelligence is considered to involve emotional empathy; attention to and discrimination of one's emotions; accurate recognition of one's

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own and others' moods; mood management or control over emotions; response with appropriate (adaptive) emotions and behaviors in various life situations (especially to stress and difficult situations) and balancing of honest expression of emotions against courtesy, consideration, and respect (i.e., possession of good social skills and communication skills).

Emotional intelligence is a different way of being smart. It includes knowing what your feelings are and using your feelings to make good decision in life. It's being able to manage distressing moods well and control impulse. It's staying motivated and remaining hopeful and optimistic when you have setbacks in working towards goals. It's empathy, knowing what the people around you are feeling. And it's social skill getting along well with other people managing emotions in relationship, being able to persuade or lead others.

Emotional, or social intelligence, involves at least five types of skills:

Self-awareness is a person's ability to understand and be aware of their feelings and moods. Self-awareness helps a person keep an eye on their thoughts and emotions so they can better understand why they feel a particular way.

Managing emotions: This skill helps people display their emotions in socially appropriate ways. It helps one control anger, sadness, and fear.

Motivation helps a person use their emotions to reach their goals. It helps them hold back their impulses and delay gratification to reach these goals.

Empathy is the ability to understand how a person feels. It is different from feeling sorry for someone. It is feeling like "walking in their shoes."

Social skills are dealing with others in social situations. It is the ability to carry on a conversation and deal with other's emotions. It is being socially competent.

Higher levels of emotional intelligence are associated with better performance in the areas such as: Participative Management, Putting People at Ease, Self-Awareness, Balance Between Personal Life and Work, Straightforwardness and Composure, Building and Mending Relationships, Doing Whatever it Takes, Decisiveness, Confronting Problem Employees, Change Management. So, managing emotional intelligence is important for success in personal as well as professional life. The present study is in direction to know the Impact of Emotional Intelligence on

Performance in Professional Educational Institute

Brief Literature Review

There has been extensive empirical research demonstrating the role of cognitive ability and personality factors in academic success. Recently, research has begun to explore the role that emotional intelligence may play in academic success. To date, the research in this area is inconclusive. Some researchers have found a relation between emotional intelligence and academic success, whereas others have not. Of those researchers who do observe a relationship, they often find that cognitive ability and personality are still stronger predictors of academic performance compared with emotional intelligence.

Salovey and Mayer have been the leading researchers on emotional intelligence. In their influential article "Emotional Intelligence," they defined emotional intelligence as, "the subset of social intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions"[1].

Salovey and Mayer proposed a model that identified four different factors of

emotional intelligence: the perception of emotion, the ability to reason using emotions, the ability to understand emotion, and the ability to manage emotions. The four branches of their model are arranged from more basic psychological processes to higher, more psychologically integrated processes. For example, the lowest level branch concerns the (relatively) simple abilities of perceiving and expressing emotion. In contrast, the highest level branch concerns the conscious, reflective regulation of emotion [2].

Bar-On defines emotional intelligence as an array of non-cognitive capabilities, competencies, and skills that help us to deal with the demands of the environment [3].

Goleman describes that Emotional Intelligence is "the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships" [4].

Petrides, K. V., & Furnham, A. found that individuals, who have below average intelligence, tend to benefit academically, if they have higher scores on measures of emotional intelligence (however, no benefit was observed for individuals with

above average intelligence). Additionally, some research suggests that successful transition from high school to college is related to higher scores on measures of emotional intelligence [5].

Stanton and Franz 1999 noted that an underlying premise for helping clients deal with stressful situations within psychotherapy is to help them gain accurate awareness of their feelings, to accept and express their feelings and needs, and to use feelings as guides to emotion [6].

There have also been findings that suggest that EI is predictive of adaptive behavior in that those with high levels of performance-based EI engaged in fewer “negative” behaviors such as engaging in fights and arguments, smoking, and substance abuse than individuals with low levels [7,8]. Similarly, self-reported levels of EI demonstrated relations with greater social skills and cooperative interpersonal interactions [9].

Objectives of the Study

- To study about measures of Emotional Intelligence
- To know importance of Emotional Intelligence and its effect on Professional Educational Institute

Hypotheses

Following hypotheses were stated for the study and checked at 5% level of significance.

H₁ Feeling pride to do job at work place is significantly correlated with level of emotional intelligence

H₂ Trust on superiors/boss/authority is significantly correlated with level of emotional intelligence

H₃ Waiting for new responsibility at work place is significantly correlated with level of emotional intelligence

H₄ Opportunity to participate in decision making process at work place is significantly correlated with level of emotional intelligence

H₅ Learning new skills for betterment of organization is significantly correlated with level of emotional intelligence

H₆ Readiness to work for extra hours in organization is significantly correlated with level of emotional intelligence

Research Methodology

Research Type:

The study is descriptive in nature.

Sample:

The sample size for the present study was 100.

Sampling Type:

Convenience, non probabilistic, Judgemental sampling method was used for data collection.

Sampling Unit:

Employees of professional educational institutes in Indore city of Madhya Pradesh, India were considered as sampling unit for the study.

Data Collection**Secondary Data:**

Secondary data collected from Books, Journals and Internet Web sites.

Primary Data:

Primary data for the study collected through adopted Self-Reported Emotional Intelligence Questionnaire.

Tools for Data Analysis

Bivariate Correlation Analysis

Results and Analysis

Respondents' profile exhibited in **Table 1** shows that majority of the respondents were under the age group of 30-40 years with the ratio of 44%, and rests of the respondents were in the age group of 20-

30 and 40-50 years with ratio of 28% each. Gender wise 61% respondents were female and 39% were male employees of professional educational institutes. 65% respondents were married and 35% were unmarried. 81% of respondents were having post graduate qualification, 13% respondents were graduated and remaining 6% were higher secondary educated. 38% respondents were professor, 7% associate professor 23% respondent's assistant professors, 21% respondents were staff members and remaining 11% were grouped in other helping category.

There were 52% respondents having income more than 30000, 26% respondents having income 10000-20000, 18% respondents having income 20000-30000 and remaining 4% having income up to 10000.

It is exhibited in **Table 2** that Level of emotional intelligence was found to be positively correlated with respondents feeling pride to do jobs at their workplace. However the degree of correlation was not significant at 5% level of significance (2-tailed). ($p=.075, >.025$). Hence hypothesis H_1 was rejected.

Level of emotional intelligence was found to be positively correlated with respondents trusting their organization (superior/boss/authority) does right things for them. However the degree of

correlation was not found to be significant at 5% level of significance (2-tailed). ($p=.107, >.025$). Hence hypothesis H_2 was rejected

Level of emotional intelligence was found to be positively correlated with respondents eagerly waiting for new responsibilities at their work place and degree of correlation is significant at 5% level of significance (2-tailed). ($p=.019, <.025$) Hence hypothesis H_3 was accepted.

Level of emotional intelligence was found to be positively correlated with respondents who always find an opportunity to participate in decision making process at their work place. However the degree of correlation was not significant at 5% level of significance (2-tailed). ($p=.046, >.025$). Hence hypothesis H_4 was rejected.

Level of emotional intelligence was found to be positively correlated with respondents who always keen to learn new skills for betterment of their organization and degree of correlation is significant at 5% level of significance (2-tailed). ($p=.001, <.025$). Hence hypothesis H_5 was accepted.

Level of emotional intelligence was found to be positively correlated with respondents ready to work for extra hours in the organization and degree of correlation is not significant at 5% level of

significance (2-tailed). ($p=.269, >.025$), Hence hypothesis H_6 was rejected.

Conclusion

Findings of the study inferred that person who doesn't feel a sense of responsibility towards others, can't handle stress, are unaware of their own emotions, lack the ability to understand others, or erupt into anger easily are viewed as likely to derail due to problems dealing with other people. Results also revealed that Respondent's performance depend on the one's attitude towards his responsibilities, the positive his attitude towards work, the better is his performance in workplace. In a sense employees attitude can be treated as a measure of his/her level of utilizing Emotional Intelligence at work place.

Level of emotional intelligence was found to be positively correlated with respondents feeling pride to do jobs at their workplace, trusting their organization, eagerly waiting for new responsibilities, there role in participating in decision making process, keen to learn new skills for betterment of their organization and there readiness to work for extra hours in the organization, whenever it is required. So it is concluded from the study that level of employees' emotional intelligence positively affects

almost all aspect of their job performance in professional institutes

not be the true representative of the data.

Limitations and Scopes for future Studies

Besides scientific methodologies the study has come across some limitations. They are:

- The sample size was small as compared to the population, so it may
- The area of study was limited to Indore city of Madhya Pradesh. Other cities from varied geographical locations can be included for more validated findings in future studies.
- The opinions of the respondents could have been influenced due to presence of researcher at the time of filling questionnaire.

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Table 1 Respondent Profile

Age	Frequency	Percent
20-30 years	28	28.0
30-40 years	44	44.0
Above 40 years	28	28.0
Gender		
Male	39	39.0
Female	61	61.0
Marital Status		
Married	65	65.0
unmarried	35	35.0
Income		
up to 10000	4	4.0
10000-20000	26	26.0
20000-30000	18	18.0
>30000	52	52.0
Education		
Higher secondary	6	6.0
Graduate	13	13.0
PG	81	81
Designation		
Assistant professor	23	23.0
Associate professor	7	7.0
Professor	38	38.0
Staff	21	21.0
Others	11	11.0

Table 2 Correlation between Level of EI and determinants of Organizational performance

		EI	Q1	Q2	Q3	Q4	Q5	Q6
EI	Pearson Correlation	1	.179	.162	.234*	.200*	.323**	.112
	Sig. (2-tailed)		.075	.107	.019	.046	.001	.269
Q1 Feel pride to do job at work place	Pearson Correlation	.179	1	.128	-.010	.110	.323**	.033
	Sig. (2-tailed)	.075		.203	.920	.278	.001	.748
Q2 Trust that boss/authority does right things	Pearson Correlation	.162	.128	1	-.029	.209*	-.060	.413**
	Sig. (2-tailed)	.107	.203		.772	.037	.553	.000
Q3 Eagerly wait for new responsibility at work place	Pearson Correlation	.234*	-.010	-.029	1	.062	.106	-.090
	Sig. (2-tailed)	.019	.920	.772		.543	.293	.374
Q4 Find opportunity to participate in decision making process at work place	Pearson Correlation	.200*	.110	.209*	.062	1	.328**	.156
	Sig. (2-tailed)	.046	.278	.037	.543		.001	.121
Q5 Keen to learn new skills for betterment of organization	Pearson Correlation	.323**	.323**	-.060	.106	.328**	1	.126
	Sig. (2-tailed)	.001	.001	.553	.293	.001		.213
Q6 Ready to work for extra hours in organizations	Pearson Correlation	.112	.033	.413**	-.090	.156	.126	1
	Sig. (2-tailed)	.269	.748	.000	.374	.121	.213	
*. Correlation is significant at the 0.05 level (2-tailed)., **. Correlation is significant at the 0.01 level (2-tailed).								

A STUDY ON E-COMMERCE IMPLICATIONS IN THE INDIAN BANKING AND FINANCE INDUSTRY

*Dr. B. S. Navi, **Mr. Mallikarjun. M. Maradi

ABSTRACT

E-commerce involves an online transaction. It provides multiple benefits to the consumers in the form of availability of goods at lower cost, wider choice and saves time. The general category of e-commerce can be broken down into two parts: E-merchandise: E-finance. E-commerce involves conducting business using modern communication instruments: telephone, fax, e-payment, money transfer systems, e-data interchange and the Internet. Online businesses like financial services, travel, entertainment, and groceries are all likely to grow. This paper is an attempt to throw light on electronic commerce (e-commerce) benefits, challenges and success factors in Indian businesses, with particular reference to the banking and finance industry. The findings indicate that the major benefits of e-commerce are increased sales, business efficiency, competitive advantage, increased automation of processes and retained and increased customer base. The key challenges identified for the sector include the costs of the technology, lack of e-commerce knowledge, budgeting, acquiring IT skilled people and customer service.

Keywords: Internet, E-Banking, E-Commerce, Success factors

INTRODUCTION

Electronic commerce as a new way of doing business has significant opportunities. It is fast gathering momentum and becoming a reality in India as in other parts of the world. E-commerce involves an online transaction. This can range from ordering online, through online delivery of paid content, to financial transactions such as movement of money between bank accounts. Elizabeth Goldsmith and others (2000) reported that the general category of e-commerce can be divided into two parts viz., *E-merchandise*: selling goods and services electronically and moving items through distribution channels, for

example through Internet shopping for groceries, tickets, music, clothes, hardware, travel, books, flowers or gifts and *E-finance*: banking, debit cards, smart cards, banking machines, telephone and Internet banking, insurance, financial services and mortgages on-line (Elizabeth Goldsmith and others, 2000).

Farooq Ahmed (2001) reported that the enormous flexibility of the internet has made possible what is popularly called e-commerce which has made inroads in the traditional methods of business management. All the facets the business tradition, which we are accustomed to in physical environment, can be now executed

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over the internet including online advertising, online ordering, publishing, banking, investment, auction and professional services. E-commerce involves conducting business using modern communication instruments: telephone, fax, e-payment, money transfer systems, e-data interchange and the internet. The WTO has recognized that commercial transactions can be broken into 3 stages viz, advertising and searching stage, the ordering and payment stage and the delivery stage.

OBJECTIVES OF THE STUDY

1. To study the growth trend and status of e-commerce in India
2. To study the benefits, challenges and success factors of e-commerce
3. To analyze the implications of e-commerce on banking and finance industry

GROWTH OF E-COMMERCE

Today, the market place is flooded with several e-commerce options for shoppers to choose from. A variety of innovative products and services are being offered, spoiling customers for choice. Online shopping is no more a privilege enjoyed by friends and family living in the US or UK. Today it is a reality in India. In the last few years, the growth of e-commerce industry in India has been phenomenal as more shoppers have started discovering the benefits of using this platform. There is enough scope for online businesses in the future if they understand the Indian shopper's psyche and cater to their needs.

Indian e-commerce industry has evolved over a period of time with innovations that have changed the rules of the game globally. Cash on delivery (COD) is one such example. In a country where credit card penetration is much lower than other developed markets and where e-commerce companies are still working hard to build trust among shoppers, introducing cash on delivery has been one of the key factors for the success of the segment. At present, COD is the preferred payment mode for close to 55-60% of all online transactions in the fashion and lifestyle segment in India. COD is here to stay owing to its convenience and its cultural affinity and will be a major part of payment mechanisms for at least the next four to five years. Executing COD efficiently and painlessly for the customer is critical to the success of any e-commerce player in the country.

STATUS OF E-COMMERCE IN INDIA

❖ As already mentioned above, growth of e-commerce industry has been phenomenally high. However, its growth is dependent on a number of factors and most important of them is internet connectivity. As per Forrester McKinsey report of 2013, India has 137 million internet users with penetration of 11%. Total percentage of online buyers to internet users is 18%. Compared to India, China, Brazil, Sri Lanka and Pakistan have internet population of 538 (40%), 79 (40%), 3.2 (15%) and 29 (15%) millions respectively. Therefore, lower internet density continues to

remain a challenge for e-commerce.

- ❖ According to Report of Digital-Commerce, IAMAI-IMRB (2013), e-commerce is growing at the CAGR of 34% and is expected to touch US\$ 13 billion by end of 2013. However, travel segment constitutes nearly 71% of the transactions of consumer e-commerce industry, meaning, thereby, that e-tailing has not taken off in India in any meaningful way. Share of e-tail has grown at the rate of 10% in 2011 to 16% in 2012.
- ❖ Industry surveys suggest that e-commerce industry is expected to contribute around 4 percent to the GDP by 2020. In comparison, according to a NASSCOM report, by 2020, the IT-BPO industry is expected to account for 10% of India's GDP, while the share of telecommunication services in India's GDP is expected to increase to 15 percent by 2015. With enabling support, the e-commerce industry too can contribute much more to the GDP.
- ❖ Around 90% of the global e-commerce transactions are stated to be in the nature of B2B, leaving meager 10% as B2C e-commerce. Case of India is no different where most of such transactions are in the nature of B2B. Moreover Indian e-commerce industry is characterized by 'Market Place' model. It allows large number of manufacturers/traders especially MSMEs to advertise their products on the 'Market Place' and benefit from increased turnover.
- ❖ The growing e-commerce industry can have a

positive spillover effect on associated industries such as logistics, online advertising, media and IT/ITES. Currently e-commerce accounts for 15-20 percent of the total revenues for some of the big logistics companies. The revenue for logistics industry from inventory based consumer e-commerce alone may grow by 70 times to USD 2.6 Billion (INR 14,300 crores) by 2020. Currently, the inventory based consumer e-commerce model alone provides direct employment to approximately 40,000 people and is estimated to create 1 million direct and another 0.5 million indirect jobs by 2020. Low entry barriers have attracted many young and enterprising individuals to try their hand at entrepreneurship. A significant 63% of e-commerce ventures have been started by first time entrepreneurs. Indian e-commerce industry is in nascent stage and is nowhere in the league of big global players. Major domestic e-commerce companies are Flipkart, Snapdeal, Fashionandyou, MyntraInfrafruit, Dealsandyou, Homeshop18 etc.

- ❖ Although many factors support the growth of e-commerce in India, the fledgling industry is faced with significant hurdles with respect to infrastructure, governance and regulation. Low internet penetration of 11 percent impedes the growth of e-commerce by limiting the internet access to a broader segment of the population. Poor last mile connectivity due to missing links in supply chain infrastructure is limiting the access to

far flung areas where a significant portion of the population resides. High dropout rates of 25-30 percent on payment gateways, consumer trust deficit and slow adoption of online payments are compelling e-commerce companies to rely on costlier payment methods such as Cash on Delivery (COD).

- ❖ As stated earlier, over 70% of all consumer e-commerce transactions in India are travel related, comprising mainly of online booking of airline tickets, railway tickets and hotel bookings. The biggest players in the travel category are Makemytrip.com, Yatra.com and the IRCTC website for railway bookings. Non-travel related online commerce comprises 25-30 percent of the B2C e-Commerce market. The unfettered growth of online travel category has been possible because the regulatory and infrastructure issues do not impede its growth. Also, it does not face the infrastructure challenges since the goods need not be transferred physically.

BENEFITS CHALLENGES AND SUCCESS FACTORS

This paper is an attempt to examine three key elements in e-commerce from a business perspective, focusing on benefits, challenges and factors leading to success in each area. **Benefits of E-commerce:** The uptake of e-commerce is influenced by its potential to create business value and by awareness of its participants of the potential benefits (Salnoske, 1997). A major reason for most companies, irrespective of size,

to participate in business is to extract some benefit from it. E-commerce is no different. The benefits of e-commerce identified from the current literature are classified in two main categories - tangible and intangible. The tangible benefits like business efficiency, increased automation process, transformation of traditional market chain, retained and expanded customer base, reduced operation costs and acquisition of a niche market. Intangible benefits like enhancing well being and education of customers, customers' loyalty, competitive advantage and convenient shopping.

Challenges of E-commerce: To extract benefits from e-commerce, it is important for businesses to overcome the e-commerce inhibitors and challenges. E-commerce challenges identified from the literature are classified as - technological, managerial, and business related. The technological challenges include security, web site issues and issues including costs, software, infrastructure etc. The managerial challenges are related to people and organizational issues and obtaining senior management backing. The business challenges are customer service, customers' old habits and other legal issues

E-commerce Success Factors: To maximize value from e-commerce business must identify and evaluate factors critical to success. The e-commerce success factors identified from the literature are also divided into the same three categories - technological, managerial, and business factors become a significant proportion

of the research reported to date has focused on the retail/wholesale sector with little reported work or research on the uptake of e-commerce in the banking and finance industry. This paper focuses on the responses from the banking and finance sector.

RESEARCH METHODOLOGY

From the literature a theoretical framework was developed, following three tables describe the benefits, challenges and success factors as they relate to e-commerce. A survey was developed, based on the refined list twenty five questionnaires were sent to the managers of the companies and explored the extent to which each of the identified factors were anticipated by the company and the extent to which the objectives were achieved. The survey sought to explore benefits of e-commerce, challenges of e-commerce that inhibit its successful operation and success factors of e-commerce.

The data was gathered from serving questionnaire to the respondents and the responses, which are ordinal, are presented on a Likert Scale. The Likert scale, commonly used in business research (Sekaran, 1992) was used because it allows participants to respond with degrees of agreement or disagreement (Kerlinger, 1986). Participants were asked to rate anticipated benefits, challenges and success factors of e-commerce in their organisations, as well as encountered, identified and achieved benefits, challenges and success factors respectively. The purpose was to explore participating companies' awareness and expectations of e-commerce, prior

to their involvement and what subsequently turned out to be the case. The rating was on a scale from 1 (lowest impact or least important) to 5 (highest impact or most important).

The data were measured on an ordinal scale, therefore, non-parametric statistical tests were used (Siegel, 1988). Non-parametric tests are described as statistical procedures that use nominal or ordinal-scaled data (Zikmund, 1991; Kerlinger, 1986; Jordon, 1985).

To establish if there is a significant difference between anticipated and encountered benefits, challenges and success factors of e-commerce in the finance/banking industry, the Significance test was performed. The Significance test compares the number of positive and negative differences between scores allocated to the same or matched samples (Cramer, 1998). The collated data were analysed using SPSS (Statistical Package for the Social Science) a widely accepted statistical package (Ghauri et al, 1995; Cramer, 1998).

DATA ANALYSIS AND INTERPRETATION

To establish the rank order of benefits, challenges and success factors, in the Finance and Banking industry, the medians were computed. The following tables present their Rank orders, based on median values (and the number of valid answers) for each variable, as well as the significance test results.

Table No. 1
Table showing Rank order and significance test for success factors

Rank	Success factors	Median	No. of Cases	Significance of T Test
1.	Transaction security	5.0000	22	.453
2.	Support from top management	4.0000	23	1.000
3.	Functional and user friendly website	4.0000	23	.016
4.	Partnership with technology provider	4.0000	23	.070
5.	Effective project leader	4.0000	22	.125
6.	Adequate resources	4.0000	22	.001
7.	Rapid delivery	4.0000	22	.508
8.	More personalized customer service	4.0000	20	.146
9.	Excelling in communication with customers	3.5000	18	.008
10.	The use of new technology	3.0000	23	.375
11.	Appropriate Organization structure	3.0000	23	.125
12.	Partnership with service providers	3.0000	23	1.000
13.	Partnership with suppliers	3.0000	23	1.000
14.	Online catalogue	3.0000	22	1.000
15.	Payment via credit card	3.0000	22	1.000
16.	Online tracking facilities	3.0000	21	.699
17.	Electronic payment system	3.0000	21	.375
18.	Online personalized recommendations	3.0000	20	.665
19.	Providing online decision support	2.5000	22	.250
20.	Advertising online	2.5000	22	.289

Source: Fieldwork

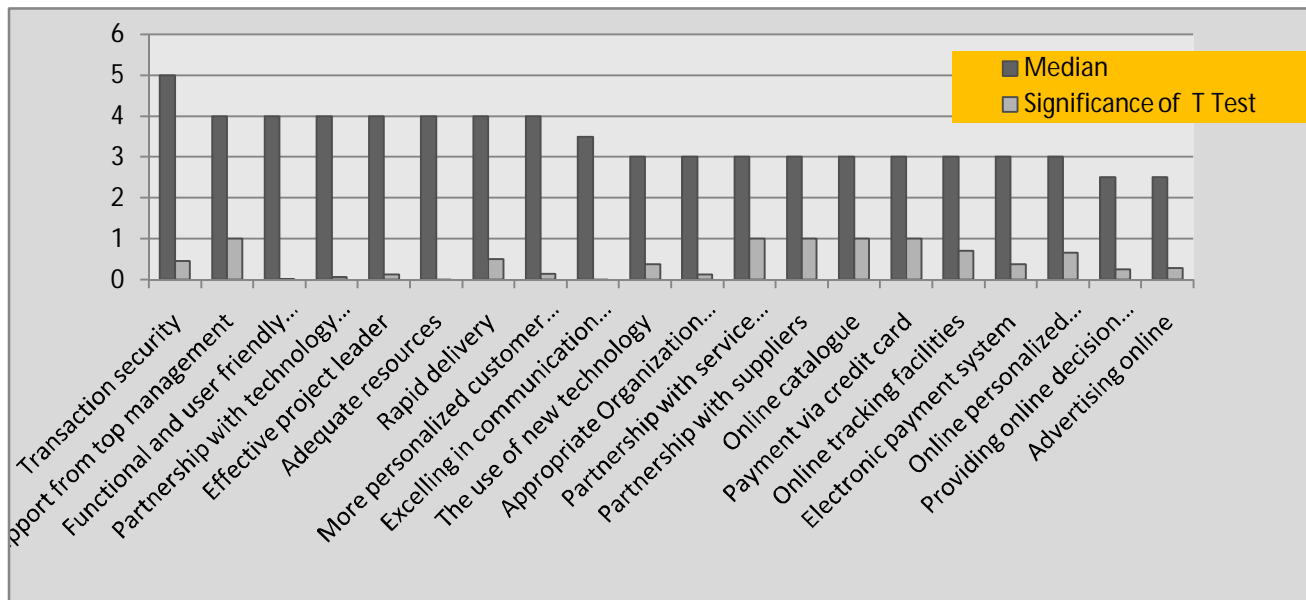


Chart No.1

The above table and chart depicts that the most commonly identified success factors include secure transactions, top management support, functional and user-friendly web site, partnership with technology provider and effective project

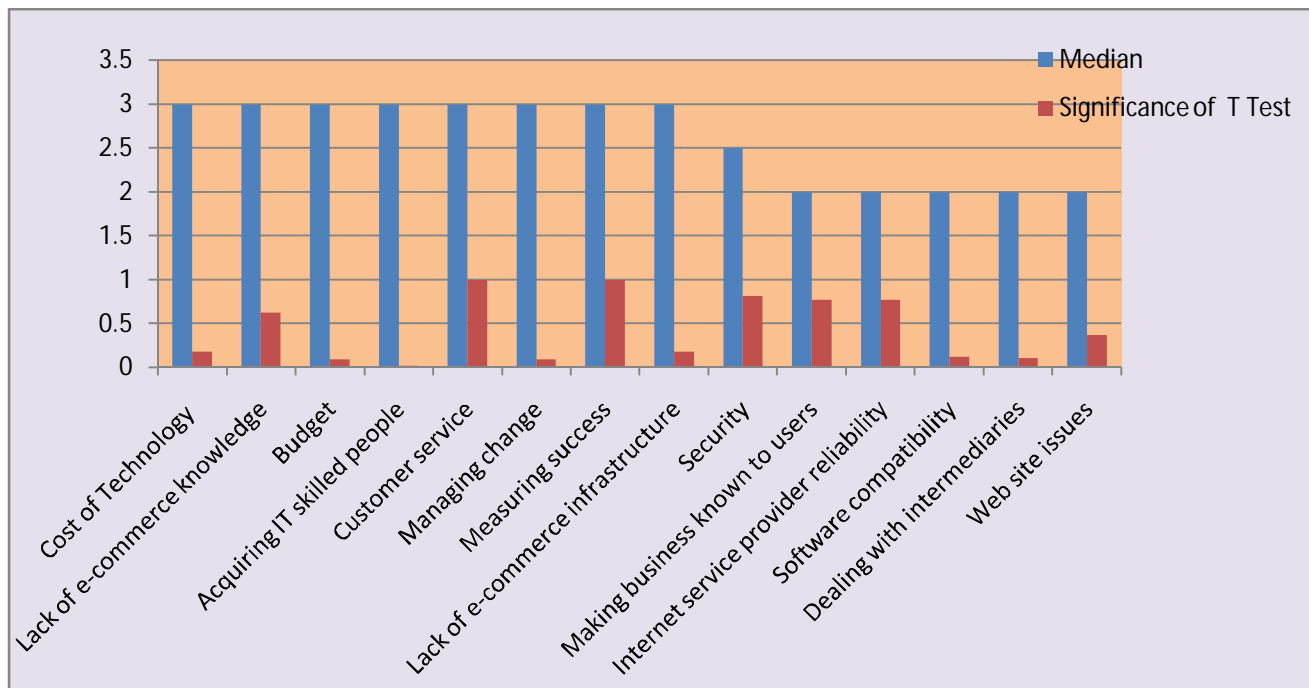
leaders. The results of the Significance Test indicated three success factors were not correctly anticipated: these were functional and user-friendly web site, adequate resources and excelling in communication with customers.

Table No. 2
Table showing Rank order and significance test for Challenges

Rank	Challenges	Median	No of cases	Significance of T Test
1.	Cost of Technology	3.0000	24	.180
2.	Lack of e-commerce knowledge	3.0000	24	.625
3.	Budget	3.0000	24	.092
4.	Acquiring IT skilled people	3.0000	24	.021
5.	Customer service	3.0000	24	1.000
6.	Managing change	3.0000	23	.096
7.	Measuring success	3.0000	23	1.000
8.	Lack of e-commerce infrastructure	3.0000	23	.180
9.	Security	2.5000	24	.815
10.	Making business known to users	2.0000	24	.774
11.	Internet service provider reliability	2.0000	24	.774
12.	Software compatibility	2.0000	24	.125
13.	Dealing with intermediaries	2.0000	24	.109
14.	Web site issues	2.0000	23	.375

Source: Fieldwork

Chart No. 2



From the above table it can be concluded that the most frequent challenges encountered in Finance/Banking include technology cost, lack of E-commerce knowledge, budget, acquiring IT skilled people and customer service. The results

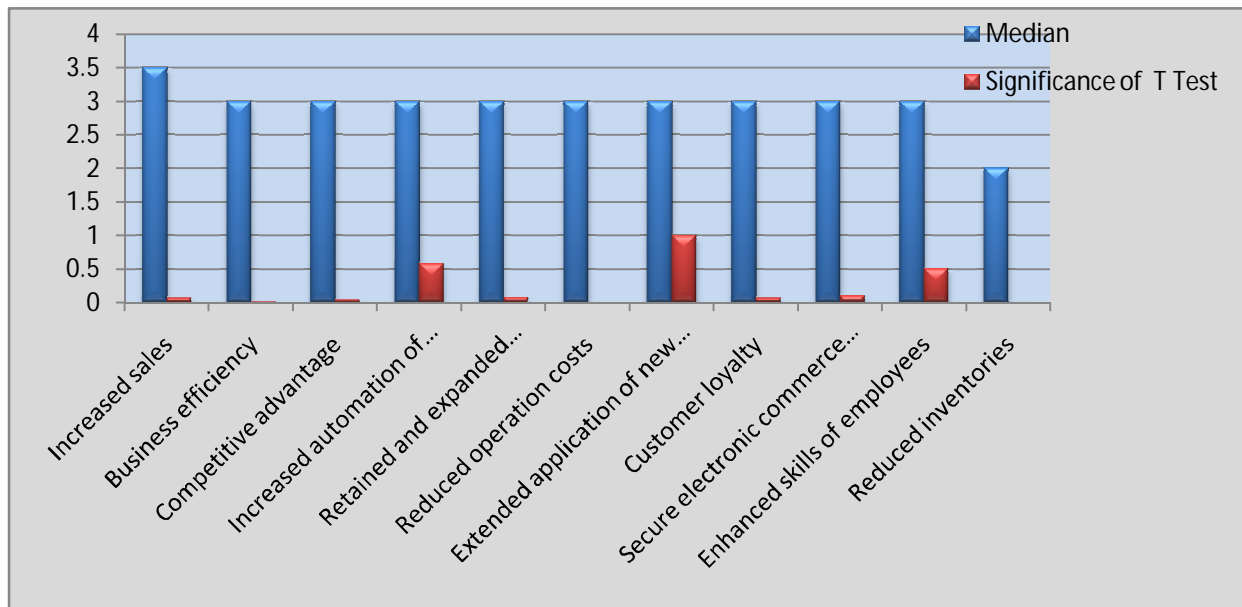
of the Significance Test indicate that the challenge of acquiring IT skilled people was not anticipated and became a great challenge to the companies.

Table No.3
Table showing Rank order and significance test for Benefits

Rank	Benefits	Median	No cases of	Significance of T Test
1.	Increased sales	3.5000	22	.065
2.	Business efficiency	3.0000	22	.013
3.	Competitive advantage	3.0000	22	.039
4.	Increased automation of processes	3.0000	22	.581
5.	Retained and expanded customer base	3.0000	22	.077
6.	Reduced operation costs	3.0000	22	.000
7.	Extended application of new technology	3.0000	22	1.000
8.	Customer loyalty	3.0000	22	.063
9.	Secure electronic commerce environment	3.0000	22	.109
10.	Enhanced skills of employees	3.0000	20	.508
11.	Reduced inventories	2.0000	22	.002

Source: Fieldwork

Chart No. 3



The above table and chart indicates that the most achieved benefits included increased sales,

business efficiency, competitive advantage, increased automation of processes and retained and expanded customer base. The results of the

Significance Test indicated that four benefits that were not correctly anticipated including business efficiency, reduced operation costs, reduced inventories and competitive advantage.

FINDINGS OF THE STUDY

To maximize the potential of e-commerce, business must be aware of the benefits, challenges and success factors of trading electronically. This research examined these factors in the Indian finance/banking industry. The main findings of the research presented in this paper are:

- The major benefits of e-commerce adoption not anticipated by the sector are business efficiency, improved image, competitive advantage, increased automation of processes and increased business turnover.
- The key challenges identified for the sector are the costs of technology, the lack of knowledge of e-commerce, managing the change, budgeting and issues associated with linking back end systems.
- Secure transactions were not considered a major challenge for the sector; in contrast they were considered one of the success factors, along with effective project management, adequate resources, support from top management and rapid delivery of systems.
- Participating companies correctly estimated the vast majority of challenges of e-commerce that lay ahead. Acquiring IT skilled people was, however, one significant challenge that was not

correctly anticipated.

- The Indian banking and finance sector identified similar benefits, is facing similar challenges and has identified similar success factors in the adoption of e-commerce compared with the other sectors.

CONCLUSION

With the development of computer technology, the World Wide Web has become the connection medium for the networked world. Computers from locations that are geographically dispersed can talk with each other through the Internet. As with any new technology, there are positives and negatives associated with its use and adoption. This study has identified and confirmed the key factors that the finance/banking industry in India has indicated are important in maximizing the potential of e-commerce. The survey results confirm that the identified factors are not dissimilar across the sectors. For managers and project leaders, the implication of the findings are that those factors identified can be used as a checklist to assist firms in their effective adoption of e-commerce and the maximization of opportunities. Finally, an e-marketplace can serve as an information agent that provides buyers and sellers with information on products and other participants in the market. E-commerce creates new opportunities for business; it also creates new opportunities for education and academics. It appears that there is tremendous potential for providing e-business education.

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SATISFACTION OF CUSTOMERS OF BANKING SECTOR IN INDIA (PRIVATE VS PUBLIC)

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ABSTRACT

The banking sector has undergone rapid changes in the last decades with the increasing globalization, advance technology and influx of new products and services. These changes have placed the customer in the driver's seat and all the efforts of banks are now directed towards total customer satisfaction. Banking is a service sector which renders various services to customers and attracts more deposits from customers. In turn it tries to support customers in all possible ways by providing financial assistance. The present research paper attempts to make a comparative analysis of customer satisfaction of public and private sector banks. The research paper is descriptive in nature and totally depends upon primary data. There is general opinion that public sector banks show traditional mindset towards banking, which is not going to work for a longer period because of the presence of many private players in this sector. But this opinion seems to be a myth. Because the study brings out that the level of satisfaction of customers of public sector banks is found to be higher as compared to that of private sector bank. Certainly, there is a room of improvement and banks avail this opportunity to continue to sustain the level of customer satisfaction to enjoy the position of leadership in the industry.

Keywords: *Customers satisfaction, Banking, ServQual Method*

Introduction

Gone are the times when human beings borrowed money for their needs from money lenders at a very high rate of interest, a practice which resulted in a lot of individuals becoming bonded laborers, unable to pay off their debts. Those were the days when no one bothered about their standard of living. Only a few enjoyed the luxurious life. Most of the population of that time lived only for food, shelter and clothes. The money lenders exploited them a lot. There were no specific rules of borrowing money; they made rules of borrowing according to their suitability. Those who were unable to pay off their debt were forced to be their servants. Likewise, all their children were also kept as servants until the entire debt was paid.

Bank constitutes an important segment of the financial infrastructure of any country. Without growth in the financial infrastructure there can be no

development. This can be fulfilled only when the customer services of the bank are good, because banks exist only when there are customers. In an organization like banks and shops if the services to the customer are satisfactory then adequate benefit can be contributed to the concern. Every bank has different types of customer services which are distinct from bank to bank. If properly maintained and utilized, it will work wonders - like increase in the number of customers. If the staff of the bank related to the customer service are properly trained and encouraged, then the bank's operations will be successful.

Bank is an organization which does the work of collecting deposits and advancing loans to its customers. It is true that banks exist when customers exist. It is for that customer that bank came into being. That is why the sole object of any bank is to provide good services to the customers so that the bank functions smoothly. As regards the quality of customer services, different banks introduced

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different types of services to fulfill the needs of the customers. Now a day, banks are catering to people from every walk of life. They are trying their best to reap maximum profit by providing financial assistance in as many areas as possible. With the coming of new modern banks like the Centurion Banks, Cosmos Bank etc., the public sector is facing steep competition especially in the area of customer service. Such banks are with the ideas of providing modern day comfort to each of its customer. This has forced the public sector banks to set committee to study the customers' needs and the area in which improvement is required.

Review of Literature

- Singh and Kaur (Feb 2011): They investigated 32 factors (responsiveness, tangibles, service innovation, social responsibility, reliability, accessibility, assurance, pricing and other facility) influencing the satisfaction level of customers of the Indian universal banks using, four universal banks i.e. two from public sector (State Bank of India and Punjab National Bank) and two from private sector banks (HDFC Bank and ICICI bank). The sample size consists of 180 respondents residing in the area of Amritsar and Jalandhar and applied descriptive statistics and factor analysis using SPSS Version 11 Statistical package. The result of the study reveals that: 1) Banks are responsive in providing prompt and relevant information and service to the customers. 2) Tangible elements have a significant bearing on customer satisfaction. 3) Service innovation has been found to have a very significant impact on the customer satisfaction. 4) Social responsibility helps an organization to lead as a corporate citizen by encouraging ethical behavior in everything it does. 5) Reliability includes two variables namely 'information provided by bank is not accurate' and 'I feel safe and secure while transacting with the bank'. 6) Accessibility factors exhibited a strong positive effect on the customer satisfaction. Finally, they concluded that customer satisfaction is important for banks to maintain a stable and close relationship with them which can be achieved by having an expertise in analysis and reporting customer feedback.
- GS Chandrasekharan and RN (2003), Investigated the critical factors of customer, i.e. perceived service quality in banks in India. The three groups of banks in India (public sector, private sector and foreign banks) were compared with respect to each of the five factor of service quality (core service, human element of service delivery, systematization of service delivery, non-human elements, tangibles of services and social responsibility). Data were collected using the personal contact approach. A total of 452 customers from 51 different banks were approached, from whom 277 (from 43 banks) valid responses were obtained. The result of confirmatory factor analysis and ANOVA showed that as regards customer perception of service quality, the technological factors (i.e., core service and systematization of the service delivery) contributed more in differentiating the three sectors, while the people oriented factor contributed less to the discrimination. The result also indicated that foreign banks were performing well, followed by private sector banks and public sector banks.
- Karuppusamy, Thircupathi Raja (Dec 2011): Investigated on the customer's awareness and behavior on the various services offered by ICICI Bank, the factors influencing the utilization of the services of ICICI bank and problems faced by the customers of the bank with its suggestion to improve the performance of ICICI bank. The validity of the research is based on the systematic

method of data collection and analysis. Sample size of the survey was 200. The area of the research was Madurai city and the tools used were percentage, average, range, standard deviation, Chi square test. Analysis and interpretation of the data was on the basis of gender, age group, education qualification, marital status, income, occupation, wealth position, family size and its interpretation of the data. The result of the survey was 1) on the basis of gender there is close relationship between gender and the level of satisfaction in utilizing new private banking services. 2) on the basis of age there is no close relationship between age and the level of satisfaction in utilizing new private banking services. 3) on the basis of educational qualification there is no close relationship between educational qualification and the level of satisfaction in utilizing new private banking services. 4) on the basis of marital status there is a close relationship between marital status and the level of satisfaction in utilizing new private banking services. 5) on the basis of income level there is no close relationship between income level and the level of satisfaction in utilizing new private banking services 6) on the basis of occupation there is a close relationship in occupation and the level of satisfaction in utilizing new private banking services 7) on the basis of family size there is a close relationship between the family size and the level of satisfaction in utilizing new private banking services 8) on the basis of wealth position there is a close relationship between wealth position and the level of satisfaction in utilizing new private banking services. They analyzed the main problems such as under favoritisms to some client, lack of guidance about the bank schemes and services, too much dependence on superiors in clarifying doubts especially in advance section.

- (Dr Raj Kamal, Dr. Sugandha Agarwal and Sonal Jauhari (Dec 2011): They tried to analyse a comparative study on satisfaction levels of customers of public sector and private sector banks. The research work is descriptive in nature and the region identified for collecting data was the leading bank of Bareilly (U.P). 200 customers from each sector of banks were contacted. Non probability convinces and judgmental type of sampling technique was used. The analysis was conducted by using statistical tools like percentage, average, standard deviation and Z test. The conclusion of the research was that when comparison was made, majority of the customers of public sector banks showed more satisfaction towards the assistance extended to them by the bank's staff whereas in private sector banks, comparatively less number of customers found their bank's employees ready to lend a helping hand. Another aspect of the study was that private sector banks failed in handling of customer complaints and that is why its maximum number of customers is displeased with the insensitive attitude of banks' officials towards their grievances. On the contrary, in public sector bank comparatively very less number of customers is discontented because of lack of attention paid to their complaints by the bank authorities. The overall study shows that level of satisfaction of customer of public sector banks is found to be higher as compared to private sector bank. There is a general opinion that the private sector banks are better as far as service quality is concerned .But analysis showed that this opinion is simply a myth, public sector bank is providing better service quality.

Objectives of the Studies

The main objective of the present study is to highlight the concept of customer service progress and its changing scenario in modern day world. The results are derived from the implementation of customer service programmes by Indian banks in Madhya Pradesh. The specific objective is to find out the level of customer satisfaction in Privatized Banks as compared to Nationalized Banks in India.

Research Methodology

Hypothesis: -Ho1.1 There is no difference in the level of customer satisfaction in Privatized Bank as compared to Nationalized Bank in India.

The Sample: -Data Collection is an important aspect of any type of research study. Inaccurate data collection can impact the results of a study and ultimately lead to invalid results. The initial sample of 700 customers was selected on random basis from Nationalized and Private Banks in India. In view of the research design a sample of 500 subjects was finally selected.

Tools Used for Data Collection: -The research was carried out through survey method. The Likert 5-point scaling selected for this research is a one-dimensional scaling method. Tools used for analyzing the data so generated are Standard Deviation, Percentage, Average, T-Test and Anova.

Interpretation and Analysis of Data

For the study a two way approach was applied for data collection. A total of 700 responses were collected from online as well as from printed questionnaire. A total of 500 responses were considered for the final analysis.

The Profile of Respondents

- In the study 47.2 per cent of the respondents were females and 52.8 per cent were males.

- It is found from the data that nearly 71 per cent of the respondents were married and remaining 29 per cent unmarried.
- The age of the respondents was divided into four categories, since the respondents are general public and users of banking services. 67.8 per cent of the responses were from the age group of 20-40 and 23.6 per cent from the age group 40 – 60 years. Very fewer responses i.e. 6.6 per cent were received from the high age group respondents that is above 60 years and 2 per cent had age less than 20 years.
- The educational qualification of the respondents was divided in four categories. Nearly 7.2 per cent respondents are having qualification other than HSC, UG and PG. Nearly 72 per cent students are PG and 16.6 per cent are UG. The least number of the respondents are from HSC that is 4.2 per cent.
- The income of the respondents is one of the most important factors, which affects the behavior of the person regarding services of the bank. The income of the respondents is divided in three categories. Most of the respondents belong to the income group of Rs.30,000 and above per month - nearly 50 per cent. 32.7 per cent of the respondents are from the income group of 10,000 to 30,000 per month and 18 per cent lies in the income group of less than 10,000.

Respondents' Bank profile and Usage

- The numbers of respondent from nationalized banks was 57.4 per cent where as 42.6 per cent are from private banks.
- Most the respondents, nearly 66 per cent operate their account on monthly basis. It is also found that 28.4 per cent of the respondents also operate their account weekly.

- It is found that 6.2 per cent operate their ATM Daily. While 60.8 per cent operate their ATM weekly. The percentage of respondents who operate their ATM on monthly basis or even less is 33.
- Nearly 42 per cent of the respondents operate their account through net or mobile weekly and 42 per cent on monthly basis. Though there are 9 per cent customers who operate their accounts daily using net or mobile
- It is a good sign that most of the respondents do not change their banks; nearly 47 per cent of the respondents are associated with the bank for more than 15 years. Nearly 21 per cent customers are associated with the banks from 5 to 15 year. Nearly 31 per cent of the respondents are having their account with the bank from last 5 years or less.
- Nearly 75 per cent of the respondents were residing within a range of 3 Km. It is found that 20 per cent customers were residing within the range of 3 to 15 kms from the bank premises. Very few customers are living or their work place is more than 15 kms from the bank.

To find the level of customer satisfaction in Privatized Bank as compared to Nationalized Bank in India

Customer Satisfaction is one of the most important aspects for growth of any organization. In the present study the major objective is to find the level of customer satisfaction of both the banks and also to find the difference between them.

To measure the customer satisfaction of the banks a 5-Dimensional Gap Model (SERVQUAL Method) of Zeithaml and Parasuramans was used. The scale consists of 22 questions.

Customer Satisfaction level of Nationalized Banks

It gives the percentage analysis of the SERVQUAL scale of nationalized banks. From table no. 6.4.1 it is clear that the customers are satisfied up to 70 per cent on Modern equipment used by bank (computer, cash counting machine, ATM etc.) and confidence of safety of funds with the bank. It is observed that 60 to 70 per cent of the customers are satisfied with physical facilities at the bank (building, furniture, counter, water facility, space etc.) and material quality and appearance (pamphlets, challans, pass book, cheque book etc.). 50 to 60 per cent of the customers are satisfied with quality of records maintained by the employees (neatness, error, accuracy etc.), employee knowledge to answer the questions of customers, employee's neatness & appearance and Information and guidance from the employees.

The parameters on which the customers are not satisfied up to fifty per cent are employee's interest in understanding the specific needs of customers, employee's interest in solving customers' problems, Employee's behaviour to increase the confidence of customers, consistency of service provided by the employees, employees' courtesy with customers, employees' attitude to hear the customer's problems, time schedule for operations (standard time), employees aim to promote the customer interest, employees willingness to help the customers, employees' personal relations with customers, convenience of bank operating hours, employees individual attention to the customers, time taken for operations against standard time and promptness of service rendered by the employees (clarity, speed, softness, etc.).

SERVQUAL of Nationalised Bank

SERVQUAL of Nationalized Banks	Excellent	Good	Moderate	Bad	Worst
Modern equipment used by bank (computer, cash counting machine, ATM etc.)	31.0%	48.1%	17.1%	2.1%	1.7%
Physical facilities at the bank (building, furniture, counter, water facility, space, etc.)	18.8%	50.9%	22.3%	5.6%	2.4%
Employees' neatness and appearance	14.3%	41.8%	37.6%	4.2%	2.1%
Material quality and appearances (pamphlets, challans, pass book, cheque books etc.)	21.3%	40.4%	35.2%	1.4%	1.7%
Time schedule for operations (standard time)	14.3%	31.0%	43.6%	10.5%	0.7%
Employees' interest in solving customers problems	12.2%	36.2%	30.0%	19.5%	2.1%
Consistency of service provided by the employees	9.2%	38.4%	34.9%	15.5%	2.1%
Time taken for operations against standard time	5.2%	35.9%	41.8%	14.6%	2.4%
Quality of record maintained by employees (neatness, error, accuracy, etc.)	11.2%	46.7%	30.9%	10.2%	1.1%
Information and guidance from the employees	9.1%	41.1%	33.4%	14.3%	2.1%

Promptness of service rendered by the employees (clarity, speed, softness, etc.)	11.8%	26.8%	43.2%	13.9%	4.2%
Employees willingness to help the customers	9.8%	34.7%	43.2%	8.8%	3.5%
Employees attitude to hear the customers' problems	9.4%	36.4%	33.2%	16.1%	4.9%
Employees' behaviour to increase the confidence of customers	11.8%	36.2%	32.4%	17.1%	2.4%
Confidence of safety of funds with the bank	25.8%	45.6%	24.4%	2.4%	1.7%
Employees courtesy with customers	9.4%	36.6%	36.6%	12.9%	4.5%
Employees knowledge to answer questions from customers	12.5%	44.6%	30.0%	10.1%	2.8%
Employees individual attention to the customers	7.0%	34.7%	36.1%	18.6%	3.5%
Convenience of bank operating hours	9.2%	34.5%	44.7%	6.3%	5.3%
Employees' personal relations with customers	10.1%	33.9%	33.6%	15.0%	7.3%
Employees' aim to promote customer interest	10.2%	34.9%	31.0%	16.2%	7.7%
Employees' interest to understand the specific needs of customers	9.2%	40.5%	32.0%	13.4%	4.9%

Source: As per data collected by the researcher

Customer Satisfaction level of Private Banks

It is clear that the customers are more satisfied with the private banks as compared to the Nationalized

Bank. Many customers are satisfied up to 90 per cent for modern equipment used by banks (computer, cash counting machine, ATM, etc.), employees' neatness and appearance, physical facilities at the bank (building, furniture, counter, water facility, space, etc.), information and guidance to the employees and promptness of service rendered by the employees (clarity, speed, softness etc.). Whereas the customers are satisfied from 90 to 80 per cent for rest of the services such as material quality and appearances (pamphlets, challans, pass book, cheque book, etc.), time schedule for the operations (standard time), quality of record maintained by the employees (neatness, error ,accuracy etc.), confidence on safety of funds with the bank, time taken for operation against standard time, employees' courtesy with customers, employees' aim to promote the customer interest, employees interest in solving customers problems, consistency of service provided by the employees, employee's willingness to help the customers, employees' individual attention to the customers, employees' personal relation with customers, employees' behaviour to increase the confidence of customers, convenience of bank operating hours, employees interest to understand the specified needs of customers, employees attitude to hear the customer's problem, and employees knowledge to answer the questions of customers.

SERVQUAL of Private Banks

SERVIQUAL of Private Bank	Excellent	Good	Moderate	Bad	Worst
Modern equipment used by bank (computer, cash counting machine, ATM, etc.)	73.2%	23.9%	2.8%	0.0 %	0.0 %
Physical facilities at the bank (building, furniture, counter, water facility, space, etc.)	28.8%	66.0%	4.7%	0.0 %	0.5 %
Employees neatness and appearance	61.0%	34.3%	4.7%	0.0 %	0.0 %
Material quality and appearances (pamphlets, challans, pass book, cheque book, etc.)	24.9%	64.3%	10.8 %	0.0 %	0.0 %
Time schedule for the operations (standard time)	25.4%	62.9%	11.3 %	.5%	0.0 %
Employees interest in solving customers problems	25.0%	59.0%	15.6 %	.5%	0.0 %
Consistency of service provided by the employees	23.9%	59.6%	15.5 %	.9%	0.0 %
Time taken for operation against standard time	21.8%	64.0%	11.8 %	2.4 %	0.0 %
Quality of record maintained by the employees (neatness, error, accuracy, etc.)	57.3%	30.5%	11.3 %	.5%	.5%
Information and guidance to the employees	21.8%	68.7%	8.5%	.9%	0.0 %
Promptness of service rendered by the employees (clarity, speed, softness, etc.)	58.0%	32.1%	8.0%	1.9 %	0.0 %
Employees' willingness to help the customers	63.2%	20.3%	14.6 %	1.4 %	.5%
Employees' attitude to hear the customers problem	60.1%	21.1%	14.1 %	4.7 %	0.0 %
Employees' behaviour towards	61.8%	21.2%	12.7 %	3.8 %	.5%

increasing the confidence of customers					
Confidence on safety of funds with the bank	56.1%	29.7%	11.3 %	2.8 %	0.0 %
Employees' courtesy with customers	60.6%	24.4%	11.3 %	3.8 %	0.0 %
Employees knowledge to answer the questions of customers	57.7%	21.1%	16.9 %	.5%	3.8 %
Employees individual attention to the customers	56.8%	26.3%	11.3 %	2.3 %	3.3 %
Convenience of bank operating hours	56.6%	25.9%	16.0 %	1.4 %	0.0 %
Employees' personal relation with customers	57.3%	25.8%	13.1 %	3.3 %	.5%
Employees' aim to promote the customer interest	56.3%	27.7%	10.8 %	.5%	4.7 %
Employees' interest to understand the specified needs of customers	56.9%	25.1%	12.8 %	.5%	4.7 %

Conclusion

This study was aimed at measuring the level of satisfaction of customers of public and private sector banks and making a comparison between the two so that the actual picture of the leader could come out.

When comparison is made, majority of the customers of public sector bank showed more satisfaction towards the assistance extended to them by the bank's staff where as in private sector banks, comparatively less no. of customers find their bank's employees ready to lend a helping hand.

Another aspect is handing customer's complaints. Proper handling of customer's complaints gives bank an opportunity to come in good books of its

customers and also enhance their level of loyalty with bank. But private sector bank have failed in this aspect and that is why its maximum number of customers are displeased with the insensitive attitude of bank's officials towards their grievances. On the contrary, in the public sector bank, comparatively very less number of customers are discontented because of lack of attention paid towards their complaints by the bank authority.

The overall study shows that the level of customer satisfaction of public sector bank is found to be higher as compared to that of private sector bank. There is general opinion that the private sector banks are far better as far as service quality is concerned. But analysis showed that this opinion is a myth.

Other unnoticed aspect of the study is that customers always think that government run banks have high security values because of which they approach public sector banks first. People are inclined towards public sector banks as they found them more reliable. With the advent of globalization and competition even public sector banks are gearing up and improving their services. They are adopting, focusing on potential customers and bringing about operating efficiencies by using high end- technology.

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A STUDY OF CONSUMER ATTITUDE TOWARDS ADVERTISING THROUGH MOBILE PHONES

Sunny Dawar, Dr. Anil Kothari***

Abstract

Advanced technology plays a significant role in analysis of consumers' psychology and their changed behavior towards purchasing any particular product. At present, the consumers are living in such an environment where they can get the information about a product or service from the various available media vehicles. Presence of numerous media vehicles in the advertising world has created an advertising clutter, reducing the effectiveness of advertising. That is why marketers are looking for innovative media for advertising, which has yet not been saturated and mobile advertising is one of them. Mobile advertisements allow the marketers to approach the customers in distinctive way. But, there arises a question that how does a consumer observe this innovative way of advertising? The present study attempts to examine the same as to what is consumer attitude towards mobile advertising and the various factors that influence their attitude. This study mainly relies on primary data collected through validated questionnaire. The study will be beneficial for the marketers to gain an insight of consumer attitude for mobile advertising and to define the appropriate strategies targeting them accordingly

Keywords: *Advertising clutter, Mobile advertising*

Introduction

The world has witnessed vast and rapid technological advancements influencing the working style of people at different work places during recent years. As technological innovation has become an essential necessity for the marketers to create a competitive periphery, which has been playing an important role in modern and developed organizational

environment, the productivity growth at macro level has been affected not only because of new technology generation but also due to its thorough diffusion in the economy. Due to intensive growth of tele-communication services and high mobile phone penetration in the society, mobile phones are being used for advertising products and services. As per a review published in Business Standard

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newspaper on the research report 2014 of Gartner Research Firm, it is expected that global mobile advertising expenditure will reach to \$ 41.9 billion from \$13.1 billion in 2017. The mobile advertising market is anticipated to develop up to \$18 billion in 2014 making the most of revenue through the display format leading a growth in video format of mobile advertisements.

Mobile Advertising

Mobile advertising is considered as an advanced medium distinguishing itself in the advertising clutter by making an interaction with consumers directly. It is also observed as a direct marketing trend. **Bamba & Barnes (2007)** mentioned that mobile marketing is a kind of wireless medium which provides required information on time with location specifics in more customized ways to consumers promoting the advantage of products and services. Mobile advertising is a technologically advanced and innovative way to communicate with the consumers. It permits the firms to reach the right kind of consumers through the examination of different and significant factors of geographic and demographic environments. It is commendable for the firms to target the consumers through mobile advertising.

High penetration of mobile phones worldwide has encouraged the utilization of mobile ads in promotion of the products and services to the market. Mobile advertising is completely a distinguished form of advertising than the traditional advertising forms on many parameters. This is considered the most interactive and customized way of advertising. The various factors of mobile channel such as mobility power, approach capacity, personalized way of interaction, two way communication, potential use of various social media vehicles etc. differentiate it from other types of advertising sources. There are five main ways of mobile advertising mainly SMS, MMS, Application based ads, Pop Up ad while using mobile internet and various gaming mobile ads.

Review of Literature

Attitude of a person defines his/her favorable or unfavorable assessments, expressive feelings and diverse actions predisposition towards some objects or ideas (**Kotler, 2000**). Consumer attitude has always remained an interesting area of research and it is a dependent variable of evaluation parameters and advertisement outcomes. It is influenced by the type of advertising exposure and attention intensity of consumers towards advertisements of a particular product or service.

Consumers' attitude also has a significant impact on their involvement to advertisements in extensive and complicated ways (**James & Cover, 1992**). It is likely to have and maintain positive attitude towards advertising. Consumers enjoy the advertisements they see and consider advertising informative and also believe them useful for buying decisions (**Shavitt et al. 1998**). A consumer's attitude for an advertisement has an essential control on advertising effectiveness, buying intentions and brand attitudes (**MacKenzie & Lutz, 1989**). Consumer who enjoys a specific advertisement is anticipated to keep a positive and favorable attitude for the advertised brand (**Sicillia, Ruiz & Reynolds, 2006**).

Graham (2001) researched on future of wireless advertising and found out that 60% of respondents were interested to receive text advertisings by the use of mobile phones. **Black (2001)** described that brand awareness was increased more than 80% among respondents who got an average six advertising SMS of various advertised brands. The research stated that SMS can be exercised as a potential advertising mean for the youth and consumers feel satisfied when they get customized services which are related to relevant interesting messages (**Barwise & Strong, 2002**).

Mobile marketing consists of marketing activities that transmit advertisements through mobile phones in which wireless mobile network and various mobile solutions are used for the enhancement of sales of products and services building the brand awareness (**Yunos & Gao, 2002**). Additionally, mobile advertisements give benefits to all stakeholders as well (**Scharl et. al, 2005**).

Mobility power, convenience factor and multimedia services all are positively related to the attitudes for mobile advertising which leads to favorable behavioral intentions of consumers (**Jong and Sangmi, 2007**).

Tsang et al. (2004) studied the consumers' attitude towards mobile phone advertising and its relationship with overall consumer behavior. This research described that consumers have a negative attitude in general for the mobile advertising until they don't get surety of advertising content. The study emphasized that marketing managers should determine target customers and examine demographic attributes first for the successful development of mobile marketing campaigns.

Bauer et al. (2005) developed a hypothetical framework for the pragmatic research of driving acceptance of mobile marketing. It was found out that entertainment value and information

contents are strongest drivers for the approval of mobile phone as an advanced and innovative tool for the advertising message communication. Consumer attitude immensely influences the buying intention towards the product or service. Consumers, who have a positive attitude towards advertising, will also tend to behave similarly towards mobile advertisements.

Leppäniemi *et al.* (2006) examined mobile marketing in depth and discovered 21 different definitions. The researchers observed that various academicians have been working upon different phases interchangeably like mobile advertising, wireless advertising and wireless marketing which relate themselves to mobile marketing. The assessment critically made by **Leppäniemi *et al.* (2006)** and **Balasubramanian *et al.* (2002)** was that theoretical conformity does not exist for the mobile marketing and suggested definitions have mainly emphasized on technology rather than thinking beyond the relation of technology with marketing field.

Rohm *et al.* (2012) stated that three factors perceived usefulness, consumer innovativeness and personal attachment have a major influence on consumers' attitude towards mobile marketing. This study investigated that highly innovative consumers are positive notions for the mobile marketing through the use of virtual

plans which have been implemented by the marketers to engage themselves on innovative platforms of consumers. The study concluded that mobile marketing is providing innovative platform to communicate with the consumers with new and profitable opportunities for the firms to develop or alter consumer attitudes towards a brand by the virtue of value added contents.

Zabadi *et al.* (2012) researched on consumer attitudes towards SMS advertising among Jordanian users and examined experiences of consumers with SMS advertising via mobile phones and variables influencing it. The study was based on consumer survey which highlighted that consumer' perceptions of informativeness, entertainment value and credibility of SMS advertisements are positively correlated with consumers' attitudes towards SMS advertisements. Further, the study observed that consumer' perceptions of the irritation aspect of SMS advertisements was negatively correlated with consumers' attitudes towards SMS advertisements. The results of the study indicated that consumer attitude towards advertising through mobile phones is strongly dependent on messages attributed. Therefore, messaged attributes must be defined carefully. It also described that advertising value and advertising message content have a long lasting

impact on attitude formation towards mobile advertising through mobile phones.

Purpose of the Study

The study is an attempt to investigate about the attitude of mobile phone consumers towards mobile advertising. We aim to reveal the consumers' receptiveness through this research. The study will be helpful to the marketers in knowing how and when they should use mobile ads for the promotion of products/services.

Research Methodology

The present study is based on exploratory research design. Data has been collected using primary and secondary sources. Primary data was collected through structured questionnaire using survey method. For the study a sample size of 100 respondents was taken using convenience sampling. A five point Likert Scale was used for collecting the responses from the respondents. All statements were recorded on a scale ranging from 1 to 5, where 1 denotes strong disagreement and 5 denotes strong agreement. The collected data was analyzed using percentages, reliability test (Cronbach α) and factor analysis (principal component analysis with varimax rotation) through the use of SPSS 16. The secondary data was collected from text books, journals, magazines and websites.

Data Analysis and Findings

Table 1 provides a summary of respondents on the basis of different demographic variables. The result shows that majority of the respondents are male (n=59) than female (n=41). 52% respondents belong to age group of 18-25 years, then 39 % to age group 25-35 years and a total of 9% of respondents belong to 35-50years and above. This distribution of respondents' age group wise directly represents that youth has shown maximum participation. Analysis also shows that majority 37% respondents are students and 32% belong to service class. There are only 10 % respondents who belong to business class and 21% from other professions.

Table 1: Distribution of Respondents on the Basis of Various Demographic Variables

Demographic Variables		Percentage of Respondents	Total
Gender	Male	59	100
	Female	41	
Age Group	18-25 Years	52	100
	25-35 Years	39	
	35-50 Years	7	
	50 Years or Above	2	
Occupation	Businessman	10	100
	Service	32	
	Student	37	
	Other Professions	21	

Reliability Analysis

Cronbach Alpha was calculated to find out the internal consistency that shows reliability of various factors of questionnaire. The Cronbach Alpha value should be above 0.7 in order to be considered reliable. Calculated value of Cronbach Alpha of factors came out 0.828 that is quite higher to the standard reliable value of 0.7.

Reliability Statistics

Cronbach's Alpha	N of Items
.828	10

Table 2: Descriptive Statistics on Survey Questions

Table 2 shows the calculated mean and standard deviations of all statements of questionnaire. All statements were put on a scale ranging from 1 to 5 denoting strongly disagree to strongly agree respectively. Overall results show that respondents are having a positive attitude towards mobile advertisements and towards the offers that firm gives to the respondents for shopping like coupons. The results also show that intention of use of mobile advertisements to know about product and service in future is high from consumers' point of view.

Statement	N	Min. Score	Max. Score	Mean	SD
I think mobile phone could be a great way to access information	100	1	5	4.49	0.932
I find receiving advertising messages via mobile phone positive.	100	1	5	3.61	0.994
I find it is time consuming to go through mobile ads.	100	1	5	3.10	1.049
I recall of brands advertised through mobile ads.	100	1	5	3.56	1.095
I find marketing ads cause disturbance at work.	100	1	5	3.53	1.029
I think mobile marketing is an innovative way of ad positioning.	100	1	5	4.06	0.973
I like the idea of using my mobile phone to purchase products or service.	100	1	5	3.83	1.006
I find mobile coupons for being offered discounts positive.	100	1	5	3.87	0.950
My general intention to use mobile marketing services is very high.	100	1	5	3.62	1.033
I will use mobile marketing services in the future.	100	1	5	3.92	0.971

Factor Analysis

To find out whether in study factors are identical to each other or not, factor analysis has been used to find out the possibility of grouping the various statements into smaller groups. First both Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity statistics were applied for the same. Bartlett's test of sphericity value should be ($p <$

.05) for the significance of the factor analysis and KMO value should be in the range of 0 to 1. The calculated value of Bartlett's test of sphericity and KMO measure as per the table 3 are .000 and .833 respectively which directly indicates that collected data set is adequate for the factor analysis.

Table 3: KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.833
Bartlett's Test of Sphericity	Approx. Chi-Square	317.987
	df	45
	Sig.	.000

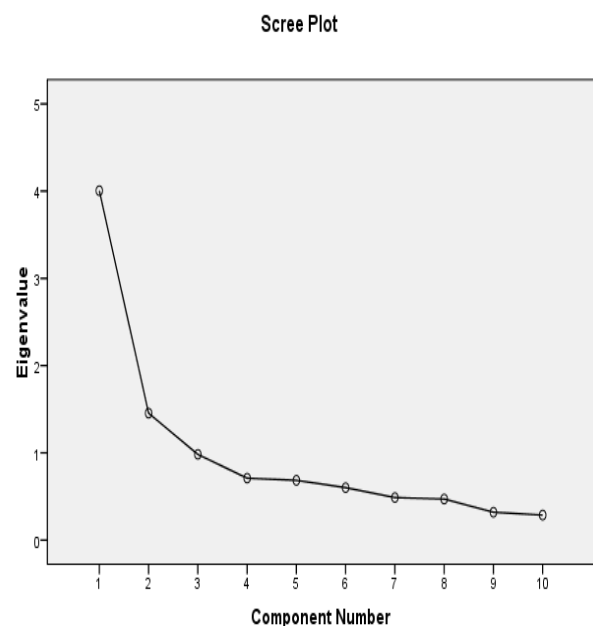
Table 4 shows all the variables that have been taken, are having communalities more than 0.416. It shows that all the variables of study have a significant fraction of the variation which contributes to common factors. Communality defines the sum of squares of the various loadings of the variables and all the variables contribute in a significant way, all have been included for better analysis of final data.

Table 4: Communalities		
Variables in Short Description	Initial	Extraction
Access information via Mobile Phones	1.000	0.416
Receiving Mobile ads Positive	1.000	0.562
Time Consuming Mobile Ads	1.000	0.714
Recall of Brands via Mobile Ads	1.000	0.433
Disturbance at Work by Mobile Marketing Ads	1.000	0.521
Innovative Way of Ad Positioning	1.000	0.699
Buying through Mobile Phone	1.000	0.587
Mobile Coupons Positive	1.000	0.482
High Intention of Use mobile marketing Service	1.000	0.653

Use of Service in Future	1.000	0.593
Extraction Method: Principal Component Analysis.		

Figure 1 shown below is Scree plot that have been used in factor analysis. Extraction of factors on Screen plot is on basis of number of components having Eigen value above 1. The Scree plot given below shows that there are two common factors that have the value above from Eigen values 1. So from the study only these two common factors can be extracted.

Figure 1:



For the support to the result, an exploratory principal component analysis was done using SPSS16. Table 5 shows the total variance of the various components. These components are

referred as principal components which have eigen value higher than 1. It is quite clear that here are two components that have eigen value more than 1 which explains 54.597% of total

variance and the rest of components explains 45.403% of total variance.

Table 5: Total Variance Explained									
Variables in Short Description	Initial Eigen values		Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings			
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Access information via Mobile Phones	4.005	40.049	40.049	4.005	40.049	40.049	3.820	38.203	38.203
Receiving Mobile ads Positive	1.455	14.548	54.597	1.455	14.548	54.597	1.639	16.395	54.597
Time Consuming Mobile Ads	0.982	9.822	64.420						
Recall of Brands via Mobile Ads	0.710	7.096	71.515						
Disturbance at Work by Mobile Marketing Ads	0.685	6.849	78.364						
Innovative Way of Ad Positioning	0.601	6.008	84.372						
Buying through Mobile Phone	0.487	4.871	89.242						
Mobile Coupons Positive	0.470	4.704	93.946						
High Intention of Use mobile marketing Service	0.319	3.188	97.133						
Use of Service in Future	0.287	2.867	100.00						
Extraction Method: Principal Component Analysis.									

Varimax rotation (**Table 6**) was exercised for the rotated component matrix. This method helps in minimization of number of variables that are having high loadings on each factor and provides the factors underlying for attitudes

towards mobile advertising. All variables as per the following given table can be categorized into two: factor 1 and factor 2.

Table 6: Rotated Component Matrix	Factor	
	1	2
Mobile phone could be a great way to access information.	0.589	
Receiving advertising messages via mobile phone positive.	0.721	
It is time consuming to go through mobile ads.		0.845
Recall of brands advertised through mobile ads.	0.656	
Mobile Marketing ads cause disturbance at work.		0.716
Mobile marketing is an innovative way of ad positioning.	0.710	
Idea of using my mobile phone to purchase products/service is good.	0.721	
Mobile coupons for being offered discounts positive.	0.527	
Intention to use Mobile marketing services is very high.	0.807	
Use of Mobile marketing services in the future.	0.751	

Factor 1 includes access information via mobile Phones, receiving mobile ads positive, recall of brands via Mobile ads, innovative way of ad positioning, buying through mobile phone, mobile coupons positive, high intention of use mobile marketing service, use of service in future. Since all these variables are associated with the perceived usefulness of mobile advertising for consumers, this factor can be named as 'perceived usefulness' of mobile ads.

Factor 2 comprises time consuming mobile ads and disturbance at work by mobile marketing ads. Hence all these variables are linked with the disturbing nature of mobile ads, therefore,

this factor can be considered as 'disturbing attribute of mobile advertisements'.

Conclusion and Recommendations

The attitude of consumers was studied through the use of various statements. These variables were divided into two factors which were extracted from the list of statements using factor analysis. The consumers mainly consider the various parameters as two factors- perceived usefulness and disturbing attribute of mobile advertisements. The results of the study directly state that consumers are having positive attitude towards mobile advertisements. They think this medium of advertising more interactive, positive and advanced than the traditional forms of advertising. The study also revealed that consumers want to get the customized message and ads that can be easily exercised. Consumers prefer to get reliable information and to know more about mobile coupons through mobile advertisements. The main annoying attributes of mobile advertisements are disturbing attributes. The research showed that consumers don't want to go through the whole mobile ad during their busy and working time. So, the research revealed that this element of mobile advertisement may have a negative impact on consumers' attitude for the mobile advertising. In the present scenario, consumers are more information seeker

and innovation oriented. They try to adopt advanced technology in their working schedule and this purpose can be easily solved by the mobile advertisements which always distinguish attributes than other advertising clutter forms. The study concluded that if mobile advertising is used in a proper manner then it can develop positive attitude. The mobile ads should be sent

in original way with the content of entertainment. The advertiser should have got the approval from the consumers to send the mobile advertisements. The advertisers must have complete information about the consumers' need before designing and launching a mobile advertisement campaign

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“A STUDY ON CUSTOMER SATISFACTION”

With Special Reference to Kothari Agritech Pvt. Ltd., Solapur

*Prof. Abhishek A. khadtare, *Prof. Vasim S. Shaikh

Abstract

Customer satisfaction cannot be very difficult. After all you are either satisfied with the services you receive or you are not. If you don't you are not. If it is that easy, then obtaining people's opinion about how satisfied they are is a relatively straight forward matter - or is it? Customer satisfaction is a marketing tool and a definite value added benefit. It is often perceived by customers as important for the primary product or service your organization offers. Customer satisfaction provides a leading indicator of consumer purchase intentions and loyalty. Within organizations, customer satisfaction ratings can have powerful effects. They focus employees on the importance of fulfilling customers' expectations and market trends. Furthermore, when these ratings dip, they warn of problems that can affect sales and profitability.

Key Words: Customer Satisfaction. Profitability. Market trends

Introduction to the Study

"Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to his/her expectations". Thus, whether the buyer is satisfied after purchase depends on the offer's performance in relation to the buyer's expectations. High satisfaction or Delight results in customer loyalty. Today's companies are aiming for TCS = Total Customer Satisfaction For the customer-cantered organization, customer satisfaction is both a goal and a marketing tool.

Whether the buyer is satisfied after purchase depends on the offers performance in relation to the buyer expectation. If the performance falls short of expectation, the customer is dissatisfied. If the performance matches the expectation, customer is satisfied. If the performance exceeds the expectation the customer is highly satisfied. Customer satisfaction is the act of just doing enough to be acceptable to a customer. It is simply meeting basic expectations.

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Objectives of study: -

1. To study satisfaction level of customers towards 'Kothari Pipe'
2. To study customer requirements and expectations
3. To study service rendered by 'Kothari Pipe'
4. To study word of mouth impact on product purchase.
5. To study factors affecting customer satisfaction level.

Research Methodology:-**Methodology Details:**

The Study is **Exploratory & Descriptive** in nature

Research Type: - **Survey Method**

Sampling Procedure

a) **Sample size:** - 100 Customers

b) **Sampling technique:** - Random Sampling

c) **Sampling Area:** - Mohol Taluka

Methods & Instruments of Data Gathering:

There are various types of tools of primary data collection, some of which used by the researcher for the studies are as bellow:

Data Analysis**Table No. 1****Title:-Demographic Table**

Age	No. of respondents	Percentage
Below 25 years	30	30
Between 25 to 35	45	45
Between 35 to 50	15	15
Above 50	10	10
Total	100	100
Qualification		
Primary	50	50
Secondary	20	20
Graduate/PG	30	30
Total	100	100
Extant Land		
Below 5 acre	30	30
6 to 10 acre	40	40
11 to 15 acre	18	18
Above 16 acre	12	12
Total	100	100
Types of crop		
Kharif	30	30
Rabi	50	50
Summer	20	20
Total	100	100
Average Income (Monthly)		
Below -10,000	32	32
11,000 to 15,000	38	38
16,000 to 20,000	20	20
Above 21,000	10	10
Total	100	100
Motor HP		

Below 3 HP	25	25
5 HP	42	42
7 HP	20	20
10 HP	8	8
Above 12 HP	5	5
Total	100	100
Water Sources		
Well	35	35
Bore	20	20
Canal	20	20
Tank	10	10
Rain	15	15
Total	100	100

Table No. 2**Title: - Brand preference by consumers**

Decision	1	2	3	4	5	6
Kothari	58	9	26	7	-	-
Jain	3	30	4	36	23	4
Finolex	2	3	8	21	60	6
Tulasi	2	-	-	2	13	83
Vardan	3	24	27	30	6	10

Total score Kothari = $(58*6) + (9*5) + (26*4) + (7*3) = 518$

Total score Jain = $(3*6) + (30*5) + (4*4) + (36*3) + (23*2) + (4*1) = 342$

Total score Finolex = $(2*6) + (3*5) + (8*4) + (21*3) + (60*2) + (6*1) = 248$

Total score Tulasi = $(2*6) + 0 + 0 + (2*3) + (13*2) + (83*1) = 127$

Total score Vardan = $(3*6) + (24*5) + (27*4) + (30*3) + (6*2) + (10*1) = 358$

Weight = Total score/No. of Respondents

Decision	Total score	Weight	Rank
Kothari	518	5.18	1
Jain	342	3.42	3
Finolex	248	2.48	4
Tulasi	127	1.27	5
Vardan	358	3.58	2

Table No. 3**Title: - Awareness of Kothari Pipes**

Decision	Responses	Percent
Yes	100	100
No	0	0
Total	100	100

Table No. 4**Title:- Inspiration to buy Kothari Pipes**

Decision	Responses	Percentages
Friends	29	29
Relatives	39	39
Neighbours	8	8
Advertisements	24	24
Total	100	100

Table No. 5**Title:-Regular customer to Kothari Company or dealers**

Decision	Responses	Percentages
Yes	50	50
No	50	50
Total	100	100

Table No. 6**Title:- The customer of the Kothari Company since**

Decision	Responses	Percentages
Less than 6 Months	61	61
6 to 12 Months	32	32
1 to 2 Years	3	3
More than 2 Years	4	4
Total	100	100

Table No. 7**Title:- Which product do you use**

Product	No of Respondents	Percentage
Drip Irrigation System	10	10
Mini Sprinkler	5	5
Jets & Foggers	4	4
Filters	6	6
Poly Fittings	4	4
Plastic Sprinklers & Pop Ups	3	3
Rain-guns	4	4
Sprinkler Irrigation System	7	7
Rigid uPVC Pipes	24	24
uPVC Rubber Ring Joint Pipe	8	8
Fabricated Fittings	7	7
PVC Agriculture Molded Fittings	10	10
Hose Pipes & ASTM Pipes	8	8
Total	100	100

Table No. 8**Title:- Importance of Kothari**

Criteria	No of respondents	Percentage
Quality	62	62
Offer	00	00
Variety of Size	06	6
Services	10	10
Discount	00	00
Price	22	22
Total	100	100

Table No. 9**Title:- Satisfied with Performance of products**

Criteria	No of respondents	Percentage
Strongly Satisfied	30	30
Satisfied	62	62
Dissatisfied	08	08
Strongly Dissatisfied	00	00
Total	100	100

Table No. 10**Title:- Reasons of satisfaction**

Criteria	1	2	3	4	5
Quality	46	10	26	11	7
Offer	8	-	26	-	66
Variety Size	6	32	6	26	30
Service	15	14	18	25	28
Price	12	16	24	28	20
Discount	3	16	15	37	29

Total score Quality= $(46*5)+(10*4)+(26*3)+(11*2)+(7*1)=377$

Total score Offer = $(8*5)+0+(26*3)+0+(66*1)=184$

Total score Variety Size = $(6*5)+(32*4)+(6*3)+(26*2)+(30*1)=258$

Total score Service = $(15*5)+(14*4)+(18*3)+(25*2)+(28*1)=263$

Total score Price = $(12*5)+(16*4)+(24*3)+(28*2)+(20*1)=272$

Total score Discount= $(3*5)+(16*4)+(15*3)+(37*2)+(29*1)=227$

Weight = Total score/No. of Respondents

Criteria	Total score	Weight	Rank
Quality	377	3.77	1
Offer	184	1.84	6
Variety Size	258	2.58	4
Service	263	2.63	3
Price	272	2.72	2
Discount	227	2.27	5

Table No. 11**Title:- Reasons of dissatisfaction**

Criteria	No of Respondents	Percentage
Quality	2	2
Offer	32	32
Varity of size	18	18
Service	8	8
Price	12	12
Discount	28	28
Total	100	100

Table No. 12**Title:- Handling of requirement by dealer quickly**

Criteria	No of respondents	Percentage
Always	76	76
Sometime	24	24
Never	00	00
Total	100	100

Table No. 13**Title:- Dealers has Knowledge about product**

Criteria	No of respondents	Percentage
Yes	100	100
No	00	00
Total	100	100

Table No. 14**Title:- Dealer PRE-PURCHASE & POST-PURCHASE performance**

Criteria	No of respondents	Percentage
Good	84	84
Average	16	16
Poor	00	00
Total	100	100

Table No. 15**Title:- Kothari Company mainly concentrates on agricultural sector**

Decision	Responses	Percentages
Strongly Agree	45	45
Agree	40	40
Not decide	15	15
Disagree	0	0
Strongly disagree	0	0
Total	100	100

Table No. 16**Title:- Expect from Kothari Pipes Company**

Decision	P1	P2	P3	P4
Quality	96	3	1	-
Weightless	-	40	48	12
Length	5	50	41	4
Colour	7	-	13	80

Total score quality = $(96*4)+(3*3)+(1*2)+0=395$

Total score weightless = $0+(40*3)+(48*2)+(12*1)=228$

Total score length = $(5*4)+(50*3)+(41*2)+(4*1)=256$

Total score colour = $(7*4)+0+(13*2)+(80*1)=134$

Weight = Total score/No. of Respondents

Decision	Total score	Weight	Rank
Quality	395	3.95	1
Weightless	228	2.28	3
Length	256	2.56	2
Colour	134	1.34	4

Table No. 17**Title:- Share information with friends and relatives**

Decision	Responses	Percentages
Strongly Agree	38	38
Agree	61	61
Disagree	0	0
Strongly disagree	1	1
Total	100	100

Table No. 18**Title:- Company concentrates on rural market more than urban market**

Decision	Responses	Percentages
Strongly Agree	27	27
Agree	43	43
Disagree	26	26
Strongly disagree	4	4
Total	100	100

Table No. 19**Title:- Company provides better services than other company**

Decision	Responses	Percentages
Strongly Agree	38	38
Agree	60	60
Disagree	2	2
Strong disagree	0	0
Total	100	100

Table No. 20**Title:- The credit facility should be at least**

Decision	Responses	Percentages
1 Week	4	4
2 Weeks	54	54
1 Month	9	9
2 Months	33	33
Total	100	100

Table No. 21**Title:- Attributes**

Criteria	No of respondents	Percentage
Excellent	42	42
Good	52	52
Average	06	06
Poor	00	00
Total	100	100

Findings:-

1. From the study it is found that 30 percent of respondents were in the age group below 25 years and 10 were aged above 50 years.
2. 50 percent respondents had primary education, graduated and post graduated.
3. From the study it is found that 40 percent respondents had 6 to 10 acre land while 18 percent respondents had 11 to 15 acre land.
4. From the table it is observed that 50 percent respondents took Rabi crops every year while 20 percent took summer crops.
5. From the study it found that 38 percent respondent has income in the range of 11000 to 15000 while 10 percent respondents has above 21000.
6. From the table it is observed that 42 percent respondents were using 5 HP motor and only 5 percent respondents were using motor above 12 HP.
7. From the study it found that 35 percent respondents were using water from well and 15 percent respondents were using rain water.
8. From the above table it was inferred that 100 percent respondents were aware of Kothari Pipes Company.
9. From the study it found that 39 percent were through relatives, 8 percent were through neighbours.
10. 50 percent of the respondents were regular customers and the other 50 percent were not regular customers of Kothari Pipes.
11. From the study it found that 24 percent of respondents used Rigid uPVC pipes, 4 percent respondents used Jets foggers, Poly fittings and Rain guns and 3 percent respondents used Plastic sprinklers.

12. From the table it is observed that 62 percent respondents out of total sample size have given more importance to quality and 6 percent of respondents gave importance to variety of size of products.
13. From the study it found that 62 percent of respondents were satisfied and 08 percent of respondents dissatisfied. No one was found to be strongly dissatisfied with products performance.
14. From the table it is observed that 32 percent respondents were dissatisfied because of offer and 2 percent respondents were dissatisfied because of quality.
15. From the study it found that 76 percent of the respondents opine that Dealer always handles the requirements himself while 24 percent respondents were of the view that dealer himself doesn't handle the requirement but someone else does.
16. From the table it is observed that dealers have proper knowledge about product as 100 percent customers responded positively.
17. From the study it found that 84 percent of respondents feel dealer's performance was good. 16 percent of respondents feel dealer's performance was average.
18. All respondents were satisfied with dealer's pre-purchase and post-purchase behaviour.
19. From the study it found that 45 percent have strongly agreed that the Kothari Pipes Company mainly concentrates on agricultural sector and 15 percent have not decided.
20. From the table it is observed that w.r.t. sharing information with friends and relatives, 38 percent respondents strongly agreed that they share information with friends and relatives and 1 percent have strongly disagreed.
21. From the study it found that Company concentrates on rural market more than urban market. 27 percent respondents strongly agreed that the company concentrates on the rural market more than urban market and 4 percent have strongly disagreed.
22. From the study it found that Company provides better services than other company. 60 percent respondents agreed and 2 percent respondents disagreed.
23. Respondents avail a credit facility of a 1 week, 54 percent respondents were for 2 weeks and 9 percent respondents were for 1 month.

24. From the study it is found that 42 percent respondents rate the product as 'Excellent'.

25. From the table it is observed that 52 percent respondents rate of products as good and no one respond with a Poor rating.

Conclusion:-

Most of the brands available in Solapur District are dominated by Kothari Pipes, as they possess two most important features of the products, i.e. excellent quality & effective distribution channel. From the study it can be concluded that the brand 'Kothari Agritech' is very famous

among the customers. From the study the company can understand the market status and implement new strategies.

Suggestions:-

- 1) Customers are very well aware about Kothari Pipes but company has to take an effort on advertising.
- 2) The major reason of dissatisfaction is offering by company so company has to give attractive offering to improve satisfaction.
- 3) Kothari pipes has to work on their retailers and distributor to have strong customer loyalty.
- 4) Kothari Pipes has given good quality product to customer but they needed to work on after sales services.

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A Study on the Atmospheric Elements of an Apparel Outlet and It's Impact on Women during their Shopping

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ABSTRACT

This paper attempts to study the impact of the lavish store atmospherics or store set-up in an apparel outlet especially with women and is mostly based on the reviews and reports of different authors and researchers. The statistical data used for discussion and study is taken from journals, magazines and articles. The study exhibits that 86.5% of the women step into the store by looking at the outside display. Only 29% of the women pre-plan their purchase before entering the store. The store atmospherics is one of the recent marketing tools used by a retailer to increase the number of foot fall in his store. In the present era, shopping and visiting different store and malls has become a routine activity due to the increase in income and spending levels. A magazine has reported that women spend at least 15 hours a week by window shopping personally and by surfing the internet for online websites like Flipkart, Myntra, ebay, etc.

These apparel stores have a unique way to attract customers especially women. It is not only the set-up of the store but the other key elements of the store atmospherics that makes them stand out among their competitors. This tool has a good response in the present and a wide scope in the future.

Key words: *Store atmospherics, layout, design, environment*

Introduction

Jawaharlal Nehru said “*You can tell the condition of a nation by looking at the status of its women*” India being a developing country, its women population too is progressing towards development. Today, Indian women are shining in different fields, competing with the men folk be it politics, arts, entrepreneurship, fashion and what not.

Women in the earlier centuries were bound within their houses and they rarely stepped out. Later they moved to metro cities and updated themselves in different ways. Lifestyle and fashion dominated the list and is suggested to be dominating in nature for the next five years. This up-gradation towards fashion and posh lifestyle is a pop up from their higher income level and influence of western culture. Thus resulted to the birth of trends, variety and higher

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rate of retail outlets, India is the fifth largest retail market in the world.

Many foreign retail brands have invested in the Indian retail market and established their exclusive showrooms throughout the country. Thus the shopping lovers are provided with a wide range of collection of their choice, which increased the sales volume. Women on the other hand spend prime time to visit these showrooms and shop their requirements. A magazine states that women burst out their stress by yoga, exercises and by shopping.

Showrooms attract women not only by the brand name but also by the unique set-up and ambience. Many brands even follow a signature atmospherical set-up or pattern in all their branches. This depends on the store, nature of the product and also the target market. In this study, the store is an apparel outlet, nature of the product is western, trendy and ethnic outfits and the target market is women from the age of 21 to 35.

On a general day the store has a foot-fall of 20-30% but in the weekends it is double. In case of festive offers or seasonal discounts, the foot-fall is more than 60% on normal days and up to 90-95.2% on weekends.

In case of online shopping, on an average of 3-15% shopping is done in a day. Though shopping apparels online has its own advantages

and disadvantages, 26.5% of people, especially women, say that they feel its time saving.

What is store atmospherics??

The physical surroundings, environment or the elements of a retail store that is used to create an impact in the minds of the customers which leads them to purchases is said to be store atmospherics. *Philip Kotler* says Store atmospherics is the booming and one of the most important marketing tool that will be used by any retailer to increase the volume of foot-falls and sales.

A retailer takes more care in setting up the atmosphere of the store as it is the key element to increase and improve sales. While designing the environment the retailer concentrates on the following points:

- Moving space
- Product categorization
- Arrangement of the products
- Sign boards
- Light effects
- Human elements
- Boards and displays outside the store
- Parking and other facilities

Atmospheric elements of the apparel outlet

There are many elements in the store set up in the apparel showroom few basic elements of store atmospherics which is given at-most care

in design, execution and maintenance process completely in the showroom are as follows:

- a) Human Elements
- b) Price
- c) Design layout and display
- d) Offers and discount
- e) Light effects and music

Human elements in the outlet

This is the most important element of the apparel showroom. This element can be classified into two perspectives: one from the buyer's in this case the women consumers and the second from the seller's that is the showroom employees. Women do their purchases on different aspects; some buy without any plans or intentions and some pre-plan their shopping it can also be on occasions, offers, seasons and timely requirement. A study says women shop on a higher rate than man irrespective of the occasion; in which 48.72% women shop without any plans and prior ideas to shop.

The showroom on the other hand tries to increase the rapport with the shoppers by providing personal services like individual attention, providing additional information, customer service, enquiry desks and other facilities. 63% women shop in the retail outlet frequently due to the "feel good" factor, environment and "ready-to-help" employees of the store.

Price offered by the showroom

The most important factor any women would think of is the price to be afforded by them for a product. Approximately 66% of the women folk are more concerned about the price of the apparels than the quality or brand. Whereas 22% of the women are concerned exclusively on the quality than price and brand, only 12% of the women are very particular about the brand or brand name more than the price. The apparel showroom considers all these classifications and tries to fulfil their customer's taste.

Design layout and display of the store

The outlet's looks and appearance creates its image and opinion on a customer's mind. Generally women get attracted by the outlet's appearance and the way the apparels are displayed. 87% of women prefer a neat and catchy display in the showroom which out shows the unique design, colour and texture of the clothes. A study states that the display of women wears in Mannequins is the most easy and attractive way of display used by the showroom to induce a woman to shop.

Offers and discount provided by the outlet

Recent saying by an unknown person.....bigger the offer and discount higher the cash swindled or card swiped by and for women. One of the easy ways the showroom uses to attract women

and to increase their sales volumes is the offers, discounts and other added value services. The offers and discounts are of different forms which the showroom uses on a larger way, and they are:

- Concessions on every purchase
- Gift vouchers
- Coupons
- Gifts
- Free stitching
- Buy 1- Get 1 offers

A researcher found that high volume of sales in the showroom is done by women when such offers are given to them. The volume of sales increases by 33% as compared to the regular sale during other periods. 47% women purchase on a higher volume than their regular shopping spree, as they can save and buy more. Especially the working women folk are about 53% buying on a larger scale during such seasons.

Light effects, music and fragrance inside the store

The store is out shown among its competitors by its light set-up or light arrangement. The lights are set up in such a way that they don't bleach the look of the product and rather enhance it. In the outlet the lights are bright and pleasing than hard. The mid walls and central areas of the store have a mild lighting and the corners of the

store especially the shelf areas have a bright lighting effect. But 49% of the women feel that the apparel in the store light effect and in the sunlight differs. This leads to a mild dissatisfaction. 53% women prefer to shop during day time in the showroom as the nature light dominates the store lighting system.

Music is usually stress relief to anyone. Working and non-working women burst out their stress in many ways and one of them is shopping. The outlet's mild, soft and trendy music gives a pleasant feeling to the shoppers is the opinion of 41% of the women. The music played in this store has a pattern and changes according to the hours of the day regularly. During morning hours a mild music is played, at the noon trendy and during the evening hours peppy music is played for the shoppers. Sometimes they even play songs of the shopper's request. This is applicable in the weekdays and weekends, according to the crowd. 32% women feel that the in-store music makes them spend more time in the store.

Fragrance is also always kept mild by the store so that the shoppers do not feel drowsy or get a headache.

The impact Atmospheric elements on women during their shopping time

There are various impacts of the above mentioned elements at different points of time in the minds of women during their shopping

experience in the apparel outlet. Few to mention are:

- **Gives better idea:** The display of clothes gives an idea about the apparel and its utility, which helps the shopper to choose widely. 66% of the women feel that the mannequin displays helps them to capture the look, appearance and the product as a whole, more than their initial thoughts and ideas about the outfit.
- **Arrangement:** The display and arrangement of apparels in the store motivates a person to look more into it. 32% of the women feel that the hanging displays of clothes is more easy and convenient to look into the cloth as a whole rather than the folded arrangement. But 63% of the women feel that when the store employee exhibits the apparel and provides additional information about the product it's more convenient to look into the apparel and to choose comfortably.
- **Quality and Brand name:** The outlet maintains its name by providing quality products throughout the year. On the long run the apparel outlet has become a brand name by itself and earned the trust of the customers. This has improved the number of footfalls, higher rate of sales and a larger volume of customers.
- **Music:** The music of the store increases the duration of time spent by an individual in the store. It also acts as a stress relief to the shoppers. 47% of the women feel that the music and environment during shopping changes their mood and refreshes their mind.
- **Offers and Gifts:** 73% of the women feel that the offers, discounts, concessions and gifts provided in the showroom makes them feel delighted after shopping. It gives them an added value for their shopping and a repeat shopping in the apparel outlet. 16% women feel that the outlet gives them good offers and gifts comparing to the other related outlets.
- **Customer service and Rapport:** Many women who shop regularly in the store feel that the employees and the showroom as a whole maintain a good rapport with them. These services include personal attention and care to the customers, providing cool drinks and beverages while shopping, available at the time of approach, free stitching, etc.

Conclusion

To conclude, women are always fond of shopping clothes and accessories. The apparel outlet on the other hand makes their best efforts to satisfy the needs, requirements and demands of them. This attention and rapport management results in an increase in the volume

of sale. Store atmospherics is the key tool in today's Modern world which provides a retailer numerous ways to increase the foot fall to the showroom. This is clearly identified and used by the apparel outlet which has fetched them many women customers and a higher volume of sales and also a trust worthy name in the long run.

Women in India had a drastic change in their lifestyle, looks, dressing, and career and in all other aspects as well. Their higher income and spending levels have improved their lives and that of the retailer's leading to a development in the retail sector of the country

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Trends in Inventory Management in health care sector in India – Issues & Challenges

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ABSTRACT

India's healthcare sector is growing at a very fast pace. Its contribution to its GDP is also significant in view of providing employment. In view of this the growth in the next decade will be closely monitored to improve its presence. An ideal healthcare system emphasises much of its importance on primarily four criteria's – Universal access, fair distribution, training providers, and special attention to vulnerable groups of the society.

However management of inventory (Drug Management) in healthcare sector specifically in hospitals plays an important part in achieving its ideal stage. Drugs are part of link between the patient and the health service. Consequently their availability or absence will contribute to the positive or negative impact on health. Also poor drug inventory management particularly in public sector is a critical issue.

This paper attempt to identify the various issues, developments suggests improvements in drug inventory management in hospitals. Through empirical study this paper attempts to evaluate the importance of inventory management of drugs in hospitals. The various issues and challenges the hospitals face while implementing the inventory management system and ensuring implementation of the best possible system of inventory of drug management. This paper endeavours the better understanding of the application and acceptance of Actual Usage Inventory Management within the health care supply chain. Actual Usage Inventory Management consist advanced inventory control practices driven by actual usage data.

Keywords: Inventory management, Supply chain, health service, Drug store, essential drugs

Introduction:

Healthcare industry is the world's largest industry with total revenues of approx US\$ 2.8 Trillion. In India as well, Healthcare has emerged as one of the largest service sectors with estimated revenue of around \$ 30 billion constituting 5% of GDP and offering employment to around 4 million people. By 2025, Indian population will reach 1.4 billion with about 45% constituting urban adult (15

years+). To cater to this demographic change, the healthcare sector will have to be about \$100 billion in size contributing nearly 8 to 10% of the then GDP. By then, the 10 large national healthcare networks would be able to absorb 30% of the market share. The leaders in the Indian healthcare sector will be benchmarked to international quality and efficiency standards. Opportunities According to Investment Commission of India, the sector has witnessed a

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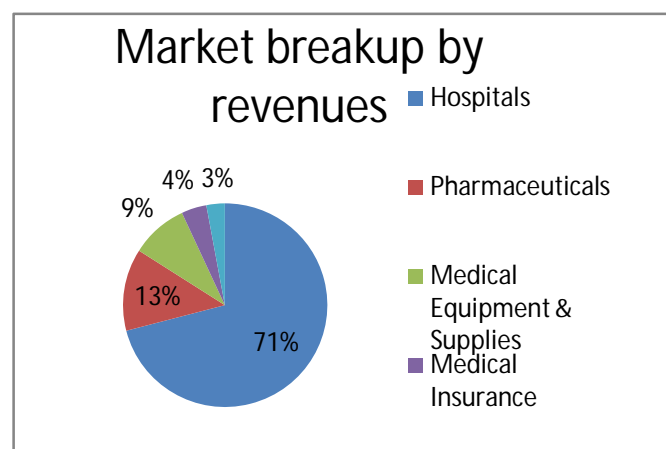
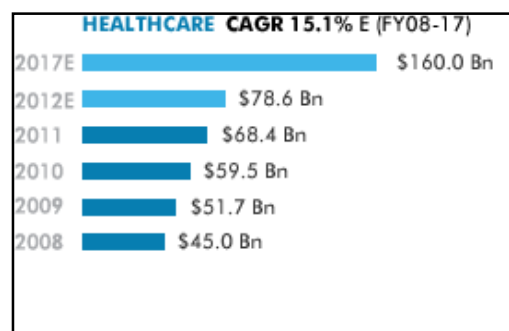
phenomenal expansion in the last 4 years growing at over 12% per annum¹.

As per a recent CII-McKinsey report, the growth of this sector can contribute to 6-7% of GDP and increase employment by at least 2.5 million by 2012. The key drivers for Indian Healthcare sector are: Medical Value Travel or Medical Tourism World class treatment and benefits at a fraction of the Cost (almost 1/10th) with no waiting time for surgeries as compared to advanced nations like UK and US where waiting period is substantially longer have been instrumental in a large number of foreign arrivals to access healthcare services in India. Medical tourism market is valued to be worth over \$310 million with foreign patients coming by 100,000 every year, and the market is predicted to grow to \$2 billion by 2012².

Health care covers not merely medical care but also all aspects pro preventive care too. It cannot be limited to care rendered by or financed out of public expenditure, In India, private out-of-pocket expenditure dominates the cost financing health care, the effects are bound to be regressive. Health care at its essential core is widely recognized to be a public good. Its demand and supply cannot therefore, be left to be regulated solely by the invisible hand of the market. Nor can it be established on considerations of utility maximizing conduct alone³.

The Indian healthcare sector, one of the country's fastest developing industries, is expected to grow at a compound annual growth rate (CAGR) of 15.2 per cent during 2011–17 to reach US\$ 160 billion. There is immense scope for enhancing healthcare services penetration in India, which presents ample opportunity for development of the healthcare industry. Of the total healthcare revenues in the country, hospitals account for 71 per cent, pharmaceuticals for 13 per cent and medical equipment and supplies for 9 per cent. The private sector has emerged as a vibrant force in

India's healthcare industry. Its share in healthcare delivery is expected to increase from 66 per cent in 2005 to 81 per cent by 2015⁴.



Today, the healthcare industry is characterized by a number of drivers affecting its supply chain, including:

- Globalization, competition and margin compression
- Growth in usage of medication
- Increased cost of drug development, production and distribution
- Major retailers driving packaging and labelling requirements
- Manufacturers' desire to control the customer and take margins away from wholesalers
- New outsourcing models in the "Patent to Patient" supply chain process⁵.

The procurement and supply management function plays an important role in healthcare

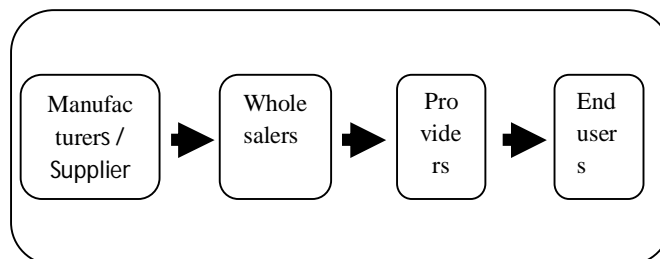
delivery. Failure by the function to safeguard the availability of supplies can sabotage the very interests of the organization which the function is supposed to support (Kumar, Ozdamar and Zhang, 2008). Coordinated inventory control is a concept within inventory management where decisions are based on stock and demand situations throughout a whole system of interconnected warehouses and inventories, and where control parameters are simultaneously determined and set at all installations.

Healthcare Supply chain:

Supply chain is the lifeblood of a healthcare organisation. As most departments depend heavily on supplies, materials management can ease or cramp a hospital's operations. From a low cost needle to a high-end orthopaedic implant, micro steel instruments or pieces of linen, supplies are indispensable during a patient's stay at the hospital. Quality care cannot be provided on time unless required material is available in adequate quantity. Materials management plays a crucial role in providing efficient healthcare by touching three vital aspects of medical supplies used in the hospital viz. availability, safety and affordability.

In health care organizations, supply chain is a new way of conceptualizing medical supply management. A supply chain is defined as “a virtual network that facilitates the movement of product from its production, distribution, and consumption” (McFadden and Leahy, 2000). In considering supply chains, health care managers are not only concerned with how much of each type of supply, and when, they need to purchase and carry in their stockrooms (inventory) to effectively serve their patients; they also are concerned with their relationships with the companies at the upstream source of the products to minimize their overall costs in supply management. The health care manager, as a leader of the provider link in this chain, is in a

strategic position and should facilitate collaborative partnerships with the adjacent links of the chain. The following graph shows the logical flow of supply chain in healthcare industry.



Overall, the process of manufacturing and distributing pharmaceutical products is similar to that of other industries. Companies purchase raw materials for bulk synthesis of active and inactive ingredients. Product flow through manufacturers / suppliers warehouses, wholesale distributors, logistics providers, retail pharmacies, and finally to the patient. Some products make their way back to their manufacturers due to recalls and returns.

Manufacturers / Suppliers: Manufacturers of medical supplies can be classified in three categories: 1) drugs and pharmaceuticals; 2) medical-surgical supplies; and 3) devices. Some manufacturers produce supplies in more than one category or in all categories.

Distributors / Wholesalers: Distributors for medical-surgical supplies are independent intermediaries who operate their own warehouses; they purchase the products from manufacturers and suppliers to sell to providers. Similarly, pharmaceutical intermediaries purchase the drugs and pharmaceuticals from manufacturers and wholesale them to pharmacies or to providers. The intermediaries are called distributors or wholesalers depending on whether the products' final resale has another layer before reaching the customer

Group Purchasing Organizations (GPOs):

Group purchasing organizations provide a critical financial advantage to providers, especially hospitals and hospital systems, by negotiating purchasing contracts for products and non labour services. A typical GPO has many hospital organizations as its members and uses this as collective buying power in negotiating contracts with many suppliers: of pharmaceuticals, medical-surgical supplies, laboratory, imaging, durable medical equipment, facility maintenance, information technology, insurance, and food and dietary products and services. The contracts usually last three to five years, giving providers price protection (Burns, 2002; pp. 60–64).

E-Distributors: E-commerce in health care can be viewed from different perspectives. Here we will concentrate on two aspects: business-to-business (B2B) commerce and business-to-customer (B2C) commerce. B2B e-distribution provides efficiencies in many areas for providers, GPOs, and suppliers in the chain through reduced transaction costs and prices, reduced cycle times with automatic replenishments, deliveries on a JIT basis, and dynamic planning—all the way to upstream forecasting for pull-demand, rather than push-demand sales by suppliers (Burns, 2002; pp. 297–301)

Need for Inventory management in Hospitals:

Hospitals are complex organisations providing large number of services of patients, physicians and staff. These services include dietary, linen, housekeeping, pharmacy, laboratory, surgery, administration, and others. Each area has specific and unique material and supply need creating a

requirement in these facilities for supply management system that can provide the necessary supplies when needed. In the current scenario of increasing health care costs, systems inventory must be optimised without sacrificing the level of service provided.

Good inventory management is essential to the successful operation of any health care organization, for a number of reasons. One of the most important is the proportion of the organizations' budget that represents money spent for inventory. Although the amounts and dollar values of the inventories carried by different types of health care providers vary widely, in a typical hospital's budget 25 to 30 percent goes for medical supplies and their handling. On the national scene, health care supplies constitute 8 to 9 percent of health care expenditures. According to Burns (2002, p. 34), of supply costs, 15 to 23 percent is for pharmacy, 30 to 50 percent is for medical-surgical supplies, and 11 to 24 percent is for equipment. Clearly, medical supplies require significant attention in health care budgeting. Furthermore, a widely used measure of managerial performance is the return on investment (ROI), which is profit after taxes, divided by total assets. Because the inventory of medical supplies may comprise a significant portion of a health care organization's total assets, reducing its inventories significantly raises its ROI, and hence its position in the financial markets. Health care managers must be able to manage the inventory of medical supplies effectively.

Drugs & Medicines being expensive and resources limited, it becomes imperative to improve their supply, increase the use, and minimize the cost through a pharmaceutical management system to be effectively put in place. There are some 3000-4000 drugs at any point in time, registered in any country; of which almost 70% are non essential (WHO). Ideally, a

National list of essential drugs should have 300-400 drugs; a district hospital needs some 150 to 200, while a health centre can manage with 40-50 drugs. Shorter the list, it is easier to manage, procure and offer to the patients within the resources available.

A typical hospital spends 25-30% of its budget on medical supplies and their handling. Similarly, a recent survey on health care providers found that each year these providers spent more than \$100 million on supply chain activities, which was “nearly one-third their annual operating budget.” Furthermore, about half of health care providers had supply chains that were described as “immature” based on those providers’ survey responses.

A survey of large retailers showed that on average they have “high success” in both controlling supply chain costs and maintaining flexible capacity to meet market needs predicted considerable efficiency gains through adoption of retail best supply chain practices in healthcare.

Issues and Challenges:

1) Time Factor: The time factor is probably not as crucial in any other field as it is in healthcare delivery where delay of a few seconds can cost a life. Moreover, availability of a low cost catheter is as critical as a high value pace maker when it comes to medical care. Therefore, inventory managers have the huge responsibility of making thousands of diverse medical consumables available on time. The challenge is even greater as the number of expected patients are unpredictable; suppliers are unreliable and costs are rising. With recent developments in automation and

information technology and emerging trends in the medical supplies industry, materials managers are now better equipped to handle time constraints.

- 2) Patient safety:** The safety of patient is the top priority in healthcare, and materials managers play a crucial role in protecting his / her interest. The biggest responsibility of a materials manager is to ensure that the products purchased for clinical use are of good quality. It can be achieved by developing a ‘product evaluation’ system consisting of well-defined parameters to guarantee that only approved products enter a hospital’s stockroom.
- 3) Cost factor:** There is tremendous pressure on materials managers to initiate serious cost cutting measures. While the cost of medical supplies has been spiralling up, greater numbers of patients are demanding high quality and reasonably priced healthcare services. Since cost of supplies forms a significant portion of healthcare expense, materials managers should continuously strive to get better deals.
- 4) High spending with zero accountability and control.** State-of-the-art inventory management systems that automate the inventory reconciliation and visibility process are scarce in the healthcare industry. The amount of work performed by hospital staff to maintain correct levels of inventory is monumental and often done using an archaic supply system.
- 5) Poor inventory visibility due to lack of data systems.** It is nearly impossible to easily track product usage, and inventory levels are often much higher than actually needed, which creates a cost burden.
- 6) Manually driven processes.** On-hand stock is usually controlled manually by

the material management staff, which counts individual products and generates orders to keep stock replenished for that day. Sufficient levels are therefore rough estimates consisting of a "best guess" or visual scans. To complete these activities on a daily basis requires a large labour force.

- 7) **Lack of tools and standard work processes.** If the patient flow increases and supplies are low, this occurs frequently and without warning, individual departments have developed their own contingency methods to mitigate inventory shortages. Acting as the "supplier" to these internal customers, the material management department has little or no visibility to validate the actual product usage. The result is a multitude of hidden processes that foster the growth of inventory and special handling procedures.
- 8) **Distribution of Network Configuration:** It deals with the warehouse's location, production level of goods, etc. It also deals with to finalize the distribution network between the suppliers and hospitals to minimise transportation and inventory costs.
- 9) **Supply Contracts:** This deal with maintaining cordial relationships between the suppliers and hospitals by signing Supply Contracts. These contracts specify price, discounts, lead time, quality, etc.
- 10) **Distribution of supplies:** A hospital will have to make decisions regarding the storage of supplies or direct delivery at the point of use.
- 11) **Integration and Partnering:** It deals with the implementation of CPFR- Collaborative Planning, Forecasting and Replenishment, among hospitals and

suppliers and manufacturers of medical supplies.

- 12) **Customer Value:** It can be measured by the ability to deliver utmost quality service to the patients. It can be measured in terms of services offered, price charged and perceived value.

Tackling the Issues and challenges:

- 1) Among various inventory control model, Economic Order Quantity (EOQ) which developed by F.W Harris in 1915 has been the most commonly used in practice. He mentioned that EOQ derives the optimal lot size for purchasing by minimizing the total operating cost. EOQ formula helps inventory manager to determine how many optimum products to buy¹⁸. However, the classical EOQ model assumes such as: constant demand, constant lead time, fixed order cost per order, instantaneous replenishment, no stocks out allowed, no demand uncertainty and quantity discount aren't available¹⁹. In order the above assumptions do not reflect in all situations, EOQ model must be modified in a real inventory system analysis.
- 2) Replenishment process also one of common practices in inventory control. Replenishment divided two types, which is continuous review and periodic review²⁰. Continuous review placed the order when the inventory declines to the re-order-point (ROP). While periodic review placed the order at regular periodic intervals. ROP also used in inventory control to seek suitable level for replenishment.
- 3) Another model in controlling inventory is safety stock. Safety stock must be considered where there is an uncertainty in demand; also safety stock is needed

during the replenishment lead time when there is a mismatch between actual demand and expected demand¹⁹

- 4) In order to reduce cost and improve service level, hospital is considered to implement various innovative supply chain strategies. Based on the literature, the standard or conventional supply chain was replaced by a number of initiatives that have been undertaken such as just-in time (JIT)²¹, stockless inventory²² and vendor managed inventory (VMI)²³.
- 5) In order to develop an appropriate inventory control, demand forecasting is highly needed. The major forecasting techniques in healthcare settings such as historical data analysis which employ analysis from previous data to determine future demand²⁴. Although to do forecasting the accurate demand for drugs is difficult²⁵. One of the problems regarding this situation is difficultness to have a correct data for drugs consumption. Moreover, different drugs brand preference of physicians creates additional uncertainties for predicting the demand. To cope this thing, demand patterns analysis can be done firstly then the mathematical modelling for accurately describe and simulate those patterns²⁶
- 6) With recent developments in automation and information technology and emerging trends in the medical supplies industry, materials managers are now better equipped to handle time constraints.
- 7) An effective Materials Management Information System (MMIS) provides features such as re-order levels that can help in automatic replenishment of items. Once the orders are placed, delivery

schedules can be closely monitored with the help of an on-line tracking system. Continuous follow-up instils a sense of discipline in vendors and makes them adhere to the timelines specified in the purchase order. Purchasing and receiving details can be used for allotting and updating vendor ratings. Regular defaulters can be dropped from the 'approved vendors' list thus improving the reliability quotient of suppliers.

- 8) Minimum levels can be set up to safeguard against stock outages. Access to online inventory helps in confirming the availability of an item for a scheduled procedure. Emergencies can be managed more effectively by moving excess supplies to areas where there is a spike in demand.
- 9) Innovative inventory supply models like consignment and rental contracts have eased the pressure of making critical supplies available on time. Life-saving products like defibrillators, drug eluting stents and heart valves are available at hospitals at zero investment. The responsibility for replenishing the stock lies on the vendor. In addition, the patient benefits from the latest technological innovations without the hospital having to carry the fear of obsolescence.
- 10) RFID technology, which is rapidly replacing barcoding, is another effective way of tracking expensive medical devices and improving availability. Use of Point-of-Service (POS) readers for capturing usage improves the accuracy of billing and clinical documentation. Access to real-time information helps in improving service levels; maintain optimal inventory and saving cost.

Best Practices in Healthcare Supply Chain



Conclusion:

A good inventory management programme is always patient-centred. While inventory is concerned with monetary issues, hospitals are in the business of serving patients. Although technology has an important role to play, the reengineered to make them more patient-friendly. Cost-effectiveness, time consciousness and safety are key drivers of a patient-centered approach. Once this goal is clear, technology can support and drive the efforts towards realizing efficiencies and improving the quality of health care services.

Similarly the traditional inventory management tools helps to understand the demand forecasting of drugs requirement in hospital Besides the basic responsibilities of deciding when and how much to order, the other basic responsibility is to establish a system for keeping track of items in

emphasis should be on using it in a way that makes a difference to the quality of patient care. Automating inefficient processes may not yield any productive result. Processes should be

inventory. These, then, are the requirements for effective inventory:

1. A system to keep track of the inventory in storage and on order.
2. A reliable forecast of demand.
3. Knowledge of lead times and lead time variability.
4. Reasonable estimates of inventory holding costs, ordering costs, and shortage costs.
5. A classification system for inventory items in terms of their importance.

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Yugantar Education Society's



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