

**Department of Master of Business Administration**

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A FIELD PROJECT REPORT

ON

SUPPLY CHAIN NETWORK DESIGN AND NETWORK OPTIMIZATION MODELS

A Project Report submitted in partial fulfilment of the requirement for the award of the degree
of

Submitted By

**(P HIMA BINDU, G VENKATA SRAVANA LAKSHMI, S MARY USHA SRI,
K KALYAN, K DINESH)**

(Regd. No. 221FC01081, 221FC01082, 221FC01083, 221FC01085, 221FC01086)

Under the esteemed guidance of

Dr. Y Srinivasa Rao

Assistant Professor.



DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research Deemed to be University

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled A FIELD PROJECT REPORT ON SUPPLY CHAIN NETWORK DESIGN AND NETWORK OPTIMIZATION MODELS submitted by **P Hima Bindu, G Venkata Sravana Lakshmi, S Mary Usha Sri, K Kalyan, K Dinesh** bearing the Regd. No. **221FC01081, 221FC01082, 221FC01083, 221FC01085, 221FC01086** from the Department of Management Studies, Vignans Foundation for Science Technology and Research deemed to be University and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

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INTRODUCTION

In this study, the supply chain network design and supply chain optimization models is investigated, and a capacitated how a supply chain network can be design and how to optimize network is proposed by formulating a generalized logistics network problem. The purpose is to minimize the total costs and maximize the responsiveness of the closed- loop supply chain network simultaneously. Moreover it is applied to find a global optimum for this model which provides the decisions related to the facility location problem, optimum quantity of shipped product, and facility capacity. Finally, a numerical example is conducted in order to show the power of the network design and optimization model to avoid the problems in the supply chain design of the networks. It has been shown that such approaches can significantly help the managers to make decisions about the problems associated with network design in the ongoing progress in any industries and technologies, most firms and businesses highly depend on cooperation and collaborations within a supply chain. In today's competitive business environment, customer satisfaction plays an important role for the business survival. These matters can be secured by supply chain, a chain consists of various companies working together to maintain customers' satisfaction. If various stages of different chains cooperate with each other, supply chain network will be the outcome. In order to have a supply chain network or just a supply chain-operation in its best possible way, some optimization techniques are needed. In this paper.

Key words:- supply chain network, logistics design, network optimization models of supply chain.

LITERATURE REVIEW

A literature review of net work design models in the context of supply chain management is given. We identify basic features that such models must capture to support decision-making involved in strategic supply chain planning. In particular, the integration of location decisions with other decisions relevant to the design of a supply chain network is discussed. Furthermore, aspects related to the structure of the supply chain network, including those specific to reverse logistics, are also addressed. Significant contributions to the current state-of-the-art are surveyed taking into account numerous factors. Supply chain performance measures and optimization techniques are also reviewed. Applications of net work design models which includes the facilities of the supply chain it means that what type of facilities what is the capacity of facilities role of the facilities in the supply chain network design ranging across various industries are presented. Mainly it focuses on auto mobile industry Finally, a list of issues requiring further research are highlighted.

Sustainable supply chain network design: An optimization-oriented review Majid Eskandarpour, Pierre Dejax, Joe Miemczyk, Olivier Péton *Omega* 54, 11-32, 2015

Supply chain network design (SCND) models and methods have been the subject of several recent literature review surveys, but none of them explicitly includes sustainable development as a main characteristic of the problem considered. The aim of this review is to bridge this gap and limitations to the current research in sustainable SCND. The narrow scope of environmental and social measures in current models should go beyond limited greenhouse gas indicators to broader life-cycle approaches including new social metrics. The more effective inclusion of uncertainty and risk in models with improved multi-objective approaches is also needed. There are also significant gaps in the sectors used to test models limiting more general applicability. The paper concludes with promising new avenues of research to more effectively include sustainability into SCND models.

Stef Lemmens, Catherine Decouttere, Nico Vandaele, Mauro Bernuzzi *Chemical Engineering Research and Design* 109, 366-384, 2016

In general, vaccines are recognized as an important means to protect populations against infectious diseases. We show that vaccines do not behave like commodity goods and elaborate on the key issues for vaccine supply chain design. This paper reviews the literature on model-based supply chain network design in order to identify the applicability of these models to the key issues of the design of a vaccine supply chain. We study whether the decisions at strategic, tactical and operational levels of the reviewed literature are able to address vaccine

Competitive supply chain network design: An overview of classifications, models, solution techniques and applications **Reza Zanjirani Farahani, Shabnam Rezapour, Tammy Drezner, Samira Fallah** *Omega 45, 92-118, 2014*

Supply chain network design (SCND) determines the structure of a chain and affects its costs and performance. SCND deals with a variety of decisions such as determining number, size and location of facilities in a supply chain (SC) and may include tactical decisions (such as distribution, transportation and inventory management policies) as well as operational decisions (such as fulfilling customers demand). SCND has a voluminous literature. Most of the literature deals with a single SC and ignores the existing competitor SCs and future emerging ones. However, SCs compete together to capture more market shares. Even if there is not any competitor at the moment, SCs should be prepared for possible future competitive situation at the SCND stage. On the other hand, many competitive models assume that the supply chain network (SCN) and its structure already exist. Few research papers consider both aspects of design and competition. In this paper, we provide a review of SCND literature and highlight the effects of competitive environment on SCND. We review, classify, and introduce the major features of the proposed models in both SCND and competition literature. After investigating proposed competitive SCND models we develop a general framework for modeling the competitive SCND problems considering managerial insight and propose potential areas for future research.

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Facility location and supply chain management—A review M Teresa Melo, Stefan Nickel, Francisco Saldanha-Da-Gama *European journal of operational research* 196 (2), 401-412, 2009

Facility location decisions play a critical role in the strategic design of supply chain networks. In this paper, a literature review of facility location models in the context of supply chain management is given. We identify basic features that such models must capture to support decision-making involved in strategic supply chain planning. In particular, the integration of location decisions with other decisions relevant to the design of a supply chain network is discussed. Furthermore, aspects related to the structure of the supply chain network, including those specific to reverse logistics, are also addressed. Significant contributions to the current state-of-the-art are surveyed taking into account numerous factors. Supply chain performance measures and optimization techniques are also reviewed. Applications of facility location models to supply chain network design ranging across various industries are presented. Finally, lists of issues requiring further research are highlighted.

Reverse logistics network design: a state-of-the-art literature review Piyawat Chanintrakul, Adrian E Coronado Mondragon, Chandra Lalwani, Chee Yew Wong

***International Journal of Business Performance and Supply Chain Modelling* 1 (1), 61-81, 2009**

In the last decade, research in reverse logistics has rapidly grown in both academia and business driven by factors such as economics, environmental legislations and corporate citizenship. Particularly in academic research, a variety of quantitative models have been proposed to address reverse logistics network design, a key area of research in logistics. In this paper, we present a comprehensive review of the literature on reverse logistics network design during the period 2000-2008 and identify future research gaps and opportunities.

Green supply chain modelling: literature review :-Chaher Alzaman *International Journal of Business Performance and Supply Chain Modeling* 6 (1), 16-39, 2014

The literature on green supply chains is growing in importance since the production and transportation of goods make a significant contribution to greenhouse emissions worldwide. This work enumerates literature within the domain of green supply chain (GSC) modeling, categories themes and modeling approaches, analyses modeling attributes, and presents

shortcomings and opportunities of the state-of-the-art's literature on GSC modeling. In addition, the work evaluates research questions such as the extent of the role of optimization in GSC modeling, the role of supply chain network design (SCND), the utilization of mathematical programming, and the inclusion of attributes such life cycle assessment (LCA) in the literature. The work finds strengths in the use of optimization tools to optimize supply chain activities and finds opportunities in more comprehensive work that integrate the attributes examined in the paper.

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Mir Saman Pishvae, Masoud Rabbani, Seyed Ali Torabi :-*Applied Mathematical Modelling* 35 (2), 637-649, 2011

The concern about significant changes in the business environment (such as customer demands and transportation costs) has spurred an interest in designing scalable and robust supply chains. This paper proposes a robust optimization model for handling the inherent uncertainty of input data in a closed-loop supply chain network design problem. First, a deterministic mixed-integer linear programming model is developed for designing a closed-loop supply chain network. Then, the robust counterpart of the proposed mixed-integer linear programming model is presented by using the recent extensions in robust optimization theory. Finally, to assess the robustness of the solutions obtained by the novel robust optimization model, they are compared to those generated by the deterministic mixed-integer linear programming model in a number of realizations under different test problems.

A multi-objective optimization for green supply chain network design

Fan Wang, Xiaofan Lai, Ning Shi *Decision support systems* 51 (2), 262-269, 2011

In this paper, we study a supply chain network design problem with environmental concerns. We are interested in the environmental investments decisions in the design phase and propose a multi-objective optimization model that captures the trade-off between the total cost and the environment influence. We conduct a comprehensive set of numerical experiments. The results show that our model can be applied as an effective tool in the strategic planning for green supply chain. Meanwhile, the sensitivity analysis provides some interesting managerial insights for firms.

Carbon market sensitive sustainable supply chain network design

Amar Ramudhin, Amin Chaabane, Marc Paquet *International Journal of Management Science and Engineering Management* 5 (1), 30-38, 2010

Sustainable Supply Chain Network Design involves taking into account social, economic and environmental objectives at design time. While the social dimension is sometime harder to capture or quantify in mathematical terms, the Emission Trading Schema (ETS) introduces a natural trade-off between the economic and the environmental dimensions. This article addresses the design of supply chains that are also sensitive to the carbon market. Carbon emissions and total logistics costs are integrated in the design of the supply chain using a multi-objective mixed-integer linear programming model that is solved by goal programming. The proposed methodology provides decision makers with the ability to evaluate the trade-offs

between total logistics costs and carbon offsetting under different supply chain operating strategies, environmental regulatory constraints and carbon market evolution. The approach is presented through an illustrative example derived from the steel industry where new legislation imposes regulatory carbon caps on emissions. The results show that this approach is a good starting point for a more comprehensive framework for sustainable supply chain network design.

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Blood supply chain network design under uncertainties in supply and demand considering social aspects **Reza Ramezani, Zahra Behboodi** *Transportation Research Part E: Logistics and Transportation Review* 104, 69-82, 2017

Blood supply chain design is an issue which has been investigated in the literature to some extent. Blood donation is a voluntary activity and blood donors are important in the blood supply chain. It is suitable to attempt to increase blood donors' utility in order to reduce shortages and harmful damages. Parameters including distance of blood donors from blood facilities, experience factor of donors in blood facilities and advertising budget in blood facilities are considered social aspects and applied to form utility function used in this paper.

The aim was to increase utility and motivate blood donors to donate blood. First, a deterministic location-allocation model is proposed applying a mixed integer linear programming (MILP) optimization. Due to the stochastic nature of demand and cost parameters, the aforementioned model is developed to incorporate uncertainty using a robust optimization approach that can overcome the limitations of scenario-based solution methods, i.e., without excessive changes in complexity of the underlying base deterministic model. The application of the proposed model is evaluated by a case study in Tehran. Numerical results obtained and sensitivity analysis helps administrators in the decision making process for investment projects.

1.INTRODUCTION

1.1 Supply chain management

Nowadays management of supply chain plays an essential role on companies' success and customers' satisfaction (Shukla et al., 2010; Chopra & Meindl, 2001). Supply chain management (SCM) also plays an important role in societies; SCM knowledge and capabilities can be applied to support medical missions, conduct disaster relief operations, and handle other kinds of emergencies. SCM also plays an important role in cultural evolution and helps improve our quality of life. Due to the rapid advancement of technology such as internet networks, connective product marking technologies like RFID and emerging standards for their use defining specific locations based on Global Location Number(s), basic supply chain are rapidly evolving to Supply Chain Network. Supply chains and supply chain networks both have similar characteristics. A system developed to move goods from supplier(s) to customer(s) like a flow, and movement of materials as well as information by linking organizations together to serve the end customer. "Network" depicts a more complex structure, where organizations can be cross-linked and there are two-way exchanges between where "chain" explains a simpler, sequential set of links (Harland et al., 2001). In both fields, supply chain (SC) and supply chain network (SCN), optimization is one of main working areas under-study system, which is of high importance. The reason for this importance is because in every chain or network of supply we look for right application of tools and processes to make sure that all operations are executed, properly. In addition, it should be noted that right design of a supply chain (SCD) or supply chain network (SCND) can be considered as an optimization problem, since in this case the right SCD or SCND looks forward to enhancing profitability or shareholders' value.

1.2. Origination

Supply chain network (SCN) is one of the important topics in an ongoing world because of increasing trend on technological change and globalization of trade. It is also because of tending to access external sources and developing economy based on knowledge and technology and the necessity of creating links and networks of strategic and focusing on quality, benefits and customer satisfaction and changeable and competitive world. While surveying different papers in the field of supply chain network optimization (SCNO) and supply chain

network design (SCND) in the time spectrum of 2000-2013, importance of SCNO in every industry or business as well as absence of a new and holistic review paper in these fields were the main motivations for writing this paper. In addition, a capable industrial engineer involved in the field of SCNO and SCND should know about their evolutions and different aspects of them to become a reliable engineer and manager in the competitive future world.

1.3. Users and Stakeholders

The comprehensive vision of this paper can assist researchers and scholars who inquire about this subject, and managers to have a glimpse to supply chain network and they can access any information about it and its resources easily and straightly. If a manager wants to know recent progress in SCNO and new modeling and their solution techniques to use them in his/her work, he/she can access this information through this review paper.

1.4. Contribution of paper

Within all papers dedicated to the subject of SCNO or SCND, various issues have been studied. Some of these papers consider only one matter at a time, while some others may try to take different problems into account at once. One point about these papers is the fact that they are not necessarily in a specific industry, which shows that SCNO or SCND have been applied in different industrial contexts. This paper will try to contribute to the SCNO and SCND literature as follow:

- 1)Considering studies within different industrial context,
- 2)Categorizing different issues that have been studied within the area,
- 3)Presenting existing gaps in the available studies in the literature.

As pointed out once before, apart from the above mentioned contributions, main distinguishable aspect of our paper is its holistic view of the field. By this, we mean that this review starts from definition and categorization of SC decision levels to the extent that presents characteristics of studied papers' models.

1.5 Organization of paper

In this study, first we will describe research method and scope of the paper in section 2. Then in section 3, terminology of this study will be illustrated. Section 4 will be devoted to studying supply chain network design and optimization. In this section, we first explicate decision levels of supply chain and then categorize the problems in this area based on those levels, and finally in this section various kinds of models used in the studied papers within the time span will be categorized and explained. Finally, in the section 5, we discuss about current gaps and trends in this area, and through these suggest subjects for future researchers.

2. Terminology and definitions

There are a few terms that are important in the studied area from conceptual and understandable point of view, which are:

- 1) Supply chain
- 2) Supply chain management
- 3) Supply chain network
- 4) Optimization and Design
- 5) Supply chain network optimization and design

Before preceding more with our review, first these main concepts both in the field and our work will be defined.

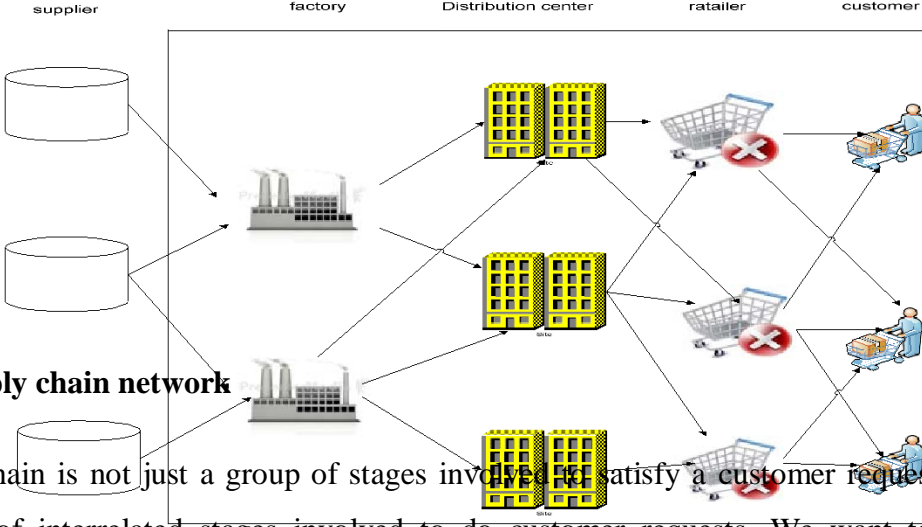
2.1 Supply chain:

Supply chain is a network of four entities: suppliers, distribution networks, manufacturers, and customers; they have different types of connections and influences on each other including transportation, information sharing, and financial flows (Shukla et al., 2010; Chopra & Meindl, 2001; Ding et al., 2009; Beamon, 1998). These connections between different parts of the SC can be a two- sided one depending on the connections' type. In addition, these entities seek a unified goal, which is to maximize the overall generated value of the overall chain and their individual unit. Although achieving this goal may not be an easy task to do if the SC is not integrated and different elements' interests contrast with each other (Mo et al., 2005). Supply chain managers must consider all the interactions and limitations between these elements and also consider operating factors, constraints and the dynamics in the market, such as changes in demand (Perea-Lopez et al., 2003; Ding et al., 2009). In Fig.1 a general supply chain network that includes three various levels of enterprises: retailers, distribution centers and plants can be seen (Chen and Lee, 2004). Attention to supply chain integration is increasing as a result of globalization and increasing competition (Wee & Yang, 2004). Competitiveness in a SC can be achieved through high speed of information and material flow with low overhead costs. For success of a SC, managers must consider coordination and collaboration between different activities that exists in it (Shukla et al., 2010) and the entire SC's competitiveness on the market (Ambrosino & Scutellá, 2005).

2.2 Supply chain management:

As a result of competitiveness in business environment and progresses in technology, an important task that companies must do to survive in this environment is working with other companies through communication and specialization. These collaborations and co-operations create a chain of companies and business entities with same goals, which will lead to a new

concept in the management area, supply chain management concept (Chen & Lee, 2004; Chen et al., 2007; Ding et al., 2009). In addition, with creation of these SCs, the competition in business world will be between SCs (Christopher, 1992). “Supply chain management” was first presented by Houlihan in 1985 (Wang, 2009). Logistics management is one of the crucial factors in supply chain performance (Chan & Chung, 2004b). SCM is the active management of planning, designing, implementing and monitoring and controlling the operations of the supply chain activities with the objective of maximizing total profitability which spans all motion and storage of raw materials, work-in-process inventory, and finished goods from a source to a customer (Melo et al., 2009). In SCM, optimization of multi criterion problems such as total costs, customer service level, inventory level, manufacturing lead times, and etc. may usually be encountered by decision makers (DM), which may be limited with some constraints, and affect each other in nature (Chan & Chung, 2007). An individual member of organization should not only optimize itself, but also collaborations with other partners for larger optimization planning can improve the individual and global performance (Silva et al., 2009).



2.3. Supply chain network

Supply chain is not just a group of stages involved to satisfy a customer request, but rather a network of interrelated stages involved to do customer requests. We want to manage this network’s flow and also find the best network structure or supply chain design to maximize the beneficially (Geunes & Pardalos, 2003). A large numbers of manufacturing models have been proposed for the design and planning supply chain network (Mo et al., 2005). The selection of partners in the supply chain network management is important because SCN really needs the inter cooperation of the partners at the upstream, midstream and downstream echelons along the supply chain (Wang, 2009).

2.4. Optimization and design

Based on merriam-webster.com optimization is defined as “an act, process, or methodology of making something (as a design, system, or decision) as fully perfect, functional, or effective as possible; specifically: the mathematical procedures (as finding the maximum of a function)

involved in this”. In management science, mathematical design is the selection of a best element from some set of available alternatives with regard to some criteria. In engineering The American Heritage Dictionary defines design as: “To conceive or fashion in the mind; invent,” and “To formulate a plan”.

2.5. Supply chain network optimization and design

In designing any supply chain, we should be very precise about the decisions concerned with the definition of the number, size, and location of the supply chain nodes (Canel & Khumawala, 2001; Teo & Shu, 2004; Simchi-Levi et al., 2005; Zhang et al., 2008), the amount and location of production facilities, the capacity at each facility, the assignment of each market region to one or more locations, and supplier selection for sub-assemblies, components and materials (Meixell & Gargeya, 2005; Paksoy et al., 2010). Supply chain network design is an assessment to have great importance for enterprises to gain costeffectiveness and competitiveness (Ballou, 2005) and to have an important impact in logistics costs (Chopra & Meindl, 2004; Cardona-Valdés et al., 2011). The questions connected with optimizing a SCN are linked to procurement, production, distribution, transportation, and suppliers’ selection, etc. (Paksoy et al., 2012a). Supplied materials’ quality levels are directly affected the agreements with suppliers and influences the material flow through SCN, indirectly. Optimizations of distribution networks have been studied by many researchers who used linear programming, mixed integer programming, fractional programming, and multi objective linear fractional programming to solve problems, which can generate optimal solutions which are usually time consuming in computation, and complicated in model construction (Abdinnour-Helm S, 1999; Chan & Chung, 2004). In addition, we sometimes use nonlinear programming because of nonlinear situations like the delivery cost changes as a function of delivery quantity which makes the modeling more complex.

3 Supply chain network optimization and design

As discussed earlier, decisions regarding SCN optimization and design are highly concerned with every single part of a chain such as production facilities, distributor centers, suppliers and customers and every type of flow and connection between these nodes of the network. One of important methods for studying existing issues or potential ones in a field is using modeling techniques, and then solving the modeled issue by the appropriate technique. Sometimes existing techniques will not be capable of solving the presented model; therefore, modeler(s)

should create a novel approach capable of handling solving phase. In addition, in some cases solving can be done through solver software.

In this section, we intend to cover different angles of issues studied in the literature regarding SCND and SCNO. First, we will discuss decision levels concerned with supply chains. Then, a categorization based on specifications of papers' models will be presented, and later, studied models in the literature from their objective functions and constraints perspective will be studied.

4.1. Supply chain decision levels

In order to ensure success of a supply chain management, right decisions about every aspect of a supply chain or supply chain network should be made (Chopra et al. 2004). These decisions can be categorized into three main classes based on the time horizon it is made for:

1).Strategic; in this level, decision maker/makers consider long-term decisions and objectives. As it can be concluded, effects of these decisions are also long term. These decisions are considered in high level. Examples of this category include facilities location, supplier selection, partner selection, supply chain design, integration of supply chain, etc.

2).Tactical;midterm decisions concerning issues such as transportation planning, distribution planning, production planning and etc. are considered in this type of decision making.

3).Operational; in this category short term decisions (and also low level decisions) which are concern with daily managerial matters are made, among which we can name inventory planning, demand planning and forecasting and etc.

The point that we should pay attention to about these levels of decision making is the fact that lower level decisions are made within the framework and context of the higher level decisions. This means that operational decisions are made within the context made by strategic and tactical decisions. It should be mentioned that some decisions can be considered within two levels, like issue of Vehicle Routing Problem (VRP) which is in a level between tactical and operational decisions. In Table 2 we present a classification of studied papers based on above mentioned

decision levels. Some of these papers studied matter considers only one level of decision making, while the others might have several issues in hand or as pointed out issues of between levels.

As it can be noticed from the Table 2 the numbers of times that issues concerned with strategic, tactical and operational decision levels were addressed are almost equal, yet these numbers for strategic decision level issues are slightly higher than other

OBJECTIVES OF THE STUDY

1. where we want to locate our manufacturing facility
- 2 . How to minimize the overall cost of the production
3. How to maximize the profit using supply chain optimization models

HISTORY OF AUTOMOBILE INDUSTRY

This chapter highlights history of Automobile Industry of the world and in India. The present position of this Industry in the world and India is studied. The scope of Automobile Industry in the near future is also explained. Finally all players in Automobile Industry of India are enumerated in this chapter.

HISTORY OF THE WORLD'S AUTOMOBILE INDUSTRY

The automobile as we know, it was not invented in a single day by a single inventor. The history of the automobile reflects an evolution that took place worldwide. It is estimated that over 100,000 patents created the modern automobile. However, we can point to the many firsts that occurred along the way.

Several Italians recorded designs for wind driven vehicles. The first was Guido da Vigevano in 1335. Vaturio designed a similar vehicle, which was also never built. Later Leonardo da Vinci designed clockwork driven tricycle with tiller steering and a differential mechanism between the rear wheels.

A Catholic priest named Father Ferdinand Verbiest has been said to have built a steam powered vehicle for the Chinese Emperor Chien Lung in about 1678. Since James Watt didn't invent the steam engine until 1705 it is guessed that this was possibly a model vehicle powered by a mechanism like Hero's steam engine, a spinning wheel with jets on the periphery.

The first vehicle to move under its own power for which there is a record was designed by Nicholas Joseph Cugnot and constructed by M. Brezin in 1769. A second unit was built in 1770, which weighed 8000 pounds and had a top speed on 2 miles per hour and on the cobble stone streets of Paris this was probably as fast as anyone wanted to go it.

The early steam powered vehicles were so heavy that they were only practical on a perfectly flat surface as strong as iron. A road thus made out of iron rails became the norm for the next hundred and twenty-five years. The vehicles got bigger and heavier and more powerful and as such they were eventually capable of pulling a train of many cars filled with freight and

passengers.

Many attempts were being made in England by the 1830's to develop a practical vehicle that didn't need rails. A series of accidents and propaganda from the established railroads caused a flurry of restrictive legislation to be passed and the development of the automobile bypassed England. Several commercial vehicles were built but they were more like trains without tracks.

The development of the internal combustion engine had to wait until a fuel was available to combust internally. Gunpowder was tried but didn't work out. Gunpowder carburetors are still hard to find. The first gas really did use gas. They used coal gas generated by heating coal in a pressure vessel or boiler. A Frenchman named Etienne Lenoir patented the first practical gas engine in Paris in 1860 and drove a car based on the design from Paris to Joinville in 1862. His one-half horsepower engine had a bore of 5 inches and a 24-inch stroke. It was big and heavy and turned 100 rpm.

Lenoir had a separate mechanism to compress the gas before combustion. In 1862, Alphonse Beau de Rochas figured out how to compress the gas in the same cylinder in which it was to burn, which is the way we still do it. This process of bringing the gas into the cylinder, compressing it, combusting the compressed mixture, then exhausting it is known as the Otto cycle, or four-cycle engine. Lenoir claimed to have run the car on benzine and his drawings show an electric spark ignition. If so, then his vehicle was the first to run on petroleum based fuel, or petrol, or what we call gas, short for gasoline.

Siegfried Marcus, of Mecklenburg, built a car in 1868 and showed one at the Vienna Exhibition of 1873. His later car was called the Strassenwagen had about 3/4-horse power at 500 rpm. It ran on crude wooden wheels with iron rims and stopped by pressing wooden blocks against the iron rims, but it had a clutch, a differential and a magneto ignition. One of the four cars, which Marcus built, is in the Vienna Technical Museum and can still be driven under its own power.

In 1876, Nikolaus Otto patented the Otto cycle engine, de Rochas had neglected to do so, and this later became the basis for Daimler and Benz breaking the Otto patent by claiming prior art from de Rochas.

In 1885, Gottlieb Daimler's in Bad Cannstatt built the wooden motorcycle. Daimler's son Paul rode this motorcycle from Cannstatt to Unterturkheim and back on November 10, 1885. Daimler used a hot tube ignition system to get his engine speed up to 1000 rpm.

On 29th January 1886, Karl Benz was granted a patent on it and on 3rd July 1886, he introduced the first automobile in the world to an astonished public.

Also in August 1888, William Steinway, owner of Steinway & Sons piano factory, talked to Daimler about US manufacturing right and by September had a deal. By 1891 the Daimler Motor Company, owned by Steinway, was producing petrol engines for tramway cars, carriages, quadricycles, fire engines and boats in a plant in Hartford, CT. Steam cars had been built in America since before the Civil War but the early one was like miniature locomotives. In 1871, Dr. J. W. Carhart, professor of physics at Wisconsin State University, and the J. I. Case Company built a working steam car.

By 1890 Ransom E. Olds had built his second steam-powered car. One was sold to a buyer in India, but the ship it was on was lost at sea.

Running by February, 1893 and ready for road trials by September, 1893 the car built by Charles and Frank Duryea, brothers, was the first gasoline powered car in America. The first run on public roads was made on September 21, 1893 in Springfield, MA.

Henry Ford had an engine running by 1893 but it was 1896 before he built his first car. By the end of the year Ford had sold his first car, which he called a Quadricycle, for \$200 and used the money to build another one. With the financial backing of the Mayor of Detroit, William C. Maybury and other wealthy Detroiters, Ford formed the Detroit Automobile Company in 1899. A few prototypes were built but no production cars were ever made by this company. It was dissolved in January 1901. Ford would not offer a car for sale until 1903.

Eli Olds built first petrol-powered car. This car was running by 1896 but production of the Olds Motor Vehicle Company of Detroit did not begin until 1899. After an early failure with luxury vehicles they established the first really successful production with the classic Curved Dash Oldsmobile.

It sold for \$650. In 1901 600 were sold and the next years were 1902 - 2,500, 1903 - 4,000, and 1904 - 5,000. In August 1904

Ransom Olds left the company to form Reo (for Ransom Eli Olds).

E. Olds was the first mass producer of gasoline-powered automobiles in the United States, even though Duryea was the first auto manufacturer with their 13 cars. The Rolls Royce Silver Ghost of 1906 was a six cylinder car that stayed in production until 1925. It represented the best engineering and technology available at the time and these cars still run smoothly and silently today. This period marked the end of the beginning of the automobile.

History of the Japanese Automobile Industry:

The first Japanese car manufacturing companies at a full scale was established by Nissan Automobile in 1933 and by Toyota Automobile in 1937.

In the fifties and more years since the Japanese began producing cars domestically, Japanese automotive technology has made remarkable progress and come to be one of the international leaders. In 1980, Japan became the top automobile-producing country in the world. The domestic auto industry has grown to the point where it is today one of the key industries supporting the Japanese economy. Today, looking further toward the twenty-first century, utilizing new materials, high-tech electronics, new power sources, and artificial intelligence, the type of car which automakers are capable of producing cannot even be imagined.

History of the American Automobile Industry:

Charles E. and J. Frank Duryea, two brothers from rural Illinois, were the founders of the American automobile industry. The Duryea Motor Wagon Company was the first company organized in the United States for the manufacture of automobiles. The automobile has changed the way people live and work all over the world. In America, very few people had cars prior to Henry Ford's assembly line. This one industrial marvel was instrumental in changing America from a rural, agricultural way of life to an urban, more industrial way of life. The society changed to a more mobile way of life, where the common man no longer needed to live in the same town where he worked. Also, it brought leisure activities closer to home, because travel was easier. Today, just about anyone who wants a car can have a car and, for the most part, they are essential to man way of life. Supporting industries flourished at the onset of the automobile and still flourish today. Businesses that produce rubber, steel, glass, petroleum, and many automotive parts and supplies employ many people in support of the automobile.

THE AUTOMOBILE INDUSTRY AT PRESENT

For most of the history of automobiles, a car was expected to do little more than travel from place to place with some degree of reliability and economy.

As roads and technology improved and more people began to use them, cars were expected to

go a little faster, ride more comfortably and last long enough to make the investment worthwhile. Almost any new car could do these things well by the early 1930s, and even as technology advanced over the next 40 years, what the world expected of a car remained basically the same. Speed, convenience and reliability improved steadily, but for more than 70 years, a car was expected to do nothing more than move people and their stuff with a degree of comfort and style commensurate with the sale price.

Then the governments got involved in automobile design. Actually, the federal and various state governments started requiring certain safety items as the technology became practical, such as electric lights, safety glass and redundant throttle return springs. But beginning with the creation of the Federal Motor Vehicle Safety Standards in 1966 and the U.S. Environmental Protection Agency in 1973, the very mission of the automobile began changing. Instead of just carrying people and their stuff quickly, comfortably and reliably, cars were eventually required to protect their occupants in a crash, retain all unburned fuel vapors, convert the byproducts of combustion into less harmful gases and report their own malfunctions. Today they must meet these and many other safeties and performance requirements set by the Society of Automotive Engineers, the repair industry and several governments, especially if the car is built for export.

As if new technical design standards weren't enough, the buying public's idea of an automobile has also gone light-years beyond reliable, economical transportation. The concept of 'automotive style,' which once referred to a range with economy cars at one end of the spectrum and luxury models at the other, has now expanded to include maybe a dozen different types of automobiles. Compared with earlier designers (including those resurrected from the dead to make television commercials), today's automotive designers and engineers are nothing less than heroes. They must create a car that meets volumes of safety and emissions regulations and wildly imaginative market demands, all of which were undreamed of only a generation ago. And as always, they have to figure out how to mass-produce these machines at a specific cost; because the sale price is pretty much set before the design work is even begun. To be sure, they have a lot of advanced tools at their disposal.

For decades, designers and engineers only needed to create a mechanical device that could carry us wherever there were roads. Now they are engaged in creating machines more advanced and complex than those that took us to the moon, and sometimes we drive those machines where there are no roads. And as it was in Henry Ford's day, the mid-market price of these marvels of modern technology is still within reach of the people who build them.

However automobile companies nowadays have most portions in market. In 1999 Ford sold more than 7.2 million vehicles worldwide, a company record. Ford also set company records for

net income (\$7.2 billion) and earnings per share (\$5.86), while reducing total costs by \$1 billion.

General Motors posted record earnings in 1999 of \$8.53 per share, which nearly doubled the \$4.32 per share earned in 1998. GM's revenues also jumped 14%, operating costs were reduced by

\$3.7 billion and its automotive profit margin doubled to 3.2%.

Daimler Chrysler reported a net income of \$5.8 billion in 1998, a 19% gain over 1997. Worldwide sales were up, and operating profit of \$11.1 billion was a 28% improvement.

Japan has 11 companies producing finished motor vehicles, including two that make only trucks, but they are merely the tip of an industrial pyramid composed of thousands of companies that supply parts and perform subcontracted work. In 1993 total automobile industry production reached 42 trillion yen, 13.4% of the total for all manufacturers. The total number of persons employed directly and indirectly by the industry--from manufacturing to sales--is 7.2 million, or 11% of Japan's working population.

Nissan Motor Co. Ltd. is building a \$930 million vehicle manufacturing plant in Canton that will encompass 2.6 million square feet and produce about 250,000 units annually. Three vehicles will be produced at this facility, a full-size pickup truck, a full-size sport-utility vehicle and a newly designed minivan. Production has slated to begin in mid-2003. The plant initially will employ 3,300 workers

Nissan's production strategy includes having suppliers build modules and components in the same sequence as the vehicles are produced on the production line. In increasing numbers, suppliers and support services also are locating plants adjacent to, or near, the new Nissan plant. By late November 2001, Nissan had announced the intention of nearly a dozen suppliers to build new plants, as well as the development of a supplier logistics center and formation of a transportation services company.

SCOPE OF AUTOMOBILE INDUSTRY IN THE NEAR FUTURE

According to a survey of ASME International (American Society of Mechanical Engineers), the

automobile is the greatest mechanical engineering achievement of the 20th century. The automobile, airplane, Apollo, air conditioning and other technologies made major contributions to engineering progress and economic and social development in the last 100 years. The automobile also spurred transportation in the United States and provided a means of efficient and enjoyable travel for the nation's middle class.

Most automobile engine manufacturers, like Ford, want to be able to react to new market requirements in a quick, flexible, and cost-saving manner, Ford intends to automate the production of engines with open and manufacturer-independent control systems, and has decided in favor of the industrial personal computer (PC) because of its substantial cost advantages compared to conventional PLCs.

The automobile brought about many safety and health concerns. Agencies have been developed on the federal and state levels to address environmental problems and automobile safety designs. Safety in factories had to be addressed as well, to help protect the factory workers from hazards. There is much concern today about the pollutants that cars put into our atmosphere from the greenhouse effects on our planet to the very air we breathe. We take the automobile for granted today, just another tool in our every day lives.

Automobile differentiation in the marketplace is dependent on more electronic features. To remain competitive, automakers must offer better features such as multiple air bags, driver information systems, comfort controls and so on. The gradual introduction of advanced features in lower-price automobiles is increasing the market size, which directly translates into a demand for electronic control unit (ECUs). A highly competitive automobile market, with strong performances by manufacturers, large multinational companies, and ongoing technological innovations, is rapidly driving the demand for electronic control unit (ECU) testers.

World Automotive Test Equipment Markets reveals that this industry generated revenues totaling \$173.8 million in 2001. Total market revenues are likely to reach \$233.2 million by 2007.

Car production will grow from 1998 to 2005 in every region of the world, except Japan, according to an internal Bosch study. The report predicts annual output on average will increase 5.2% in emerging markets, 1.5% in Western Europe and 0.2% in North America--but fall 1.0% in Japan over the next eight years, according to the report.

The study forecasts annual increases will average 11.6% in India, 7.6% in China, 6.1% in Central-Eastern Europe and the former Soviet Union, 3.2% in Southeast Asia, 2.9% in South America, and 2.4% in Africa, Central America and the Middle East.

Consolidation of the global automobile industry is moving forward at a breathtaking pace. In 2001, the six leading groups General Motors (including Isuzu), Ford (including Mazda), Toyota, DaimlerChrysler (including Mitsubishi), Volkswagen, and Renault(including Nissan) accounted for almost 70% of the world-wide production of 56.3 mio vehicles (2000: 58 mio).

HISTORY OF THE INDIAN AUTOMOBILE INDUSTRY

From the policy standpoint, the Indian automobile industry can be viewed in terms of the pre-1991 (before liberalization) and post-1991 (after liberalization) phase.

Pre-1991, Before Liberalization

1880's & early 1900's:

About hundred years ago the first motorcar was imported and Import duty on vehicles was introduced. Indian Great Royal Road (Predecessor of the Grand Trunk Road) was conceived. First car brought in India by a princely ruler in 1898.

Simpson & Co established in 1840. They were the first to build a steam car and a steam bus, to attempt motorcar manufacture, to build and operate petrol driven passenger service and to import American Chassis in India.

Railways first came to India in 1850's. In 1865 Col. Rookes Crompton introduced public transport wagons strapped to and pulled by imported steam road rollers called streamers. The maximum speed of these buses was 33 kms/hr.

From 1888 Motors Spirit attracted a substantial import duty. In 1919 at the end of the war, a large number of military vehicles came on the roads.

In 1928 assembly of CKD Trucks and Cars was started by the wholly owned Indian subsidiary of American General Motors in Bombay and in 1930-31 by Canadian Ford Motors in Madras, Bombay and Calcutta.

In 1935 the proposals of Sir M Visvesvaraya to set up an Automobile Industry were disallowed

1942 Hindustan Motors Ltd incorporated and their first vehicle was made in 1950.

In 1944 Premier Automobiles Ltd incorporated and in 1947 their first vehicle was produced.

In 1947 the Government of Bombay accepted a scheme of Bajaj Auto to replace the cycle rickshaw by the auto and assembly started in a couple of years under a license from Piaggio. Manufacturing Program for the auto and scooter was submitted in 1953 to the Tariff Commission and approved by the Government in 1959.

In 1953 the Government decreed that only firms having a manufacturing program should be allowed to operate and mere assemblers of imported CKD units be asked to terminate operations in three years.

Only seven firms namely Hindustan Motors Limited, Automobile Products of India Limited, Ashok Leyland Limited, Standard Motors Products of India Limited, Premier Automobiles Limited, Mahindra & Mahindra and TELCO received approval. M&M was manufacturing jeeps. Few more companies came up later. Government continued with its protectionism policies towards the industry.

Automobile Products of India (API) and Enfield India had already commenced the manufacture of scooters, motorcycles, mopeds and autos from 1955.

In 1956, Bajaj Tempo Ltd entered the Indian market with a program of manufacturing Commercial Vehicles, and Simpson for making engines.

AIA&AIA (association of the component manufacturers) came into being in 1959 and Government approved Bajaj Auto Ltd's plans for domestic manufacture of Vespa scooters and granted permission to produce 6000 units annually. 1960's:

In sixties 2 and 3 Wheeler segment established a foothold in the industry. Escorts and Ideal Jawa entered the field in the beginning of sixties. Association of Indian Automobile Manufacturers formally established in 1960.

Between 1955 and 1960 only API was producing Mopeds. During the first half of the sixties three companies namely Mopeds India Ltd (1965), SZUL Gwalior (1964) and Pearl Scooters Ltd (1962) entered the arena.

Standard Motors Products of India Ltd. moved over to the manufacture of Light Commercial Vehicles in 1965.

Escorts and Enfield closed their scooter division and continued only with Motorcycle manufacturing. Entire scooter market was occupied by Bajaj Auto Ltd. and API in the sixties.

1970`s:

Major factors affecting the industry's structure were the implementation of MRTP Act, FERA and Oil Shocks of 1973 and 1979. During this decade there was not much change in the four-wheeler industry except the entry of Sipani Automobiles in the small car market.

Girnar Scooters Ltd entered into the market in 1971 and its output was less than 5000 units until 1980.

In the Two Wheeler Industry there were many entries during this decade. Scooter India established in 1972.

In 1972 Kinetic Engineering entered the Industry with a licensed capacity of 100,000 units per annum. Oil Shock of 1973 quickened the process of dieselization of the Commercial Vehicle segment.

Three other companies, namely, Kirloskar Ghatge Patil Auto Ltd, Indian Automotive Ltd and Sen & Pandit Engg products Ltd entered the market during 1971-75. They ultimately withdrew in early eighties. Unlike Motorcycle and Scooter segments the Mopeds segment grew rapidly.

In the late seventies there were many entries in the Moped Industry. Only two firms namely, Majestic Auto Ltd and Sundaram Clayton managed to survive after 1980. During the seventies the economy was in bad shape. This and many specific problems affected the Automobile Industry adversely.

1980's - The period of liberalized policy and intense competition

Since the 80s, the Indian car Industry has seen a major resurgence with the opening up of Indian shores to foreign manufacturers and collaborators.

First phase of liberalization announced and unfair practices of monopoly, oligopoly, etc slowly disappeared. It was beginning of Liberalization of the protectionism policies of the Government.

Lots of new Foreign Collaborations came up in the eighties. Many companies went in for

Japanese collaborations. Andhra Pradesh Scooters entered into collaboration with Piaggio for manufacture of Vespa model. Hindustan Motors Ltd. in collaboration with Isuzu of Japan introduced the Isuzu truck in early eighties. ALL entered into collaboration with Leyland Vehicles Ltd. for development of integral buses and with Hino Motors of Japan for the manufacture of W Series of Engines.

Telco after the expiry of its contract with Daimler Benz indigenously improved the same Benz model and introduced it in the market.

Government approved four new firms in the LCV market, namely, DCM, Eicher, Swaraj and Allwyn. They had collaborations with Japanese companies namely, Toyota, Mitsubishi, Mazda and Nissan respectively. The Two Wheeler market increased. Since 1982 the Government had permitted foreign collaborations for the manufacturing of Two Wheelers up to 100 cc engine capacity. Foreign Equity up to 40% was also allowed.

In 1983 Maruti Udyog Ltd was started in collaboration with Suzuki, a Japanese firm. Other three Car manufacturers namely, Hindustan Motors Ltd., Premier Automobiles Ltd., Standard Motor Production of India Ltd. also introduced new models in the market.

At the time there were five Passenger Car manufacturers in India

- Maruti Udyog Ltd., Hindustan Motors Ltd., Premier Automobiles Ltd., Standard Motor Production of India Ltd., Sipani Automobiles. Ashok Leyland Ltd. and Telco were strong players in the Commercial Vehicles sector.

In 1983-84 Bajaj Tempo Ltd. entered into collaboration with Daimler-Benz of Germany for manufacture of LCVs.

Important policy changes like relaxation in MRTP and FERA, delicensing of some ancillary products, broad banding of the products, modifications in licensing policy, concessions to private sector (both Indian and Foreign) and foreign collaboration policy etc. resulted in higher growth / better performance of the industry than in the earlier decades. Lohia Machines Ltd entered in collaboration with Piaggio of Italy.

Kinetic Engineering Ltd. entered into Financial & Technical collaboration with Honda Motor Co. of Japan for 100 cc scooters.

In the Motorcycle segment firms had shifted their emphasis from heavier models to lighter and

fuel-efficient models. Indian market was flooded with new 100 cc models manufactured by different firms with Japanese Technology. In Moped segment there were 23 firms engaged in their production but the virtual oligopoly of Kinetic Engineering Ltd., SCL and Majestic Auto remained intact. This segment had less collaboration.

Post-1991, After Liberalization, the Freedom to Grow

Beginning with mid-1991 the government of India has made some radical changes in its policies bearing on trade, foreign investment, exchange rate, industry, fiscal affairs and so on. Mass Emission Norms were introduced for in 1991 for Petrol Vehicles and in 1992 for Diesel Vehicles. In 1991 new Industrial Policy was announced. It was the death of the License Raj and the Automobile Industry was allowed to expand.

Further tightening of Emission norms was done in 1996. In 1997 National Highway Policy has been announced which will have a positive impact on the Automobile Industry.

The Indian Automobile market in general and Passenger Cars in particular have witnessed liberalization. Many multinationals like Daewoo, Peugeot, General Motors, Mercedes-Benz, Honda, Hyundai, Toyota, Mitsubishi, Suzuki, Volvo, Ford and Fiat entered the market.

Various companies are coming up with state-of-art models of vehicles. TELCO has diversified in Passenger Car segment with Indica. Despite the adverse trend in the growth of the industry, it is resolutely trying to meet the challenges. Various issues of critical importance to the industry are being dealt with forcefully.

In 1999 The Hon'ble Supreme Court passed an order directing all car manufacturers to comply with Euro I emission norms (India 2000 norms) by the 1st of May 1999 in National Capital Region (NCR) of Delhi. The deadline was later extended to 1st June 1999.

The 90s have become the melting point for the car industry in India. The consumer is king. He is being constantly wooed by both the Indian and foreign manufacturers. Though sales had taken a

dip in the first few months of 1999, it is back to boom time. New models like Maruti's Classic, Alto, Station Wagon, Ford's Ikon and the new look Mitsubishi Lancer have all been launched with an eye on the emerging market.

THE INDIAN AUTOMOBILE INDUSTRY AT PRESENT

The Indian automobile industry has come a long way since the first car ran on the streets of Mumbai in 1898. The initial years of the industry were characterized by unfavorable government policies. The real big change in the industry, as we see it today, started to take place with the liberalization policies that the government initiated in the 1991. The liberalization policies had a salutary impact on the Indian economy and the automobile industry in particular.

The automobile industry in the country is one of the key sectors of the economy in terms of the employment opportunities that it offers. The industry directly employs close to around 0.2 million people and indirectly employs around 10 million people. The prospects of the industry also has a bearing on the auto-component industry which is also a major sector in the Indian economy directly employing 0.25 million people.

The automobile industry in India is gradually evolving to replicate those of developed countries. The trends are emerging in the industry across segments, namely, passenger cars, multi-utility vehicles, commercial vehicles, two-wheelers and tractors. The qualitative analysis of the various trends reveals that the industry offers immense scope even for allied industries and those looking at investing in the auto industry.

The Indian automobile industry is undergoing a revolution of sorts. The vehicle war is on. And it's a fight to the finish. Within the span of a few years, the vehicle market has displayed an array

of models that were hitherto undreamt of. Ford, General Motors, Toyota, Volvo are household names today. Launch of a vehicle in one category spawns a war for the throne.

The Ikon, Accent and Baleno have been launched. The Wagon R, due next, is predicted to give tough competition to those already in that sector. Czech carmaker, Skoda, a subsidiary of German auto major Volkswagen, is introducing the Octavia. India's only Sports car, the San Storm, is all set to race into our hearts. Hero Motors and the Kinetic Group are both set to launch new models.

In the three-wheeler market, after its eco-friendly Bijlee, Mahindra & Mahindra (M&M) plan to enter the market in a big way with their new diesel engine vehicle yet to be christened. Toyota has been to enter the multi-utility segment with the launch of its Qualis.

In these last years of the millennium, suffice it is to say that Indian cars will only grow from strength to strength.

There are 48 companies in the Automobile Industry in India that comprise of all vehicles, including two and three-wheelers, Passenger Cars and multi-utility vehicles, light ,medium and heavy commercial vehicles, agriculture and earth moving machinery (table 4-1).

Since the inception of the Automobile Industry in India till liberalization (1942 to 1991, in a fifty-year period) only 31 companies have been established in the Industry; while in post-liberalization period (in a ten-years period from 1992 till 2001), 17 companies entered to the Industry.

Most of these new entrance all multinational companies that have joint venture with Indian companies . Multinational companies own more than 50% stake in their joint ventures, and sometimes this stake comes near to 100%. For example Italian Auto major, Fiat

Auto Spa has 94.77% stake in Fiat India Limited. A few of these new companies are fully subsidiary of foreign companies like Yamaha Motor India Ltd which is 100% subsidiary of Yamaha Motor Company of Japan.

Some Indian Automobile companies have several subsidiaries for manufacturing different vehicles, same as Eicher Ltd, Sonalika Group, Escorts Ltd and Mahindra & Mahindra.

Eicher Ltd includes Eicher Tractors Ltd for tractors manufacturing and Royal Enfield Motors Limited in motorcycles section. Sonalika Group has International Tractors Limited for the manufacture of tractors (incorporated 1995) and Sonalika Agriculture Corporation (established in 1971) that has approximately 80% share in Indian market of farm machinery. Escorts Ltd also includes Escorts Tractors Ltd and Escorts JCB Ltd. Mahindra & Mahindra has Mahindra Nissan Allwyn and Gujarat Tractors Corporation as subsidiaries.

Several companies in the Industry were declared sick during their life; because they have come under the Sick Industrial Companies (Special Provisions) Act, 1985. Thus they have been referred to the Board of Industrial and Financial Reconstruction (BIFR).

Finally 26 companies in the industry have been listed in Bombay Stock Exchange (BSE); and only 18 of them were listed in 2001 or before that date and were not delisted of BSE or not referred to BIFR. One company also has eliminated because of its negative values for average operating income during the period of the study. So the remained companies (17 companies) have been considered as population of the study which has been explained in details in the methodology of research

Table 4-1: List of Automobile Companies in India

Company Name	Production	Date of incorporation	of Listing Date of BSE
1) Ashok Leyland Ltd.	LCVs, MCVs, HCVs *	1948	1976
2) Atul Auto Ltd.	Two & Three-Wheeler Three-Wheeler, MUVs, LCVs, AEMCs Passenger Cars, LCVs	1986	1996
3) Bajaj Auto Ltd.	MUVs, LCVs, MCVs, HCVs, AEMC	1945	1961
4) Bajaj Tempo Ltd.	Two Wheeler, AEMCs Passenger Car Passenger Car Passenger Car Two-Wheeler	1958	1964
5) Dewoo Motors India Ltd.	Passenger Car, MUVs, CVs, HCVs	1995	- 1985
6) Eicher Motors Ltd.		1982	1985
7) Eicher Ltd. **		1959	1961
8) Escorts Ltd.		1944	-
		1997	- 1985

9)	Fiat India Ltd.		1996	-
10)	Ford India Ltd.		1996	1956
11)	General Motors India Ltd.		1984	
12)	Hero Honda Motors India Ltd		1987	
13)	Hero Motors Ltd.		1942	
14)	Hindustan Motors Ltd.			

Company Name	Production	Date of Listing	Date of BSE
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15)	HMT Tractors Limited **	AEMC	1953	1977
16)	Honda Motorcycle & Scooter India Ltd	Two-Wheeler Passenger Car Passenger Car AEMC Passenger Cars	1999 1995	-
17)	Honda Siel Cars India Ltd	Two & Three-Wheeler Two-Wheeler	1996	-
18)	Hyundai Motor India Ltd	Two & Three-Wheeler Passenger Cars	2000	-
19)	John Deere	Two & Three-Wheeler MUVs, LCVs, AEMC	1994	-
20)	Kalyan Motor Corporation Limited(Pal- peugeot Ltd.)	Two-Wheeler		
21)	Kinetic Motors Ltd.		1984	1985
22)	Kinetic Engineering Ltd.		1975	1978
23)	LML India Ltd. ***		1978	1980
24)	Maestro Motors Limited (Sipani Automobiles Ltd.) **		1974	1990
25)	Maharashtra Scooter Ltd.		1975	1978
26)	Mahindra & Mahindra Ltd.			

		1945	1956
27)	Majestic Auto Ltd.		
		1972	1986

28)	Maruti Udyog Ltd.	Passenger Cars, MUVs Passenger Cars	1981	2003
29)	Mercedes Benz India Ltd.	Two-Wheeler AEMC AEMC	1994	-
30)	Mitsubishi Motors India Ltd.	Passenger Cars Passenger Cars	1998	-
31)	Monto Motors Ltd.	Two & Three-Wheeler	1997	-
32)	New Holland Tractor India Ltd.	Three-Wheeler, MUVs, AEMC Passenger Cars, LCVs Three-Wheeler	1998	- 1972 1956
33)	Punjab Tractors Ltd.	MUVs, LCVs, HCVs, MCVs	1970	- 1975
34)	Premier Automobiles Ltd.		1944	- (1995) - 1985

35) San Motors Ltd.		1996	
		1972	
36) Scooter India Ltd. **			
		1969	
37) Sonalika Group			
		1948	
38) Standard Motors Products of India Ltd. ***			
		1985	
39) Sunkua Auto Ltd.			
		1983	
40) Swaraj Mazda Ltd. **			

Table 4-1: Continued

Company Name	Production	Date of Listing	Date of Incorporation	Date of BSE
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41)	Tata Engineering and Locomotive Co Ltd.	Passenger Cars, MUVs, LCVs, HCVs, MCVs, AEMC	1945	1955
		Passenger Cars, MUVs AEMC	1997	-
42)	Toyota Kirloskr Motors Ltd.	Two-Wheeler Two-Wheeler MCVs, HCVs AEMC		
		Two-Wheeler	1961	- 2000
43)	Tractors & Farm Equipment Ltd.		1982	-
44)	TVS Motors Co Ltd.		1984	- 1995
45)	VCCL Auto Ltd. **		1998	
46)	Volvo India Ltd.		1967	
47)	VST Tillers & Tractors Ltd.		2001	
48)	Yamaha Motor India Ltd.			

* *LCVs: Light Commercial Vehicles, MCVs: Medium Commercial Vehicles, HCVs: Heavy Commercial Vehicles, MUVs: Multi-Utility Vehicles, AEMC: Agricultural & Earth Movers Construction*

** *These companies were referred to BIRF during the periods of study.*

*** *The number 38 has been delisted from BSE in 1995 and LML Company has eliminated for its average profits. Source: Bombay Stock Exchange (BSE)*

*official directory, companies' annual reports,
www.indiaonline.com,*

www.the-infoshop.com, www.cybersteering.com

SUMMARY:-

With the invention of the wheel in 4000 BC, man's journey on the road of mechanized transport had begun. Since then he continually sought to devise an automated, labor saving machine to replace the horse. Innumerable attempts reached conclusion in the early 1760s with the building of the first steam driven tractor by a French Captain, Nicolas Jacob Cugnot.

It was however left to Karl Benz and Gottlieb Daimler to produce the first vehicles powered by the internal combustion engine in 1885. It was then that the petrol engine was introduced, which made the car a practical and safe proposition. The cars in this period were more like the cars on our roads today, with cars came the era of speed.

The first ever land-speed record was established about a 100 years back, in 1898. Count Gaston de Chasseloup-Laubat of France drove an electric car (in Acheres near Paris) at a speed of 39.24 miles per hour. This flagged off the era of 'wheels racing', which lasted till 1964, after which jet and rocket -propelled vehicles were allowed. Then onwards, it has been one big journey...on the roads.

From the singsong rhythm of the bullock cart to the jet-age, India has also traveled a long way. An average Indian's dream car may not be the design-savvy Honda or the stately limousine, but he sure can dream, and afford, the Maruti now.

It was in 1898 that the first motorcar rode down India's roads. From then till the First World War, about 4,000 cars were directly imported to India from foreign manufacturers. The growing demand for these cars established the inherent requirements of the Indian market that these merchants were quick to pounce upon.

The Hindustan Motors (HM) was set up in 1942 and in 1944; Premier Automobile (PAL) was established to manufacture automobiles in India. However, it was PAL who produced the first car in India in 1946, as HM concentrated on auto components and could produce their first car only in 1949.

It was left to another company, Mahindra and Mahindra (M&M) to manufacture sturdier utility vehicles, namely the American Jeep.

In the 50s, the Government of India granted approval to only 7 car dealers to operate in India - HM, API, ALL, SMPIL, PAL, M&M and Telco.

The protectionist policies continued to remain in place. The 60s witnessed the establishment of the two-three-wheeler industry in India and in the 70s, things remained much the same.

Since the 80s, the Indian car Industry has seen a major resurgence with the opening up of Indian shores to foreign manufacturers and collaborators.

The 90s have become the melting point for the car industry in India. The consumer is king. He is being constantly wooed by both the Indian and foreign manufacturers. Though sales had taken a dip in the first few months of 1999, it is back to boom time.

New models like Maruti's Classic, Alto, Station Wagon, Ford's Ikon, the new look Mitsubishi Lancer are all being launched with an eye on the emerging market. In these last years of the millennium, suffice it is to say that Indian cars will only grow from strength to strength.

COMPANY PROFILE

HERO MOTOCORP LIMITED (HMCL)

Hero MotoCorp Limited was incorporated in the year 1984 with the name Hero Honda Motors Limited. The company was established as a joint venture company between Honda Motor Company of Japan and Hero Group. In the year 1983, they signed a joint collaboration agreement and formed the company. The joint venture between India's Hero Group and Honda Motor Company, Japan has not only created the world's single largest two wheeler company but also one of the most successful joint ventures worldwide. Hero MotoCorp Limited was formerly Hero Honda Motors Limited. It is the

world's largest manufacturer of two – wheelers, based in India. In 2001, the company achieved the coveted position of being the largest two-wheeler manufacturing company in India and also the World No.1 two-wheeler company in terms of unit volume sales in a calendar year. Hero MotoCorp Limited continues to maintain this position till date. Hero MotoCorp Limited is the World's single largest two-wheeler motorcycle company. Hero Honda is a world leader because of its excellent manpower, proven management, extensive dealer, network and efficient supply chain and world class products with cutting edge technology. The company launched the first bike under the Hero brand name. The company's entire portfolio of products is re-branded by September 2012, well before the June 2014 deadline set by the company. In its solo flight, Hero has overcome high base effect of the previous year and the strong endorsement from the customers and channel partners is what encouraged them to try and replicate the Hero success story overseas, especially in markets similar to the company.

VISION

The story of this company began with a simple vision – the vision of a mobile and an empowered India powered by its bikes. Hero MotoCorp Limited Company's new identity reflects its commitment towards providing world class mobility solutions with renewed focus on expanding company's footprint in the global arena.

MISSION

Hero MotoCorp mission is to become a global enterprise fulfilling its customer's needs and aspirations for mobility, setting benchmarks in technology, styling and quality so that it converts its customers into its brand advocates. The company provides an engaging environment for its people to perform to their true potential. It focuses on value creation and enduring relationships with its partners.

STRATEGY

Hero MotoCorp key strategies are to build a robust product portfolio across categories, explore growth opportunities globally, continuously improve its operational efficiency, aggressively expand its reach to customers, continue to invest in brand building activities and ensure customer and shareholder delight.

PLANTS

Hero Motocorp two wheelers are manufactured across three globally benchmarked manufacturing facilities. Two of these are based at Gurgaon and Dharuhera which are located in the state of Haryana in northern India. The third or the latest manufacturing plant is based at Haridwar, in the hill state of Uttarakhand. The corporate and registered office of the company is based at New Delhi.

PRODUCTS

The company is engaged in the manufacture of two wheelers motorcycles and its parts. Hero Honda's product range includes variety of motorcycles that have set the industry standards across all the market segments. The company also started manufacturing scooter in 2005. The company offers a range of bikes starting from CD Dawn, CD Deluxe, Splendor Plus, Splendor NXG, Passion, Passion Pro, Glamour, Super Splendor, Glamour F1, Achiever, Hunk, CBZ X-treme, Karizma and Karizma ZMR. It also offers a scooter, Pleasure.

DISTRIBUTION

The company's growth in the two wheeler market in India is the result of an intrinsic ability to increase reach in new geographies and growth markets. Hero MotoCorp's extensive sales and service network now spans over to 5000 customer touch points. These comprise a mix of authorized dealerships, service & spare parts outlets and dealer- appointed outlets across the country.

SUPPLY CHAIN

SUPPLY CHAIN RELATIONSHIP

The Hero MotoCorp good life program is designed to complement consumer good life in every way. It brings consumer an easy to use privilege card packed with special rewards and benefits. It also provides consumer free riders' insurance worth 1 lakh to ensure

peace of mind. When Brijmohan Lal and his brothers started out, there was no concept of organized dealer networks. Companies just produced and most dealers functioned like traders. Brijmohan Lal changed the rules of the business by trusting his gut instincts, introducing business norms that were ahead of their time and by investing in strategic relationships. Brijmohan Lal built a series of bonds and networks with hundreds of family members, vendors, dealers and employees. Much like the Japanese keiretsu system, these networks are now the glue that holds the Hero Group together. The younger generations of some of bicycle dealers have become dealers of Hero MotoCorp. These relationships have survived through generations - through bad times and good times. Besides bonding with their vendors and dealers, Brijmohan Lal has been personally responsible for kindling a spirit of entrepreneurship amongst his employees and today, 40 of his former employees are successful entrepreneurs. They could always visualize the applicability of technology before others could. For example, in the 1980s, when all two-wheeler companies in India opted for two-stroke engine technology, Brijmohan preferred a four-stroke engine - a technology that dramatically increased fuel efficiency and reduced maintenance costs. This technology was one of the biggest reasons for Hero MotoCorp's stupendous success. There was a strong focus on supply chain integration, process efficiency and accurate and prompt decision making. Hero MotoCorp connect (a dealer management system) aimed at automating their supply chain, enhancing information availability as well as transparency. As part of the project, important enhancements were made in the dealers' portal, which helped boost their integration with the organization's supply chain.

GREEN SUPPLY CHAIN

The process of sustainable development is incomplete without involving the company's supply chain. Hence Hero MotoCorp has therefore put together a "Green dealer development

program” for the front end and a “Green vendor development program” for the backend of the supply chain. In each of these programs, the partners’ are made aware of the importance of caring for the environment and are encouraged to manage their material resources, industrial wastes, energy resource, pollution and other effluents based on a number of pre-determined parameters. Hero MotoCorp supports all its partners in

the green supply chain venture by: developing required competencies, sharing knowledge and providing technical support. Through this program Hero MotoCorp aims to generate sufficient momentum within the industry and looks forward to the day when the entire automotive industry is made up on a seamless green chain.

EMPLOYEES PERSPECTIVE

The company is tugged with well qualified 6106 man power. The teamwork and commitment are manifested in the highest level of customer satisfaction and this goes a long way towards reinforcing its leadership status. The emphasis has always been on building a talent pipeline taking into account a medium to long-term perspective. The company has tried to attract the right talent, build capabilities and facilitate career development to drive organizational objectives. The company augmented its young talent by inducting a fresh batch of management trainees. For mid-and junior-level management, selective education courses were introduced to foster leadership and teamwork. As in previous years, the company’s mandate of achieving excellence through teamwork was executed in various ways. Across levels and locations, programs focusing on strategic thinking, people development, interface management, business etiquette and positive attitude were held. Several new programs for grooming young talent were also organized. Technical training facilities in the Gurukul (company’s dedicated training facility) were upgraded, new machines were brought in and a mini assembly line was set up to provide new inductees with hands-on experience in vehicle assembly. At another level, a new program was introduced for plant employees to fulfill their spiritual needs. Employee and industrial relations scenario at all three plants remained smooth during the year under review.

KEY POLICIES

CARING ECOLOGY POLICY

Hero MotoCorp takes a stand as a socially responsible enterprise respectful of its environment. Hero MotoCorp has been strongly devoted not only to environmental

conservation programs but also expresses the increasingly inseparable balance between economic concerns, environmental and social issues faced by business. There is a special contribution from the side of company for Ludhiana, the city where Mr. Brijmohan took roots. In and around Dharuhera, near the first Hero MotoCorp plant, Brijmohan and his family have left their stamp of humanity.

ENVIRONMENT POLICY

Hero MotoCorp has been committed to demonstrate excellence in the environmental performance on a continuous basis, as an intrinsic element of their corporate philosophy to achieve this they focus also on the following issues:

1. Continue product innovations to improve environmental compatibility.,
2. Comply with all applicable environmental legislation and also controlling their environmental discharges through the principles of 'alara' (as low as reasonably achievable).
3. Institutionalize resource conservation in the areas of oil, water, electrical energy, paints and chemicals.
4. Integrate environmental attributes and cleaner production in all their business processes and practices with specific consideration to substitution of hazardous chemicals and strengthening the greening of supply chain.
5. Enhance environmental awareness of the employees and dealers / vendors, while promoting their involvement in ensuring sound environmental management.

QUALITY POLICY

Excellence in quality is the core value of Hero MotoCorp philosophy. They are committed at all levels to achieve high quality in whatever they do, particularly in their products and services which can meet and exceed customer's growing aspirations through:

1. Innovation in products processes and services.
2. Continuous improvement in their total quality management systems.
3. Teamwork and responsibility.

SAFETY POLICY

They believe that safe work practices lead to better business performance, motivated workforce and higher productivity. They create a safety culture in the organization by:

1. Integrating safety and health matters in all activities.
2. Promoting safety and health awareness amongst employees, suppliers and contractors.
3. Continuous improvements in safety performance through precautions besides participation and training of employees.
4. Ensuring compliance with all applicable legislative requirements.
5. Empowering employees to ensure safety in their respective work places.

MANUFACTURING

TECHNOLOGY

In the 1980's the company pioneered the introduction of fuel-efficient, environment friendly four-stroke motorcycles in the country. It became the first company to launch the fuel injection technology in Indian motorcycles, with the launch of the glamour fuel injection in June 2006. Its plants use world class equipment and processes and have become a benchmark in leanness and productivity. Hero MotoCorp, in its endeavor to remain technology pioneer, continues to innovate and develop cutting edge products and processes.

GREEN MANUFACTURING

Every raw material and chemical is thoroughly evaluated for its environmental impact before it is introduced into the production process. Over the last few years, Hero MotoCorp has proactively eliminated the use of harmful substance. Company has invested substantially in clean and green technologies: a fluidised bed (for paint hanger burning), an advanced incinerator (for paint and sludge), solid landfill (for the disposal of solid, hazardous and non-

hazardous waste), effluent and sewage treatment plants, rain water harvesting, green roof (at Hardwar plant) and others. The Green vendor development programme has struck deep roots since its commencement in 2007. This collaborative programme calls for partner companies to demonstrate their commitment towards improved environmental performance and striving for continual improvement. Six pillars have been assigned under the programme, covering various aspects, such as

energy management, water management, waste minimization, pollution prevention, substitution of hazardous chemicals and environmental compliance management.

Partner vendors are given specific training on all six pillars. This programme is gaining increasing acceptability among vendors. Sustainable development lies at the core of Hero MotoCorp's vision of being one of India's most environment friendly companies. Hero MotoCorp believes that to create a sustainable enterprise, it is critical to strike the right balance between business, mankind and nature. Constant adoption of innovative green practices has resulted in the introduction of a special acrylic cathodic electro deposition (ACED) painting process for the frame body. The green roof was one of the major environment friendly initiatives.

MANUFACTURING EXCELLENCE

India's two wheeler industry continues to benefit from an expanding economy. Meeting this demand was a key concern during the year gone by. The challenge was surmounted by optimizing plant capacities and installing balancing equipment not only internally but across the supply chain. The team work was exceptional in overcoming this challenge. High speed and flexible machines were introduced to debottleneck the critical shops and lines. This was done to meet not just demand surges, but also variability in the product mix, which decelerates the throughput. Concurrently, production of less value-added parts was outsourced. This created space, allowed machines to be used for critical operations and also accommodated new models and variants that were introduced by the company. These initiatives helped in different ways. As a part of the journey towards operational excellence, shop floor management programmes like Kanban and Kaizen were strengthened to improve efficiency, throughput times and debottlenecking critical operations. At the same time, total productive maintenance initiatives were beefed up across each of the three plants. This significantly improved the reliability of delivery by increasing equipment uptime.

A significant enhancement in production, innovation and quality control represented the key focus areas. The result was appreciable reduction in customer complaints. The extensive attention was paid to production planning. At the same time, the supply chain team impressed upon vendors the need to build in certain flexibilities into their

component supply operations, so that they could scale in either direction during business cycles. The company also invested considerable time and effort in making the direct online system (an economic resource planning system which manages production and supply of components across the production chain) more effective. The control in plant manufacturing costs was another focus area. Various steps were adopted in this direction. Gas-based generators and heat recovery units were introduced to cut emissions and reduce electricity generation costs. The company also used information technology infrastructure to accelerate its decision-making. To protect the company's drawings data and prevent leakage in any form to any unauthorized entity, its research & development processes were migrated from a mostly manual working system to a software application called "product life cycle management". At a larger level, in order to reduce risks associated with unauthorized system access, a solution for governance, risk and compliance was implemented. At the same time, to help the company keep track of all necessary statutory requirements and legal compliances, Hero MotoCorp became one of the first companies to implement an e-compliance application tool. In order to establish the credibility of its robust security processes and procedures. Business sustainability is gaining significant importance in recent years.

RESEARCH AND DEVELOPMENT

For 25 years, the company's research and development is well performing its functions. Over the years, the department has developed requisite infrastructure and expertise to develop, test and approve products in-house in line with international standards. The domain knowledge, acquired through the interaction with Honda research & development, made it possible to increase the level of customization at the design stage itself. In turn, this has helped in launching multi-models in short interval with high levels of localization. At another level, the company's research and development actively participates in the country's environmental ecosystem. Research and development members involve themselves in the regulatory process at the outset.

STRATEGIC ALLIANCE

Hero MotoCorp and Erik Buell Racing (EBR) - joined hands in a strategic alliance last year,

in February 2012, under which Hero MotoCorp Limited receives support in terms of cutting-edge or contemporary technology and design to develop future models to enable the company to launch high end bikes for the domestic and international markets, from Erik Buell Racing, which specializes in designing and manufacturing powerful and high-speed motorcycles. Hero MotoCorp, which is targeting to achieve annual sales of 10 million units in the next few years, is investing US\$25 million for a total stake of 49.2% in the share capital of its US-based partner Erik Buell Racing. Hero motocorp makes first-ever equity investment in an overseas firm buys 49.2 per cent equity at Erik Buell Racing for us\$ 25 million. Mr. Erik Buell will continue to be this partner company chairman.

BRAND AND AUTHORITY CHANGE

CHANGE OF NAME

The successful association of Hero and Honda for 27 years created the world's largest two wheeler manufacturing company. During 2010-11, they decided to part ways and evolve beyond this partnership. During the 2010-11 financial year, in view of the separation of the joint venture partners, the company had started the process of change of name. In July 2011, the company changed their name from Hero Honda Motors Limited to "Hero MotoCorp Limited". The new name was approved by the members of the company in their extraordinary general meeting held on June 17, 2011 and subsequently fresh certificate of incorporation consequent to change of name dated July 28, 2011 has been received by the company. Also the new corporate identity (new corporate logo) was adopted by the board of directors of the company on August 17, 2011 for all future practical purposes. The new Hero is rising and is poised to shine on the global arena. Company's new identity "Hero MotoCorp Limited" is truly reflective of its vision to strengthen focus on mobility and technology and creating global footprint. Building and promoting new brand identity is central to all its initiatives, utilizing every opportunity and leveraging its strong presence across sports, entertainment and ground- level activation.

OUTGOING DIRECTORS

Mr. Om Prakash Munjal resigned from the board on July 29, 2010, Mr. Toshiaki Nakagawa (joint managing director) and Mr. Sumihisa Fukuda (technical director) resigned from the company on March 22, 2011 in view of the above stated changes in the promoter group. Further, Mr. Yuji Shiga (non-executive director) and Ms. Shobhana Bhartia (non-executive and independent director) resigned from the board of the company on April 13, 2011.

Thereafter Mr. Toshiyuki Inuma, (non-executive director) who was appointed as a non-executive director of the company on April 13, 2011 and Mr. Takashi Nagai (non-executive director) resigned from the board of the company on August 8, 2011.

CHAIRMAN

Mr. Brijmohan Lal Munjal is the founder Director and chairman of the company. He is the past president of Confederation of Indian Industry (CII) society of Indian automobile manufactures (SIAM) and was a member of the board of the country's central bank (Reserve Bank of India). In recognition of his contribution to industry Mr. Munjal was conferred the Padma Bhushan award by the union government.

COMPOSITION OF THE BOARD

As on March 31, 2011, the company's board of directors comprised of fourteen directors. Two directors, including the chairman, are executive directors; four are non-executive directors and eight are non-executive and independent directors. More than fifty per cent of the board consists of independent directors. Mr. Brijmohan Lal Munjal is the father of Mr. Pawan Munjal, Mr. Sunil Kant Munjal and Mr. Suman Kant Munjal and the brother of Mr. Om Prakash Munjal. Four directors namely Mr. Brijmohan Lal Munjal (chairman in the whole-time employment of the company), Mr. Pawan Munjal (managing director & chief executive officer), Mr. Sunil Kant Munjal (non-executive director) and Suman Kant Munjal (non-executive director) belong to the promoter family of the Hero Group, which owns 52 per cent equity in the company. Four directors namely Mr. Toshiaki Nakagawa (joint managing director), Mr. Sumihisa Fukuda (technical director), Mr. Yuji Shiga (non-executive director) and Mr. Takashi Nagai (non-executive director) were

nominees of Honda Motor Corporation Limited, Japan (Honda), former promoter of the company. Apart from these, the rest of the board comprises of non-executive and independent directors.

SHAREHOLDING CHANGE

During the year, the Indian promoter group of the company, which comprised of Hero Investments Private Limited (HIPL), Bahadur Chand Investment Private Limited (BCIPL) and Hero Cycles Limited (Hero Cycles) re-aligned the shareholding in the company, following a family agreement. As a result, Hero Cycles transferred its shareholding in the company to Hero Investments Private Limited on May 28, 2010. As a result of these transactions, the Indian promoter group of the company now comprises of Hero Investments Private Limited

and Bahadur Chand Investment Private Limited owned and controlled entirely by the Munjal family headed by Brijmohan Lal Munjal. Also, during the year, the Indian promoter group and Honda Motor Corporation Limited, Japan (Honda) entered into a share transfer agreement on January 22, 2011. As per the terms of the agreement, Honda had agreed to transfer its entire shareholding of 26% in the company to the Indian promoter group, bringing an end to the joint venture between the two promoter groups of the company. The acquisition was completed on March 22, 2011 and the shares held by Honda were transferred to the Indian joint venture partners.

MILESTONES

1983: Joint collaboration agreement with Honda Motor Corporation Limited, Japan signed shareholders agreement.

1984: Hero Honda Motors Limited incorporated.

1985: The Company commenced their commercial production at Dharuhera plant. First bike or motorcycle “CD 100” rolled out.

1997: Hero Honda’s 2nd manufacturing plant at Gurgaon inaugurated.

2000: Splendor declared ‘World No. 1’ - largest selling single two-wheeler model.

2005: First scooter model Pleasure from Hero Honda – introduced.

2008: Hero Honda Haridwar Plant inauguration. 25 million production milestones achieved.

2011: New licensing arrangement signed between Hero and Honda (Hero Honda is renamed as Hero).

PERFORMANCE

Financial performance of company from March 2015 to 2019 is depicted in table 5.2.1.

Standalone Balance Sheet	----- in Rs. Cr. -----				
	Mar 19	Mar 18	Mar 17	Mar 16	Mar 15
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND					

LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	39.95	39.94	39.94	39.94	39.94
Total Share Capital	39.95	39.94	39.94	39.94	39.94
Reserves and Surplus	12,817.17	11,728.94	10,071.35	7,904.81	6,501.39
Total Reserves and Surplus	12,817.17	11,728.94	10,071.35	7,904.81	6,501.39
Total Shareholders Funds	12,857.12	11,768.88	10,111.29	7,944.75	6,541.33
NON-CURRENT LIABILITIES					
Deferred Tax Liabilities [Net]	536.51	511.66	414.34	227.79	0.00
Other Long Term Liabilities	0.00	0.00	0.00	34.89	31.33
Long Term Provisions	117.20	114.94	75.30	84.44	65.62
Total Non-Current Liabilities	653.71	626.60	489.64	347.12	96.95
CURRENT LIABILITIES					
Trade Payables	3,355.28	3,318.81	3,247.27	2,766.88	2,841.87
Other Current Liabilities	716.05	964.72	807.05	483.19	307.49
Short Term Provisions	59.03	59.79	39.01	798.75	734.06
Total Current Liabilities	4,130.36	4,343.32	4,093.33	4,048.82	3,883.42
Total Capital And Liabilities	17,641.19	16,738.80	14,694.26	12,340.69	10,521.70
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	4,477.53	4,485.89	4,310.73	3,717.85	2,818.29
Intangible Assets	141.05	168.65	84.86	118.89	94.40
Capital Work-In-Progress	360.67	203.78	270.72	288.34	712.55
Intangible Assets Under Development	181.19	114.61	194.33	317.06	0.00
Fixed Assets	5,160.44	4,972.93	4,860.64	4,442.14	3,625.24
Non-Current Investments	2,801.51	1,934.08	1,349.00	1,019.36	863.78
Deferred Tax Assets [Net]	0.00	0.00	0.00	0.00	73.54
Long Term Loans And	59.96	45.68	48.36	870.42	616.82

Advances					
Other Non-Current Assets	1,503.64	937.93	983.08	73.68	60.19
Total Non-Current Assets	9,525.55	7,890.62	7,241.08	6,405.60	5,239.57
CURRENT ASSETS					
Current Investments	3,167.10	5,591.12	4,540.85	3,247.01	2,290.33
Inventories	1,072.37	823.58	656.31	672.98	815.49
Trade Receivables	2,821.57	1,520.18	1,561.87	1,282.80	1,389.59
Cash And Cash Equivalents	136.46	141.34	136.73	131.36	159.25
Short Term Loans And Advances	25.03	27.56	24.18	521.46	567.66
Other Current Assets	893.11	744.40	533.24	79.48	59.81
Total Current Assets	8,115.64	8,848.18	7,453.18	5,935.09	5,282.13

Total Assets		17,641.19	16,738.80	14,694.26
12,340.69	10,521.70			

Source : Dion Global Solutions Limited

LATEST 2015-19 PERFORMANCE

performance of company for 2015-19 is given as under:

2015

-Hero MotoCorp Augments Leadership with Highest-ever Calendar Year Sales in 2014

-Hero MotoCorp has launched a new entry level commuter, the HF Dawn

-Hero MotoCorp has been allocated a 592-acre site to facilitate development of its Rs.1600-crore Greenfield manufacturing unit in Andhra Pradesh

-Hero MotoCorp launches new Passion Pro bike

-HMCL Americas INC enters into "Settlement Agreement" to Acquire EBR's Consulting Business

-Hero MotoCorp has commenced operation in their first ever plant outside India established in Villa Rica, Colombia

2016

-Hero MotoCorp Commences the New Year with Robust Sales

-Hero MotoCorp unveils Four new 2-wheelers

-Hero MotoCorp unveils technology & innovation-driven new product strategy

-Hero MotoCorp inaugurates CIT in Jaipur

-Hero MotoCorp Marks Five Years of Solo Journey with Leadership Performance

-Hero Motocorp begins a new era with the Splendor iSmart 110 - the first motorcycle completely designed & developed, in-house

-Hero Motocorp receives TIME India Awards - Manufacturing Innovator of the Year Awards

RESEARCH METHODOLOGY:

NETWORK DESIGN DECISIONS:

In this we consider and take decisions related to

1. Role of the facility
2. Location of the facility
3. Capacity allocation of the facility
4. Market and supply allocation of the facility

1. Role of the facility

Our facility can be a retail facility our facility can be a manufacturing facility our facility can be a whole sale facility so these are the types of facilities play a role in a supply chain. So whenever I am going to have a new facility, so whether it is manufacturing facility whether it is a whole sale facility whether it is a retail facility or what type of facility it is that role. I need to be very clear so I take decision with respect to role of the facility, that is one decision you have thought of whenever in automobile industry they take 2 or 3 facilities one type is manufacturing facility another type is whole sale facility and then you have retail outlets through where you get the motorcycle in the network of the complete system of an automobile industry. You have manufacturing plant facility wholesale facility, retail facility these are the different facilities which are here so you need to take a decision about the role of the facilities in your supply chain network.

2. Location of the facility

Then the location where should I locate my facility that is another important decisions are we take decisions with respect to network design when I want to locate a facility. The role of facility is the customer interaction, the retail facility so obviously a retail facility has to be located close to the customer. If you take an example of auto mobile industry it have the limited number of facilities for manufacturing for those products and these maybe centralized throughout the country so, depending up on the type of product you can establish your facility in particular location.

3. Capacity allocation of the facility

Capacity allocation talks about what should be size of the facility that is also important I can't have arbitrarily any size of the facility I take a very logical decisions when I want to decide about the capacity, the size of this facility what should be my size of the plant , what should be my size of my wholesale outlet, what should be my retail outlet size etc. Al these are the decisions with respect to capacity or with respect to size of the facility.

4. Market and supply allocation

It involves which facility will supply to which market or which supplier will supply products to which facility so both these decisions are also, very important so that you may have heard that in a particular city, there are two retailers of product three retailers of a product and then they will eat the market share of each other and there will be a kind of local competition. Between 2or3 retailers of the same product now to some extent this not very good network designs, from the supply chain point of view. You need to give sufficient market share to your individual facilities; you need to allocate a particular size of market to particular size of the facility so, that it is lucrative enough for that facility owner to serve that product otherwise it will be difficult for the facility to serve in the market.

FACTORS INFLUENCING NETWORK DESIGN DECISIONS:

There are seven factors to be influencing the network design decisions that are to be as follow the under: Strategic Technical Macro Economic Political Infrastructure Competitiveness Logistics and Facility cost These are the 7 factors influencing the network design decisions the main important thing is logistics and facility cost

STRATEGIC FACTORS:-

Classification of possible strategic roles:

1. Offshore facility: low-cost facility for export production.
2. Source facility: low-cost facility for global production.
3. Server facility: regional production facility.
4. Contributor facility: regional production facility with development skills.
5. Outpost facility: regional production facility built to gain local skills.
6. Lead facility: facility that leads in development and process technologies.

Technological factors:-

1. If production technology displays significant economies of scale:
2. A few high-capacity locations are most effective.
3. A manufacture of computer chips What about Coca-Cola?

Macroeconomic factors:-

1. Tariffs and Tax Incentives
2. Free trade zones
3. Exchange Rate and Demand Risk
4. Fluctuations in exchange rates
5. Flexibility in production.

Political factors:-

1. Politically stable countries
2. Rules of commerce and ownership are well defined.
3. Independent and clear legal systems Firms feel they have recourse in the courts should they need it.
4. Hard to quantify
5. Firms make subjective evaluations.

Infrastructure factors:-

1. Availability of sites, Labor availability,
2. Proximity to transportation terminals,
3. Rail service,
4. Proximity to airports and seaports,
5. Highway access, and congestion,
6. Local utilities.

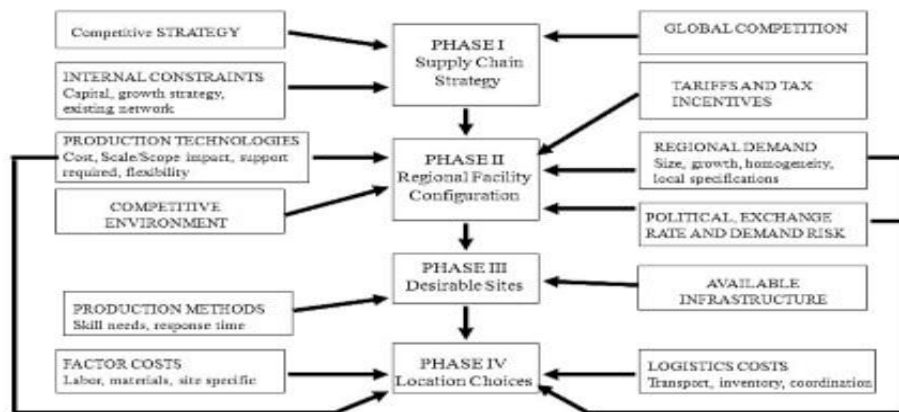
Competitive factors:-

1. Consider competitors' strategy, size, and location,
2. Locate a facility close to competitors or not,
3. Positive Externalities between Firms:
4. Competing stores in a mall make it more convenient for customers,
5. Presence of a competitor may lead to the development of infrastructure in an area,
6. Locating to Split the Market,
7. If firms compete on price and customer

Logistics costs factors:-

1. Companies must consider inventory, trans chain networks.,
2. Also influenced by the transformation occurring at each facility,
3. Iron ore is processed to make steel.

A FRAMEWORK FOR GLOBAL SITE LOCATION



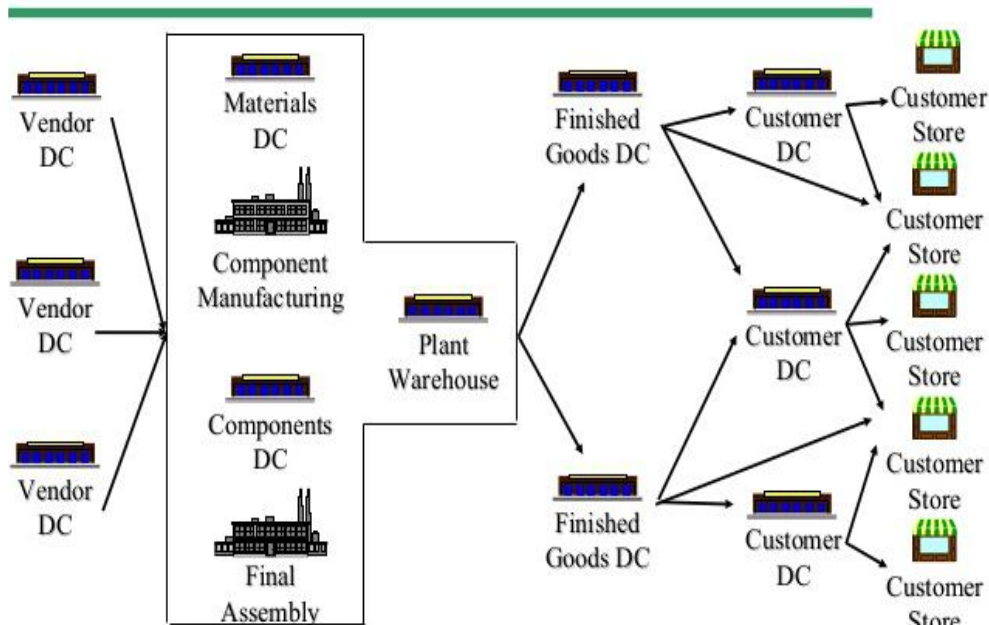
PHASE-1:- The process starts with supply chain strategy this is the first stage of our site location that w supply chain strategy, because all the facility location decisions must be in line with your sup chain strategy. Understanding the strategy is from industry to industry, company to company, as per that supply chain will change. The supply chain strategy come from the competitive strategy, of the organization, the competitive strategy of the organization that derives your supply chain strategy-that have two more factors in supply chain strategy, internal constrains and global competition.

PHASE-2:- The second phase is the regional facility configuration new on the basis of that you have certain regional consideration from the tariff's and tax incentives like when new states Uttarakhand, Chhattisgarh and Jharkhand come into existence in India , they provide tax incentives type the new organizations and as a result of that many new companies they open their facilities. The companies look for what type of tax incentives are available in a regional area what is the regional demand, weather we have any regional demand or not most of the states are not having any regional demand but some cases of very heavy tax incentives provided many facilities come in that area, then certain Political stability type of issues are also very important, because political stability of in the region then only industry can survived, another we have production technologies and competition environment.

PHASE-3:- The 3rd phase is related to site, within that region what are the possible sites where I can locate my facility live if I take regional issues related to Uttarakhand. Uttarakhand is one region so desirable site can be Udhamasing nagger, desirable site can be sitarganj, desirable sit can be hardware and out of that what I will look that what is the available infrastructure in each of these sits now. Production methods is still needs and response time it means what type of skills are available in that particular site and, what will be the response time how will manage response time from this particular site, so depending upon my market and supplier location I will take the decisions with respect to response time and on the basis of this.

PHASE-4:- Finally I will like to decide I will come to particular location. Where I will see the issues related to logistics cost, issues related to factors cost like labor, material, and some site specific issues so when these four stages are passes I can take decisions with respect to location of a particular facility in particular region at a particular site.

Conventional Network



ALTERNATIVE CHANNELS OF DISTRIBUTION NETWORK:-

CONVENTIONAL NETWORK:-

The conventional network is available to the conventional supply chain network or where you have various raw material suppliers these are, the when does distribution center and these raw material suppliers. The suppliers of different type of components which we required in making our product some of the vendor distributions are supplying simply the raw materials, some of the vendors supplying semi-finished products, or half finished products, of the various components so different vendors and different suppliers will supply the different products which are required in making product

EXAMPLE:-

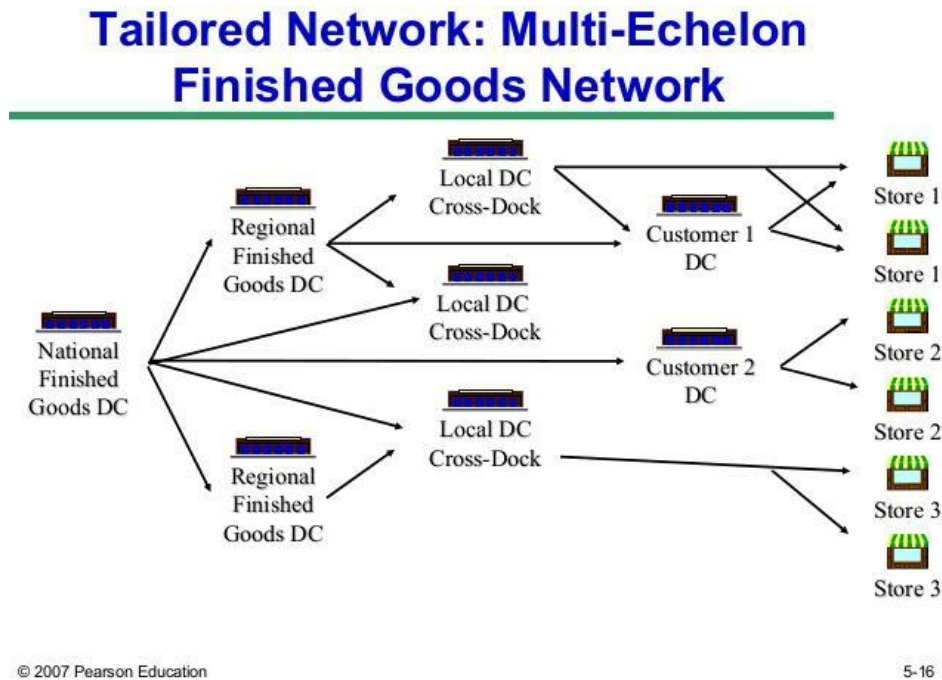
A auto mobile product in that case I get components like hot rolled steel then cool rolled steel or making the body of bike then I get tires from some of the other manufacturer I get various components of the engines, various components of my electrical systems of bike from other vendors so different vendors provide me different type of products. Now these products will come to manufacturing facility, from where you can see the flow of manufacturing this is known as work in process, so from material distribution centers to component center and final assembly. This is the system we have at the manufacturer's level so these are the different type of vendors and then you have assembly system of the components

The final product is ready then we stored in a warehouse within the plant, normally those who have some kind of exposure of manufacturing activities may be that in each of the manufacturing facilities you have a local warehouse with in the plant premises, so this final assembly product go to the plant warehouse. Now from plant warehouse send to your finished goods distribution center, Now a company owns a conventional distribution system. If my plant is located in Gorgon area I will have some finished good distribution center may be Mumbai to collate the demand of Gujarat, Maharashtra, Madhya Pradesh of area may be one near to Chennai, or Bangalore to take care of the demand on 7area's of the country. And from my own warehouse, because I am located in Gorgon so I will take care from that the entire more than region of the country so this is the conventional system. that my finished goods will go to my distribution center the company owned distribution center, now from my finished goods will go to the different customer distribution centers. It will give normally my company my agency to some customer site and from those points, my finished goods will go to the distribution centers of the customer end's. These are the customer distribution centers.

Then finally we come to the retail outlet, from where final customer will purchase the product. some of the bigger customer stores are directs to procure material from the finished goods distribution center's so both type of network's are possible from this point to this point you, can use direct distribution or you can use over level of distribution.

TAILORED NETWORK: MULTI-ECHELON FINISHED GOODS NETWORK:-

It is a latest network in nowadays the changes which are taking place over a period of time the supply chain system's, particularly with respect to develop a facilities and their rules.



The above fig gives an idea that in our latest system we have a global kind of supply and environment you have one finished good's distribution centre at national level this is the central facility, with in a particular country. When you have regional finished good's distribution centers in India we have 4 regional distribution centers. Then you have local distribution centre's it may be state level these distribution centre's working on the principle of cross docking, the term cross docking means where we don't keep any physical inventory the inventory come from the national distribution centre's or from regional centre's, the inventory are repacking or redistribution to the local distribution centre's .which are working under the principal of cross docking,

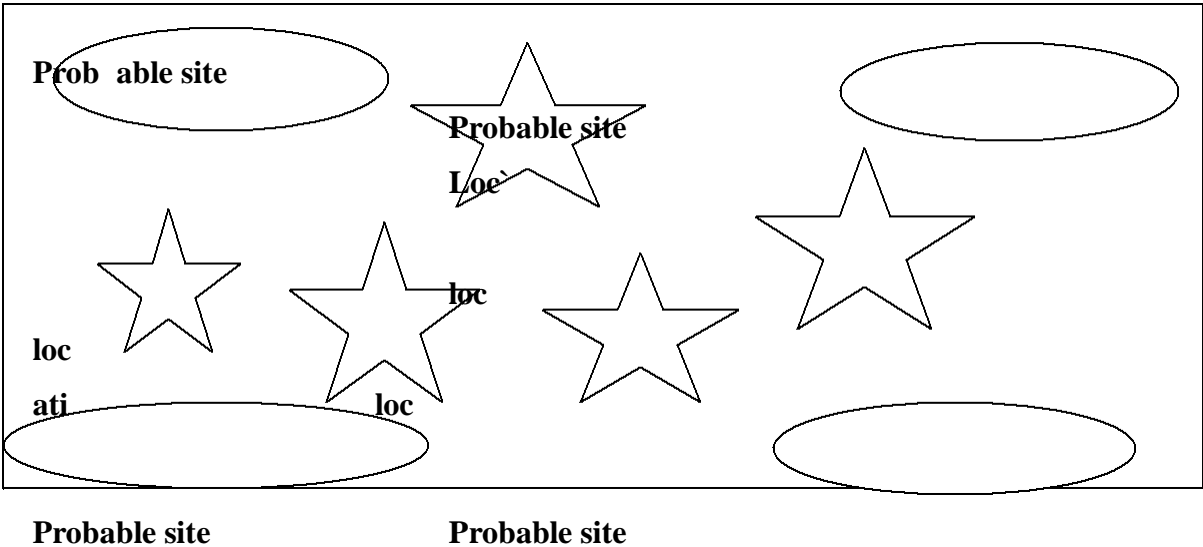
The local distribution centre's the products going to the customer distribution centers or directly to the customer stores. As you use either one level of distribution from local distribution centre to store, the points of by passing you are not using the customer distribution centre and directly these products from cross docking place to the customer store. these are the changes which are



taking place in our modern supply chain network which are working on the multi-echelon finished good's network

METHODS FOR DEVELOPING THE LOCATION OF THE FACILITIES:-

In the process of developing the location of the facilities we use 3 particular aspects one is related to role of the facility, one is related to size of the facility, one is related location of the facility, where to locate the facility and now for answering this particular question related to location, we have some of the common methods.

The issues of location can be handled by the gravity method. It is very simple method it gives the background of the method if we have follow the diagram.



The above diagram shows that  are the probable sites where we can locate our facility and  are represent the Locations of my customers so in the gravity model all the models which are represented by circles I will calculate the cost for moving, cost for logistics from



facilities to my different customers, the main goal is whichever facility which ever location gives the minimum cost that will become my answer, That is gravity method. The one more issue we will like to answer that is role of the facility, I have 3 types of facilities manufacturing, warehouse and retail outlet, there is one more way to look for the role is what type of strategic advantages you have and this strategic advantages can be with respect to defensive or offensive.

DEFENSIVE:- In the case of supply chain distribution network defensive role is that where I want to developed my supply chain based on conventional thoughts. the conventional distribution system gives you 3 defensive approaches competitors are doing that way I will also do that way so that I will at least match that my competitors performance.

OFFIENCIVE:- The offensive supply chain system is different ball game I will use my network for some kind of advantage and that is the offensive strategy of the distribution network, in that case I use very innovative locations so that I can get the status regarding my other competitors are using a type of market for distributing the product so it's a different type it is always not sure that offensive type of approach will give you success but at least you are not going on the conventional way of distributing the product that is the idea behind this offensive distribution system. Over a period of time that offensive strategy may will become a defensive strategy.

GRAVITY METHOD FOR LOCATION:-

In this section, the provided mathematical formulation by Sunil Chopra, Peter Meindl and D V Kalra (9) for logistics network design problems is considered. Our presented model for deterministic SCND problems is largely inspired from this work. Gravity models assume that both the markets and supply sources can be located as grid points on a plane. All distances are calculated as the geometric distance between two points on the plane. These models also assume that the transportation costs grow linearly with the quantity shipped. We discuss a gravity model for locating a single facility that receives raw material from the supply sources and ships finished product to markets. The basic input to the model is as follows: x_n, y_n = coordinate location of either a market or supply source F_n = cost of shipping one unit for one mile between the facility and either market or supply source D_n = quantity to be shipped between facility and market or supply source n . If (x,y) is the location selected for the facility, the distance d_n between the facility at location

(x,y) and the supply source or market n is given by.

Gravity Methods for Location

◆ Ton Mile-Center Solution

- x, y : Warehouse Coordinates
- x_n, y_n : Coordinates of delivery location n
- d_n : Distance to delivery location n
- F_n : Annual tonnage to delivery location n

$$\text{Min} \quad \sum d_n D_n F_n$$

$$d_n = \sqrt{(x - x_n)^2 + (y - y_n)^2}$$

$$x = \frac{\sum_{n=1}^k D_n x_n F_n / d_n}{\sum_{n=1}^k D_n F_n / d_n}$$

$$y = \frac{\sum_{n=1}^k D_n y_n F_n / d_n}{\sum_{n=1}^k D_n F_n / d_n}$$

SOURCES/MARKETS	TRANSPORTATION COST	QUANTITY IN TONS(Dn)	coordinates		
			Xn	Yn	Dn
supply pune	90	400	700	1000	500.0005397
sources gurgaon	95	200	200	500	1118.03456
jamshedpur	85	600	300	800	806.2263412
ahemedabad	200	200	1000	500	1044.031111
cochin	200	100	1000	2000	583.0946253
MARKETS chennai	200	200	700	1500	0.000574562
hydrabad	200	300	800	1800	316.2271917
bengaluru	200	200	900	2500	1019.803335

Faciliti location

$$x = 700.0002$$

$$y = 1500.001$$

$$TC = 193549144.3$$

In the above table we have 3 supply sources and 5 market sources as per the table I have to take decision where to establish my source facility the data will show some kind of auto mobile problem and the 5 markets are available to us the transportation cost rupees per ton per kilometer is 90, 95, 85, from these supply sources, to 5 market sources. Now quantities in terms of supply sources are 400, 200, 600, and the demand for the different markets are 200, 100, 200, 300, and 200. The coordinates of the supply source's is 'X' is 700, 'Y' is 1000 like that if I want to have India on the map the coordinates of pune, the coordinates of gorgon, the coordinates of Jamshedpur so you can get the idea of the coordinate. Now will go to the calculation with the model

INTERPRETATION:-

To calculate the model we use MS-excel, particularly excel solver. The table shows that how the results are coming there now for that purpose the formula which we need to use the above table and we need to develop some formula which will build in excel sheet and what will be these formula that can see in below.

VARIOUS FORMULA'S MODEL TO BE USED IN EXCEL SOLVER.

Cell no	Cell formulae	equation	Copied to
G4	=sqrt((\$B\$15-E4)^2+(\$B\$16-F4)^2)	(D)	(1) G4:G11
B18	=sumproduct((G4:G11,D4:D11,C4:C11))	(E)	(2) -----

By using first formula we want to determine the distance d the formula is written in G4 cell and copied up to G11, in the above formula B15 is the "X" this is the final coordination of the facility we want to locate "X" and "x". "Y" is the another final coordination of the facility we want to locate "Y" and "Y", the intional value of X,Y I kept as 00. The second formula is the cell number B18 we are putting the total cost as the sum product three values (G4:G11,D4:D11,C4:C11) the gravitation model formula where you have multiplication of the (G4*D4,C4*G4) the value of D4 is the total supply available to G4, D4 and C4 this is the transportation cost so C4, D4 and G4 this is one product similarity, like that you have up to C11, D11 and G11 the sum product of all these is written, like this in excel it is written like that from G4 to G11. the sum product is coming in the cell B18 the value here is 47787326.6 with the help of the above data. Now I want to optimize and for that purpose is to reduce the total cost as much as possible for that purpose I will us the EXCEL-SOLVER the solver will say that if I invoke the solver I am targeting the cell that is B18 I want to minimize this so equal to minimize option will come then selecting the box minimizing in some cases we will go for maximizing but here we want to minimize the total cost so will go for minimum value of total cost will be achieved by changing the value of B15 and B16 by changing the decision variables. Once you start the follow the values will be in 700 and 1500 approximately because once you have done this then you put the cursor on solve the solver give you the optimize result. Now your results all those 1120538854 are changed these are 5001118806 and so on and now the value of 'X' and "Y" are 700 and 1500. And the total cost now reduced tremendously from the

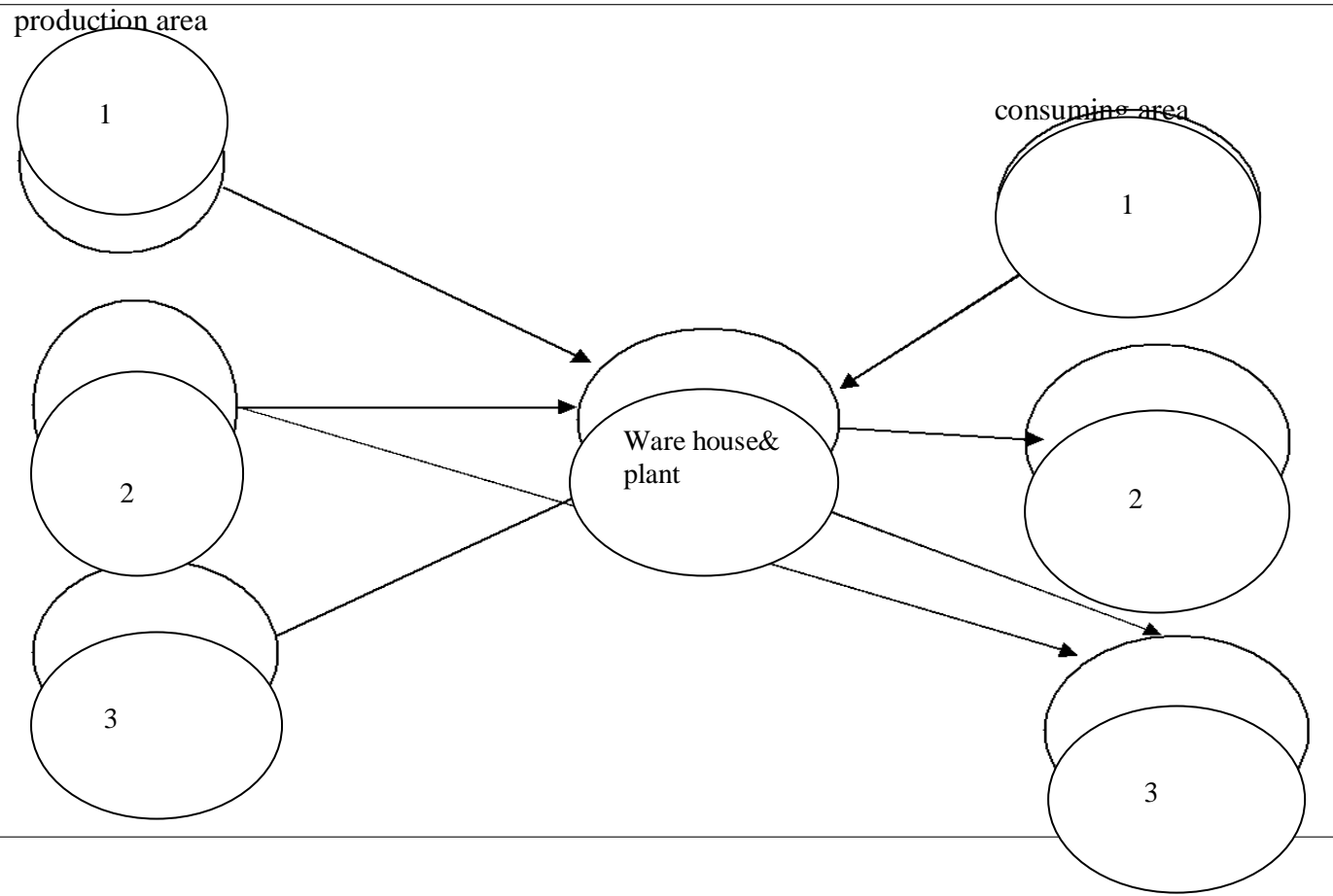
value which was 477873268 now it is 193549144 and the location of warehouse is 700 and 1500 is very close to Chennai so you will decide that the warehouse should be at Chennai.

ALLOCATION OF MY FACILITY :--

Allocation of my facility to a particular facility the key cost's are is a fixed cost of the facility so we need to find the facility for 2 products or 200 products there is to be fixed cost of the facility that is where the transportation cost you are using that facility to transportation some products from one end to another end so that transportation cost will be the production cost obviously is a variable type of cost as many number of products you will produce that production cost you will incur then inventory cost and the coordination cost you need to coordination with your different other facilities in the network so depending upon your location and size of the facility this coordination cost will also come now the questions which arte there in front of you that you have 4,5 locations in front of you need to decide which plant's to establish you want to establish let say A,B,C,D,E these 5 locations for there and out of these 5 locations you can make.

A	10
B	20
C	05
D	00
E	10

The above table shows that the capacities of the each plant so this what you want to configure the network we need to decide which plant established and then what should be the size of each plants so both the issues we will like to answer in case the optimization models so for this purpose you have the below demand allocation.



In demand allocation model you see various facilities you like to see which market to served from which facility the above figure shows left side circles shows as the production facilities right side of the circles shows as the consuming facilities and centre circle is the ware house so you need to see that one to one to warehouse, two to three , one to three and so on these are the types of the decisions will provide products to the consumers and the market and which supply source are used by a plant if this is a plant for a moment from the plant what type of vender distribution system 1,2,3 are serving the which plant so one issue is with respect to market another is with respect to plant that which distribution of vender will supply to which plant and which plant will supply to which market so this is the configuration of your entire supply chain network for that purpose you are simply consider.

This formula x_{ij} = *Quantit shipped from plant site i to cusomer j* In the above formula “I” is the site and “J” is the customer location so quantities which are shipt from one source “I” is source and “J” destination so x_{ij} representative should from “i” source to “J” destination so we want to minimize the total cost the formula is represented.

Demand Allocation Model

◆ Which market is served by which plant?

◆ Which supply sources are used by a plant?

x_{ij} = *Quantity shipped from plant site i to customer j*

$$\text{Min} \sum_{i=1}^n \sum_{j=1}^m c_{ij} x_{ij}$$

s.t.

$$\sum_{i=1}^n x_{ij} = D_j$$

$$\sum_{j=1}^m x_{ij} \leq K_i$$

$$x_{ij} \geq 0$$

IN the above formula C , it represents the cost of moving, cost of transportation from my " I "th location to " J "th destination X , is the number of units move from " I "th location to " J "th destination so X , is the number of units more from " I "th location to " J "th destination so $C, * X$, is the total cost of logistics involved in moving " X " number of units from " I "th location to " J "th destination and we want to minimize this cost we consider that there are " n " number of source and " m " number of destination so therefore " I " varies from " 1 To n " and " J " varies from " 1 to m " because " m "th destinations and " n " sources are there the objective function is subjected to 7 constraints the constraints are that demand of all the destination are completely met so if I have 1-3 destinations in the above graph destination 1 requires to products destination 2 requires 5 products 3, requires 15 products it is total to 30 products so the D represents 30 total demand is fulfilled from varies units which are coming from other " I "th source so X , giving to different " J "s so that is one important condition that the demand of each destination is fulfilled in first request 10 and I am able to fulfill the demand of 10 from all " I "th sources if second require "5" I am able to fulfill the demand of second destination from all the sources if third requires 15 I should be able to fulfill the demand of all 15 from different sources it is quite possible once you develop this model and solve this model that if I have $X_{11}=00$, $X_{21}=05$, $X_{31}=05$ this is the demand of my distinction 1 which is 10 so it is possible that some of the destinations' but for the sake of modeling we write in the form of all the " I "th sources will supply to particular destination and demand of the destination completely better now it means you can supply the more than or equal to 100% demand you can supply the more than demand here we what we are assuming in this model that we are fulfilling the 100% demand we will consider our model in such a fashion that we will be able to fulfill the 100% demand of a particular destination. this is the first constrain.

The second constraint is about a particular supply from a particular source a particular source is not supply what is producing it cannot supply, more than its capacity so if you are supply from

"I"th source and "I"th source has a capacity of "K" units so the total supply from "I"th source to various destinations to all the destination from J+1 to "M" should be less than total availability at "I"th destination "I"th source so the second constraint represents $\sum X_i \leq K, i=1,2,3,4,-,-,-,n$ X, in this X represents the constraints of non-negativity that the value of X, can not be negative so these are the important condition of the model that you are fulfilling the 100% demand of each destination and it shows cannot supply more. Then its capacity these two things are written in the form of mathematical expression source cannot supply more than its capacity and we want to fulfill the 100% demand of each destination.

PLANT LOCATION WITH MULTIPLE SOURCING FACILITIES:-

In this model you have multiple locations with different type of capacities in this model we want to minimize the total cost and we are also considering the fixed cost of facility and this is seeing in the below given formula.

Plant Location with Multiple Sourcing

- ◆ $y_i = 1$ if plant is located at site i , 0 otherwise
- ◆ x_{ij} = Quantity shipped from plant site i to customer j

$$\text{Min} \sum_{i=1}^n f_i y_i + \sum_{i=1}^n \sum_{j=1}^m c_{ij} x_{ij}$$

s.t.

$$\sum_{i=1}^n x_{ij} = D_j$$

$$\sum_{j=1}^m x_{ij} \leq K_i y_i$$

$$\sum_{i=1}^m y_i \leq k; y_i \in \{0,1\}$$

The cost of transportation will be seen in the last model out of that locations A,B,C ,D and E at some location I don't want to have a plant so where I want to have plant represented by Y the "I" is represented by a new decision variable Y signifies that whether I want to have a plant at a particular place or not now Y takes the binary numbers it means I can take only two values 0 or 1 the value of 0 means we are not interested to open a plant 1 means I am interested to open a plant at particular location and "fi" means fixed cost of the opening of the plant if "fi" can apply when Y will be "1" and if Y is 0 the factor will become zero. If you're not interested in opening any plant at a particular location there will not be any fixed cost are having more comprehensive D where you are considering the transportation cost as well as the fixed cost as usual this model also having two constraints that are.

GAL									
UR									
U	150	180	125	100	70	3500	10	6000	20
DE									
MA									
ND	12	6	14	16	7				

In the data we have 5 constrains or supply sources to us and there are certain demand points on the horizontal axis now the demand of the destinations for Ahmadabad is 12,cochin is 6, Hyderabad is 14, Chennai is 16, Bangalore is 7 are the demand points now each of this locations you have two types of plants low and high capacity plants low means 10 units, high means 20 units and the fixed cost is different for different locations and plants in B4 to F8 this is the data is the cost of production if I am producing 1000 units so cost of production and supplying 1000 units from Ahmadabad, like to Bangalore is 50, 70,120,90,150 like that it includes cost of production as well as transportation cost this data is available from all the data you can open a low or high capacity plants fixed cost is given demand of varies destinations are available to us now we have to decided whether to open a plant at various locations so which of these locations where will like to open the plant and what will be the size of the plant wither the low capacity or high capacity plant the main object is to minimize the overall cost of the production transpiration and facility cost. Another important thing is you make a decision variable table, the table is given below,

DECISION VARIABLES							
Demanded country-production allocation						plants	plants
	AHMADABA	COCHI	HYDRABA	CHENNAI	BENGALUR		
SUPPLY SOURCES	D	N	D	U		(1=open)	(1=open)
AHMADAB AD	0	0	0	0	0	0	0
COCHIN	0	0	0	0	0	0	0
HYDRABA D	0	0	0	0	0	0	0

CHENNAI	0	0	0	0	0	0	0
BENGALUR							
U	0	0	0	0	0	0	0

The above table gives the decision variable data actually what we want to determine we want to determine two things. One is where to open the plant and what will be the size of the plant and 3rd when we considering our network that from which supply source to which destination how many units will be served so these are three important questions we will like to answer so these three decision variables, whatever we want to determine that because our decision variables so this is how will make of table the above table as you are seeing the upper part of the data Ahmadabad to Bangalore are the supply sources and destinations and to initiate the problem to initiate the solution I am using the zero's(0) because I don't know where I will open from where how much shift to a particular location destinations now we will develop the formulas. The objective is to minimize the overall cost and variable so now the formula for objective function will be given in the below table:

cell	Cell formula	Objective	Copie
		function	d to
B28	=B9-sum(B14:B18)	Constraint	B28:
		(A)	F28
B2	=G14*H14*J4-sum(B14:F14)	Constraint	B22:
		(B)	B26
B31	=sumproduct(B14:F18,B4:F8)+sumproduct(G14:G18,G4:	Objective	-----
	G8)+sumproduct(H14:H18,I4:I8)	function	

Using the above formulas we need to take the decision where we want to open a plant what will be the size of the plant in the above data table 0's representing the number of units to be shipped from my location to a destination so one cost will come to that whatever you are supplying from Ahmadabad to Ahmadabad, whatever you supplying from Ahmadabad to COCHIN. That you will multiply with the cost of transportation. So the cell D4 need to be multiplied by D14 that is the transportation cost similarly for all the cells thy need to be multiplied respectively in the portion of decision variable table this is one type of cost which is coming because of production and transportation the second will come because of the developing a facility or opening a

facility it gives the meaning of low cost so in these case one will come and if you open a high capacity plant in respective cells.

Now coming to the constraints part you will not have excess supply or excess capacity of the supply source, the following table gives the idea on constraints

constraint					
SUPPLY	Excess				
SOURCES	Capacity				
Ahmadabad	0				
COCHIN	0				
HYDRABAD	0				
CHENNAI	0				
BENGALURU	0				
unmet	Ahmadabad COCHIN HYDRABAD CHENNAI BENGALURU				
Demand	12	6	14	16	7

It gives a meaning if your plants have the capacity of 10 or 20 units of supply if it is a 10 units capacity you cannot supply 11 units, if you have 20 units capacity you cannot supply 21 units. Now the question is what the excess capacity is. In the above table we give the 0's is an excess capacity because we don't know which plant produce more than the market demand that's why we are considering excess capacity is 0's

- 1) Fulfilling the 100% demand of the destination.
- 2) It determines that you are interested you can supply your products to particular facility or particular plant.
- 3) the thread constrain is being added that excess capacity should be less than unmet demand after this we can developing a model

Unmet demand:-- in the starting stage there are two constraints (1) is supply constraint in the formula table formula one(1) represent that one. Now I want to fulfill the demand of each destination the demand is result of whatever is available in the total demand of Ahmadabad to

SOUR							
C	med	Cochi	Hydrab	Chenn		(1=ope	(1=open
ES	abad	n	ad	ai	Bengaluru	n))
Ahemed							
abad	0	0	0	0	0	0	0
Cochin	12	6	2	0	0	0	1
Hydraba							
d	0	0	0	0	0	0	0
Chennai	0	0	12	8	0	0	1
Bengalu							
ru	0	0	0	8	7	0	1
constraint							
SUPPLY		Excess					
SOURCES		Capacity					
Ahemedabad		0					
Cochin		0					
Hydrabad		0					
Chennai		0					
Bengaluru		5					
		Ahemedaba		Cochi			
		d	n	Hydrabad	Chennai	Bengaluru	
unmet Demand		0	0	0	0	0	
objective							
function							
COST=		23470					

INTERPRETATION:---

In the above table represent the results of the above mentioned data in the starting stage we are putting zeros in the starting stage after doing the analysis the results will change like where we

want to locate a plant what is the size of the plant all will appear in the decision variables part and constrains part.

Coming to the decision variable part we have a chance to open three high capacity plants in various locations, in Chennai, Cochin, Bangalore, are the various location to open a high capacity plant's there is no chance to open a low capacity plant. But Chennai can fulfilling the demand is 8 units the remaining 12 units can sent to Hyderabad, but Chennai is the right place to open a plant because in case you are export product's to the other countries the shipping facility is available to us so Chennai is the perfect place to open a plant. Cochin is generate the demand is only six products the remaining 14 products will send to the outside the state 12 products can be sent to Ahmadabad, 2 products will send to Hyderabad, Bangalore have the high capacity plant, but there is one issue that is excess capacity that excess capacity is 5 products and you can supply the products to the Chennai there is no unmet demand in any market place.

Finally the main objective is to minimize the overall production cost as well as facilities cost as we invoking the data into excel solver we can get the result of the minimum cost in the above data we have two options to fulfill the demand one is Chennai, and another one is Bangalore, we can choose the perfect location is Chennai why because the total demand will fulfill, but in Bangalore having the excess capacity that's why we are choosing Chennai is the perfect location.

THE NETWORK DESIGN DECISIONS UNDER UNCERTAINTY:--

Now a day's business environment is not certain particularly in India in recent past we all have seen that there are lot of uncertainty in the external environment and those uncertainties must effect the supply chain decisions if you do not take into account those uncertainties it is very difficult to develop a responsive supply chin.

The impact of uncertainty on network design:--

1. supply chain design decision decisions include investments in number and size of the plant, number of trucks, and number of warehouses are required,
2. the decisions can't be change in the short term, because the supply chain decisions is to be the long term process. So we can't change in the short term.
3. There will be a good deal of uncertainty in demand, prices, exchange rates, and the competitive market over the life time of supply chain network.
4. Therefore, building flexibility into supply chain operations allows the supply chain to deal with uncertainty in a manner that will maximize profits.

Maximizes the supply chain surplus the answer for handling the uncertainty is to build to infuse the elements of flexibility in your supply chain. you can probably handle the issues but what is the flexibility what is the optimum level flexibility, how much flexibility we should built into our supply chain, a system which is completely reset also can't survive you need to have a balance of rigidity and flexibility. Without flexibility you can't handle uncertainty of the network design now for that purpose we are developing a network design decisions under uncertainty. There are different types are there under uncertainty.

DISCOUNTED CASHFLOW ANALYSIS:--

In this analysis the supply chain design decisions are long term in that case it is certainty ever long term decisions you cannot develop new warehouse in one night you can take some decisions which are for the short term you can start outsourcing all of a sudden you can stop outsourcing because demand is not there so that type of decisions are possible with in very limited time but developing a facility like warehouse, manufacturing plant is not a short term decisions and therefore supply chain decisions are long term so they should be evaluated as a sequences of cash flows over a period of time. I am developing a manufacturing facility and I feel that life of this facility is 20 years and I feel that life of the facility is 20 years are 25 years I am developing a warehouse I consider the life of warehouse is 3 years in 3 years time how much cash will be generated on the basis of that we will like to take a decision. These is very simple method were over the alternatives which are available to us we will calculate that each alternative will giving how much cash flows and depending upon that cash flows we will take

the decisions that which alternative give the maximum cash flow that is the choice for our network decision. Evaluates the present value of future cash flows and allows managers to compare different cash flows in terms of their financial value the meaning is that if you have some money to day in your pocket that is more valuable that what you are getting in the tomorrow that is also called as time value of money. Based on the time value of money is says that a rupee today is more than rupee in the future in general example:- if you have 1 rupee today and you get 1 kg of rice today with the same rupee you cannot get the same 1 kg of rice in the future. It means the purchasing power of that we will calculate the present value of the varies future cash flows over a period of time which we are going to get and then we will see that what is the total present value. Cash flow value of varies alternatives. Formula for that is.



Discounted Cash Flow Analysis

$$\text{discount factor} = \frac{1}{1+k}$$

$$\text{NPV} = C_0 + \sum_{t=1}^T \frac{1}{1+k} \div C_t$$

where

C_0, C_1, \dots, C_T is stream of cash flows over T periods

NPV = net present value of this stream

k = rate of return

- Compare NPV of different supply chain design options
- The option with the highest NPV will provide the greatest financial return

In the above formula “k” means the rate of return normally in our day to day decisions we say that “K” means rate of interest , in supply chain decisions language ”K” means rate of return in the above formula the discounting factor is.

Discounting factor $=\frac{1}{1+k}$ this becomes $\frac{1}{1+k}$ rediscounting factor the meaning of this is if I am today having 19-03-2020 I will get on 19-03-2021 100/- rupees what will be the value of this 100/- we will get in the future date on 19-03-2021, on the 19-03-2020 I am seeing the value of today money is more than what I am going to getting in tomorrow, that is the meaning of discounted factor. The following problem we will understand clearly.

PROBLEM STATEMENT:--

The demand for the products are 100000 units per year, the space for logistics is 1000 sq.ft .space for every 10000 units of demand, the revenue is \$1.22 per units of demand, a company want to take a decision the decision is sign a three year lease or obtain warehousing space on the

spot market?,. The 3 years lease cost is 1\$ per sq.ft. The spot market cost is \$1.20 per sq.ft. the cost of capital (k) is 10%(0.10).

SOLUTION:--

WHEN WE GO FOR SPOT MARKET:--

Expected annual profit = $100000 * \$1.22 - 100000 * \1.20

$$= \$122000 - \$120000 = \$2000$$

The annual profit for the next 3 years in each year we will get \$2000

$$NPV(\text{no lease}) = C_0 + \frac{c_1}{1+k} + \frac{c_2}{(1+k)^2}$$

$$= 2000 + \frac{2000}{1.1} + \frac{2000}{(1.1)^2} = \mathbf{\$5471}$$

WHEN WE GO FOR 3 YEARS LEASE AGREEMENT:-

Expected annual profit = $100000 * \$1.22 - 100000 * \1.00

$$= \$122000 - \$100000 = \$22000$$

$$NPV(\text{no lease}) = C_0 + \frac{c_1}{1+k} + \frac{c_2}{(1+k)^2}$$

$$= 22000 + \frac{22000}{1.1} + \frac{22000}{(1.1)^2} = \$60182$$

if you go for spot market the profit is only \$5471 dollars in case of lease the profit is \$60187 . if you sign the spot market literally you lose the \$54716 of profit , so I want to take a decision related to sign on the lease agreement.

As per the above values we can take a decisions in this particular case we are very sure there is a lot of certainty in the market but it is quite possible that you will need to rethink because of uncertainty in demand and cost now in case you have signed you need to pay \$22000 rent because you take the space you are able to sell 100000 or not the respective of that you have to pay \$22000 to the other party or to the provider of the warehouse space and in that case your profit or net present value may be significantly go down, it is also possible that here for 3 years we have taken a flat rate of return 10% it may be possible to change year by year. In that case you are not able to use total space it means your next year demand is 10000 units it requires 1000 sqq.ft. And in that case you can save lot of money. Which you are giving to your space provider. In case of uncertainty in demand and cost many times it forces not to go for long term relationship because we are not infused element of uncertainty we are only considering that we have rate of return, you have a fixed demand, you have a fixed cost, everything is fixed and in that case with the simple calculation. We can conclude that the lease agreement is made is a suitable agreement but when we go for uncertainty.

FLEXIBILITY IN SUPPLY CHAIN:

It is the one of the key assumption to handle the problem of uncertainty in your network design. The meaning of flexibility in supply chain meas. "you have to full fill the three important things in your supply chain there are supply chain should be adaptable, supply chain alignment and agility these are the three important things to be follow in your supply chain flexibility"

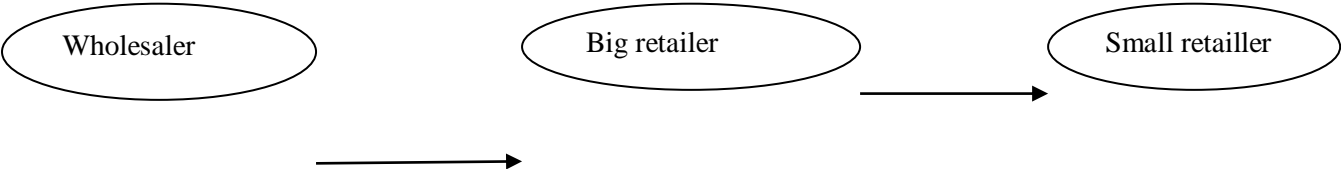
ADDEPTIBLE:- It means the supply chain should be adapt to the changes you need to changes in the real time and it will help to us in prediction modeling it will making the supply chain, it will help us to take a decisions based on some data of 1847, you take decisions based on real time what is happening today unfortunately. It is a very important enabler which is helping us in making our supply chain more adaptable with the real time happening things like POS, helps a lot in future about making real time analysis so adaptable supply chains are 1 in partout dimensions of flexibility in the supply chain. "we adjust the supply chain design to meet structural shifts in marks modify the supply chain network strategies, products and technologies.

EXAMPLE:-- in India we used to have brick and mortar stores for most of the products we get from to get the market we have cash in your hand or cheque in your hand and we go we select the products pay the money for particular product it this is what the system used to follow but last few years we all have seen that how different e-commerce platforms have come to the market because of that many of us started the convince. The better shopping experience shopping at your time and the verity the discounts and so many different factors are there which are helping in improving the performance of these e-commerce platforms. Now the market structure is shifted we are continuslly talking about how to eliminate the middle man so the role of middle man we do not want in the supply chain and this changing scenario when the structures are shifted now this middle men have also started offering the special services through e- commerce this is good example that how you can be adapting yourself to the changing requirement because more and more literature you will find and almost all the decisions they personally I believe that meddle men are very important element in a supply chain but the literature the decisions are always against middle men they say that middle men say that take survey most of the profit of the supply chain and particularly when we talking of accessories of automobile industry coming from the micro and small enterprises in these case we are highlighting to the middle men and there fore if a supply chain which is very much dependent on middle men and the structure is changing and when organized activates what happening the middle men need to adapt the several changing market structures otherwise they

will be out of the market because most of the decisions is happening about how to eliminate the middle men , so if you are adaptable to these changes we will not be able to survive if you are not adaptable you will not be able to survive in the market so you need to modify your supply chain network strategies.

ALIGNMENT :-

This is the second element the meaning of alignment we creating incentive along with in the supply chain for better and overall performance of the supply chain we all know that there are large number of partners you have wholesalers retailers and smaller retailers the below chart shows the relationship.



Now I am not taking the supply chain to the left side of this above chart like warehouse ,manufacturing and supplies are also there I am considering right side of the supply chain now I am creating same kind of incentive system that is uniformly giving advantage to all the parties if this incentive is based on or for this wholesalers or for this retailers or for small retailers I will not be able to achieve a good alignment the second element it is possible that I need to create a system which should take care interest of my all partners in the supply chain then I can have a better overall performance otherwise you can have face the problems. Where most of the supply chains before the wholesalers before that you have the manufacturers in the incentive system is designed in such a way that most of the incentive goes to the manufacturers and therefore these wholesalers and retailers are not able to take much of the benefit and this s a poor alignment of the supply chain particularly in small tools suppliers in the automobile industry they have the limitations for accessing the markets and the role of the middle men is very important to take their products from par places where tools are produced from those places to manufacturing plants in this type of supply chain they want to share the profit also in the incentive system design by the HeroMotoCrop the middle man in the system fluty system that it doesn't give you can say appropriate amount of incentive to the partners if you have face any

problems in the system you can change the incentive system as per your requirements like you involve middle men or not etc.

AGILITY :-

It is another important aspect of supply chain flexibility it means that how fast you can fulfill the demand of the customer your response rate that is the agility the another meaning is the ability of the supply chain to respond short term changes in demand of the supply chain and handle the external disruptions smoothly that is the another meaning of the agility. And another form of agility means high speed and how to get the high speed when you have study conditions you can follow things like make to stock you have products readily available in your retailer counter and as soon as a customer comes you can offer products immediately to the customers so that is very high level of speed customer comes and offering the products without waiting time of five minutes but problems coming when you have short term changes in demand then problems start coming. How to achieve the same level of speed when demand is changed and when demand is changing you will not be able to maintain the good stock or make to stock type of policy in these cases because sometime demand is more and sometimes demand is less and some time you have over stock or under stock and both this things are not desirable so therefore you require some kind of agility in your supply chain that you should be able to fulfill the demand of the customer with in the short time even if demand is changing now for that purpose there is a term lean supply chains these type of supply chains where we try to reduce the wasted in the supply chain consider that those who are lean and thin we consider there is a simple formulae that they are more agile they can change fast their reflexes are very fast and who are bulky they are slow and same thing applies to the supply chain of the HeroMotoCop. The company supply chain is lean supply chain these company follow the less amount of inventory in the warehouse and each stage of the supply chain and it can change very quickly as per as the demand of the customer. Example:- In a general example I have a products " HF Deluxe" today and add retailer 2 I have 10 units of the product "HF Deluxe" tomorrow because of some rezones may be petrol and Diesel prices are may be decrease the product demand is changing or customer wants a new product "HF Deluxe" more than quality product of "HF Deluxe" that is HF Deluxe Eco customer wants A' now I already have 10 units of "HF Deluxe" in my stock so I will be hesitant to produce "HF Deluxe Eco" because I will wait that I should selling 10 units first and then I should produce HF Deluxe Eco because of customers are wants HF Deluxe Eco now I need to force to purchasing HF Deluxe Eco so in that case these 10 units of HF Deluxe tern to the over stock and may be after some time these stock tern into the outdated model products demand will totally be out and only for HF Deluxe Eco is another retailer who is

having only 2 units of HF Deluxe for that retailer it is much easier to procure HF Deluxe Eco so the meaning of lean is that you need to have a minimum amount of inventory so as soon as the demand is changing in the short term you can immediately procure new products and if you have a stock of your previous products in your warehouse in your retail counter or where ever you keep your finished goods you will be hesitant to change or to procure new products by that time your competitor must have procure the new products and then you will be behind in the competition.

OPTIMAL LEVEL OF PRODUCT AVAILABILITY IN SUPPLY CHAIN OF HERO MOTOCROP:-

If we consider the supply chain we have two things one is our supply chain is responsive and other thing the supply chain is efficient supply chain in this first we will understand what is the product availability it means that customer is going to a supply chain or customer is going to retailer and how many times the customer demand is satisfied from the available inventory and a customer I am going to a retail counter let say in a year 30 times out of 30 times my demand is fulfilled from the available inventory in the retail store . let say 25 times I am not able to get the product which I am desiding so I will sell the product availability is 83% some time we will call it as service level and fill rate these are other terminology which we used to define the product availability.

FACTORS EFFECTING OPTIMAL LEVEL OF PRODUCT AVILABLILITY:--

It means we can maintain a balance between the customer satisfaction and cost of keeping the products in my supply chain so that is the optimal level of product availability. It is depending on the two important facts the first is cost of over stocking and the second one is cost of under stocking the product. Now the cost of over stocking and cost of under stocking, the cost of over stocking means when the company. Stocking more than the additional cost which is there because of stocking more number of units then the demand. The cost of under stocking means I am slightly pessimistic end because of my pessimism I stocked less number of units and demand was more so I was deprived of that additional profit so that is cot of under stoking so we need to balance and has to created between these two types of costs and for that purpose we will see with the help of an company related numerical example that how de we moel such a

situation where we need to decide about the optimal level of product availability for that purpose we have the following type of demand data available with us where the demand of the products in hundreds of the units are like 400,500,600,700,800,900,and 1000,and on the basics of our past experience we have given these levels of probability of these levels of demand.

Demand(in hundreds)	Probability
4	0.1
5	0.2
6	0.3
7	0.1
8	0.1
9	0.1
10	0.1

In the above table the probability of demand is 400 units is 10% probability of demand being 500 units probability is 20% like that up to 1000 units 10% as per the above data we need to calculate out of these demand table that what should be the optimal product level I should keep in my stock and some of the additional data available to me that is the cost price per unit let say as per the company 42100 and and I am selling the product 50000 the unsold stock items because of over stocking the unsold stock items I am able to sell at some exhibition at the rate of 45000 per bike but in exhibition the cost of holding the inventory and transportation to the exhibition side is 2000 per item now there are different things which we will like to calculate the first things expected demand considering these is the whole situation is \sum of demand at a particular time and probability for that level so $i=1$ to "n" so your expected demand becomes as following under $4*0.1+5*0.2+6*0.3+7*0.1+8*0.1+9*0.1+10*0.1$ that is why expected demand how I will like to stock any number of units as long as is stocking that additional units my expected profit increase if my expected profit does not increase I will not like to stock additional units so the underlying condition because $4*0.1+5*0.2$ like that up to $10*0.1$ that is my expected demand it becomes $0.4+0.1+0.18+0.21+0.8+0.9+1=4$ this is my expected demand now cost price is \$45 the selling price is 100\$ So the profit per unit is \$55 per unit now I will multiply this expected demand with this profit per unit this will give me my expected profit that with this type of data this is my expected profit that 0.5 and you can do the \sum here and this sigma which is like the \sum it is multiplied by \$55 this is my expected profit now the meaning of expected level of the product availability is that I want to increase

this expected profit as long as by stocking additional units my expected profit increasing then certainly I will like to stock additional units but if expected profit is not increase I will not like to stock additional units we can show the meaning of that the following table shows details of the optimal level of product availability (In general example we can use 1\$,2\$)

Demand	Sells	Cost	Revenue	Profit	Probability	Cum.probability
400	4	6	8	2	1	1
500	5	6	10	4	2	3
600	6	6	12	6	3	6
700	6	6	12	6	1	7
800	6	6	12	6	1	8
900	6	6	12	6	1	9
1000	6	6	12	6	1	10

INTERPRETATION:- In the above table 0.7 or 70% now this data 0.7 says that 70%*70% of the time demand. Now if you see the earlier quantity Q=6 for that the cumulative frequency 0.6 now the meaning of the 0.6 is that 60% of the time demand is less than 40% of the time demand is more than 6 also so whenever the demand is more than 6 I will not be able to fulfill that demand so that I will go for my cost of under stocking but 60% of the time is less than 6 or up to the quantity ordered equal to 6 will help me to achieve my service level but now as we all know that 60% service level and in most of the products which are be commodity this service level is absolutely very low so we need to see that how to increase that service level for that purpose we need to introduce the concept of cumulative probability it is going to help us now in this case we now calculate a probabilities we now calculate the probability the demand is more than “Q” probability or more than equal to the one relation which is this

$$\text{Probability} > Q \geq \frac{CU}{CO + CU}$$

Here “CU” means cost of under stocking so now taking this above data which is available to us where cost price is 1\$ and selling price is 2\$ now if I have some unsold items I will incur a

loss of cost price so much of cost of over stocking in this case becomes $CO=1\$$ per unit if demand is more than what I am stocking and in that case I will not be able to incur the profit which I can get so in that case the loss is 2-1 the profit which I could have earned but I was deprived of that profit because I stocked less so that cost of under stocking . So CU is also again $\$1$ so now you will like to use this case so it becomes CU $1\$$ as a matter of fact CO is also one so $= \frac{1}{2} = 0.5$ now this calculation of 0.5 tells that we will take a level of C.P which is just higher than 0.5 in the data set C.P 0,1,2,3 and higher than 0.5 is 0.6 and corresponding to 0.6 the demand is 6 so this is my optimal level of product availability I should maintain the this level of product availability (6) in my organization if increase the product availability beyond this point my expected profit may decrease this is the profit and loss or meaning of this calculation.

FINDINGS OF THE STUDY :--

1. In this study we can find that fulfill the all objectives of the study
2. the gravity method says that channi is the best place to open a plant of hero moto crop .
3. as per the plant allocation model suggest that channi is the right plant is the right plant.
4. as per the demand allocation model banulure plant having the excess demand capacity.
- 5 in the optimal product availability model 0.6(60%) is the right quantity.

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A FIELD PROJECT REPORT
ON
EMPLOYEE JOB SATISFACTION WITH RESPECT TO SERVICE SECTOR

Submitted to department of management studies in partial fulfilment of
MASTER OF BUSINESS ADMINISTRATION

Submitted by
**(K VARSHINI, P PRIYANKA, S PREM KUMAR, J CHANDU DURGA VENKATA
KOUSHIK, M RENUKA)**

(221FC01087, 221FC01089, 221FC01091, 221FC01093, 221FC01094)

Under the guidance of
Dr Y. Srinivasa Rao
Assistant Professor



VIGNAN'S
Foundation for Science, Technology & Research
(Deemed to be University)
-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES
VFSTR DEEMED TO BE UNIVERSITY
VADLAMUDI, GUNTUR DISTRICT
ANDHRA PRADESH INDIA- 521113

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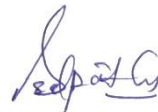
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CERTIFICATE

I hereby certify that, the filed project entitled A FIELD PROJECT REPORT ON EMPLOYEE JOB SATISFACTION WITH RESPECT TO SERVICE SECTOR submitted by K Varshini, P Priyanka, S Prem Kumar, J Chandu Durga Venkata Koushik, M Renuka bearing the **Regd. No.** 221FC01087, 221FC01089, 221FC01091, 221FC01093, 221FC01094 from the Department of Management Studies, Vignan's Foundation for Science Technology and Research deemed to be University and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour



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ABSTRACT

Job satisfaction is main important aspect in any organisation for employees. It is defined as the extent to which an employee feels self-motivated, content and satisfied with his/ her job. Job satisfaction happens when an employee feels he or she is having stability, career growth and a comfortable work life balance. A satisfied employee would have an emotional bond with the organisation and takes pride in their membership, which paves way to keep up industrial integrity and high morale. Job satisfaction is a crucial subject of attention which is very considered by the higher authorities, policy makers and top executives because this issue is related to many other significant and important issues of organisations. It is very important issue nowadays when organisations are facing with many types of employee related problems and challenges i.e; organisational performance, organisational commitment, employee turnover, employee productivity. Moreover, job satisfaction has its impact on the general life of the employees also, because a satisfied employee is a contented and happy human being. A highly satisfied worker has better physical and mental well being. Its mainly focus on employee absenteeism, higher productivity and turnover. This study tries to find out the factors determines job satisfaction and the way it influences productivity in the organisation. The data were collected from employees and sample size is 100-150. The study also attempts to analyse the opinion of employees towards the working life in the company.

KEYWORDS: Job satisfaction, Employee performance, Work life balance, Employee productivity, Employee absenteeism and Turnover intention.

CHAPTER-1

INTRODUCTION

Job satisfaction means a person's feeling or perception towards the nature of their work. Now-a-days job is an important aspect of every individual's life. Job satisfaction can be measured in three components like cognitive, effective and behavioural components. As well as most researched subjects in the area of organisation is "Job satisfaction." In any organisation the person who are not satisfied with their job and may have an issue due to any reason, try to solve their problem why because it may reflects to the organisation. Job satisfaction involves working condition, training and development, pay and allowances etc. Employee happiness is also tied to productivity. If an employee is having stability, career growth and comfortable work life balance then the job satisfaction happens. Job satisfaction plays a crucial role in any organisation.

Importance of job satisfaction:

A satisfied employee is always important for an organisation as he/she aims to deliver the best of their capability. Every employee wants a strong career growth and work life balance at workplace. If an employee feels happy with their company & work, they look to give back to the company with all their efforts.

Importance of job satisfaction can be seen from two perspectives i.e. from employee and employer perspective.

FOR EMPLOYEES: Job satisfaction from an employee perspective is to earn good gross salary, have a steady career growth, get rewards & recognition and constantly have new opportunities.

FOR EMPLOYERS: For an employer, job satisfaction for an employee is an important aspect to get the best out of them. A satisfied employee always contributes more to the company, helps control attrition & helps the company grow. Employers need to ensure a good description to attract employees and constantly give opportunities to individuals to learn and grow.

POSITIVES EFFECTS OF JOB SATISFACTION INCLUDE:

1. Higher employee loyalty leading to more commitment.
2. More efficiency of employees of workplace if they are satisfied with their job.
3. Job satisfaction of employees eventually results in higher profits for companies.
4. High employee retention is possible if employees are happy.

Components of job satisfaction are:

Evaluative component: An individual's overall responses to the employing organisation is summarised in the evaluative component.

Cognitive component: An individual's perceptions, opinion, beliefs and expectations regarding the organisation are the focus of his or her cognitions.

Affective component: This component represents the feeling induced by the organisation.

Factors Determining Job Satisfaction:

There are various factors which are effecting the job satisfaction. However, some of the important factors that determine job satisfaction of the employees in the organisation are as under:

1. WORK CONTENT: Work content itself is a major source of satisfaction. The content of work should be interesting and encouraging and have variety inbuilt in it so that it is not boring. However, the job should be moderately tough so that the individual has to stretch his ability, imagination and skills.

2. PAY & PROMOTION POLICY: Salary and wages play decisive part in the study of job satisfaction. Apart from financial benefits, organisation must provide adequate perks and non-financial benefits so that they are motivated and display high level of satisfaction.

3. SUPPORTIVE WORKING CONDITION: Working conditions have a modest but lasting effect on job satisfaction. Due to fast development of technology, it is necessary that the organisations are operating on upgraded technology, latest systems and procedures.

4. WORK GROUP: The work group is very essential for job satisfaction. The group of having multi-skilled persons with one goal will be able to function effectively if they are friendly and co-operative.

5. SUPERVISION: It is one of the moderate factors, which effect job satisfaction. Supervisors should be available for advice, guidance and problem solving.

6. PROMOTION CHANCES: Promotional opportunities affect job satisfaction considerably. There is no surprise that the employee takes promotion as the ultimate achievement in his/her career and when it is realised, he or she feels extremely satisfied.

HOW JOB SATISFACTION BENEFITS THE COMPANY:

Job satisfaction is a result of an employee's perception of how well their job provides those things that are viewed as important. High employee's job satisfaction benefits the company as it leads to improving productivity, decreased turnover and less job stress.

It is generally recognised in the organisational behaviour field that job satisfaction is the most important and frequently studied attitude.

At large, organisational performance seems to be single most important aspect of an organisation.

Research has conducted that there is a relationship between job satisfaction and performance of the employees. There are two basic views of satisfaction and performance they are inverted to one another.

One believes that satisfaction leads to performance, while the other believes performance leads to satisfaction.

If employees feel that their jobs are fun and interesting, they will be more willing to give extra effort to work for the benefit of the whole organisation.

1. SATISFACTION AND PRODUCTIVITY:

Based on research carried out in Hawthorne studies, further research to prove that “happy workers are productive” was carried out, which has been proved negative. Based on the conclusion of Hawthorne studies, managers began their efforts to make their employees happier by improving work conditions, providing Laissez-faire type of leadership, expanding various facilities to the workers, but it has been found that there is no direct relationship between happiness and productivity.

Robins concluded that productive workers are likely to be happy workers. Further research on the subject suggests that organisation having happy workers might have increased productivity. On individual level it may not be true due to complexity of environment, work processes, various systems and subsystems having impact on the individual employee.

However globalisation, speed of machines and knowledge explosion, impact of media on workers, social awareness and high expectations of employees to meet social obligations are important factors to ensure high satisfaction level of employees. While evolving industrial practices, above factors should be considered favourably and employee growth achieved so the organisations grow automatically.

2. JOB SATISFACTION AND ABSENTEEISM:

There is an inverse relationship between satisfaction and absenteeism. When workers are more satisfied the absenteeism is low. When satisfaction level is low absenteeism tends to be high. There are certain moderating variables like sick leave and degree to which people feel that their jobs are important.

Where there is a provision for sick leave, employees would take benefit and absent themselves. As far as the importance of work is concerned, it has been observed that people attend to their work when it is important to accomplish. Employees having high satisfaction would not necessarily result into low absenteeism but those having low satisfaction level would definitely have high absenteeism.

3. SATISFACTION AND TURNOVER:

It has been found that employees who are not satisfied with their jobs will have high turnover. Employees who are satisfied will not have high turnover. Satisfaction is also negatively related to turnover but the co-relation is stronger than what we found in

absenteeism. Employee performance is a moderating factor of the satisfaction – Turnover relationship.

High employee turnover is a matter of concern for the management as it disrupts the normal operations and continuous replacement of employees who leave the organisation is costly and technically undesirable.

Though high job satisfaction in itself cannot keep the turnover low, but considerable job dissatisfaction will increase employee turnover.

On an overall basis, we can say that there is an important role played by job satisfaction in employee turnover.

REDUCES THE LEVEL OF UNIONISATION:

It has been proved that the satisfied employees are generally not interested in unions and they do not perceive them as necessary. Job satisfaction has proved to be the major cause of unionization.

The employees join the unions because they feel that individually they are unable to influence changes which would eliminate the causes of job dissatisfaction.

The level of union activities is related to the level of job dissatisfaction. A low level of dissatisfaction results in only grievances while higher levels of dissatisfaction will result in employee strikes.

HELPS TO CREATE A BETTER WORKING ENVIRONMENT:

When employees are enjoying a higher degree of job satisfaction they tend to be more helpful and friendly to their colleagues at work. This helps to promote teamwork where sharing of information and knowledge is enhanced.

Moreover, studies have shown that job satisfaction among employees may lead to a better and safer working environment with lesser negative conflicts.

EMPLOYEE SATISFACTION CAN LEAD TO CUSTOMER SATISFACTION

Employees that are happy in their work not only stay with the company and boost productivity; they also can help to maintain a happy customer base as well.

Satisfied employees are more likely to be friendly, upbeat and responsive which customers appreciate. Satisfied employees are less prone to turnover, customers are more likely to encounter familiar faces and receive experienced service.

These qualities build customer satisfaction and loyalty.

GROWTH:

The performance of an organisation is often measured by growth. Satisfied employees are more likely to be loyal to the organisation.

Many factors such as their satisfaction of work, social satisfaction and rewards are few. In most models, the primary focus is on a reward structure that motivates employees. Organisationally speaking, a high level of job satisfaction reflects a highly favourable organisational climate resulting in attracting and retaining better workers.

So, it does not take a lot of thought to realize that if someone has a high level of job satisfaction, they will probably have a high level of performance. On the other hand, if someone is not satisfied with their job, they probably will not have the same high level of performance.

Finally an improved organisational model could provide a better connection for organisations between job and organisational attitude and organisational performance.

THEORIES OF JOB SATISFACTION:

Job satisfaction theories help to identify what factors are influencing job satisfaction and what can be done to get higher employee job satisfaction.

Satisfaction is a psychological sector. It cannot be seen and cannot quantify. But its expression in the human mind is understandable.

When an employee is satisfied with his assigned task and can discharge his responsibility satisfactorily, it is called job satisfaction.

The most common and prominent job satisfaction theories are;

- 1. Maslow's needs hierarchy theory,**
- 2. Herzberg's motivator-hygiene theory,**
- 3. Job characteristics model,**
- 4. Dispositional Approach**

1. Maslow's needs hierarchy theory: The theory suggests that human needs form a five level hierarchy consisting of psychological needs, safety, belongingness/love, esteem and self-actualization. Maslow's needs hierarchy was developed to explain human motivation in general. However, its main tenants apply to the work setting and have been used to explain job satisfaction.

Within an organisation, financial compensation and health care are some of the benefits which help an employee meet their basic physiological needs.

Safety needs can manifest itself through employees feeling physically safe in their work environment, as well as job security. Once satisfied, the employee will seek to feel as though they are valued and appreciated by their colleagues and their organisation.

The final step is where the employee seeks to self-actualize, where they need to grow and develop to become everything they are capable of becoming.

2. Motivator- hygiene theory: This theory suggests that job satisfaction and dissatisfaction are not two opposite ends of the same continuum, but instead are two separate and at times even unrelated concepts.

Motivating factors like pay and benefits, recognition and achievement need to be met for an employee to be satisfied with work. On the other hand, at the absence of hygiene factors employees will be dissatisfied with their jobs.

3. Job characteristics model: The job characteristics model explains that job satisfaction occurs when the work environment encourages intrinsically motivating characteristics.

Five key job characteristics; skill variety, task identity, task significance, autonomy and feedback, influence these psychological states.

Subsequently the three psychological states then lead to several potential outcomes, including job satisfaction. Therefore from an organisations point of view, it is thought that improving the five core job dimensions will subsequently lead to better work environment and increased job satisfaction.

4. Dispositional approach: It is a very general theory that suggests that people have innate dispositions that cause them to have tendencies toward a certain level of satisfaction, regardless of one's job.

This dispositional approach suggests that job satisfaction is closely related to personality. The evidence for this approach can be divided into indirect studies and direct studies.

Judge and colleagues have reviewed these areas in greater detail. The indirect evidence comes from studies that do not explicitly measure personality. This even includes significant employment changes, such as changes in employer or occupation.

People tend to evaluate their work experience in terms of liking or disliking their jobs and develop feelings of satisfaction or dissatisfaction regarding their job, as well as the organisation in which they work.

Many probable influences affect how favourably an individual appraises his or her job. This is also important for the organisation to retain valued employees.

CHAPTER-2

REVIEW OF LITERATURE

BRIKEND AZIRI: This paper states that job satisfaction and it represents one of the most complex areas facing today's managers when it comes to managing their employees. As well as, many studies state's that there is a huge impact on the job satisfaction on the motivation of workers, while the level of motivation has an impact on productivity, and also performance of business organisations.

MM PARVIN, MMN KABIR: This paper is involving that to evaluate job satisfaction in various pharmaceutical companies. It mainly focuses on job satisfaction factors and to investigate the impacts of pharmaceutical type, work experience, age etc. towards job satisfaction. In this paper, pharmaceutical sector is at positive level among overall job satisfaction of employees.

RL SNIPES, SL OSWALD, M La TOUR: This paper discusses about job satisfaction facets may have a huge effect on service quality than others. There is a unique point in this study i.e. design and also employee level data is analysed in this paper.

ABDUL RAZIQ, RAHEELA MAULABAKHSH: This article is about employee working conditions why because in order to achieve success, productivity and effectiveness of organisation. In order to increase efficiency, effectiveness, productivity and job commitment of employees, the business must satisfy the needs of its employees by providing good working conditions.

KAIFENG YANG, ANTHONY KASSEKERT: In this paper the characteristics on employee attitudes, behaviours and performance. Mainly, in this article they asses how the recent management reforms, such as contracting out, civil service with the employee job satisfaction in the federal government.

ML VASITA, KHUSHBOO PRAJAPATI: This paper studies about quality of work life and job satisfaction is a crucial role in any organisation. It also states that the perception of employees about quality of work life and job satisfaction across gender and nature of job.

A NEMMANIWAR, MADHURI DESHPANDE: This paper presents about the job satisfaction among hospital employees. Because of globalisation of health services sector and it has a lot of migration of employees towards good opportunities. And also that main purpose of this paper is to identify gaps and explore various factors affecting job satisfaction.

QADAR BAKHSH BALOCH: In this paper they have studied about job satisfaction on employee motivation on turnover intention. Job design, job techniques, work place, working environment and individual inputs are all the key factors that influence level and degree of motivation, in turn effect job productivity.

SAMREEN NAZ, HARIOM SHARMA: This paper tells about the job satisfaction is all about workers perception in various organisations. In this they studied about working environment, compensation policies, demographic variables, education qualification and there are many factors to be influenced.

JITENDRA KUMAR SINGH, MINI JAIN: This study is providing that the various variable responsible for employee satisfaction. Each and every organisation has to develop their strategies and strengthen the work environment to increase employee performance and productivity.

BRADLEY E WRIGHT, BRIANS DAVIS: This study represents work environment on the era of public sector an employee of job satisfaction. And also states that there are three components to analyse this paper i.e. organisational goal conflict, organisational goal specificity and procedural constraints.

LISE M SAAVI, TIMOTHY A JUDGE: This paper involves that employee attitudes and job performance of organisation. It identifies three major gaps between HR practices and scientific research. It involves employee attitudes, results of positive or negative job satisfaction, how to measure and influence employee attitudes.

SUSAN ABRAHAM: In this paper job satisfaction and employee are related by the correlation results. In this, descriptive study was used to examine the effect of job satisfaction and employee engagement.

MUNYAE MULINGE, CHARLES W MUELLER: In this paper, the agricultural personnel in Kenya, they identify the factors at workplace that effect job satisfaction. In this study, there is argument between the agricultural technicians and also agricultural production in the developing countries.

DAULATRAM B LUND: In this study examines the impact of organisational culture on job satisfaction in the survey. It involves the conceptual framework, working environment of organisation and also flexibility and spontaneity to emphasize control, stability and order.

CHAPTER-3 RESEARCH METHODOLOGY

SOURCES OF DATA:

PRIMARY DATA: The data i.e. collected from employees through the basis of organisation.

SECONDARY DATA: This is the existing data, which is collected through sources of internet, journals and also from reports.

SAMPLING UNITS: Totally I have collected 123 samples which comprises of both Male & Female.

OBJECTIVES OF THE STUDY

- To study the employee perception towards organisation.
 - To measure the employees job satisfaction level.
 - To identify the factors that motivates the employees.
 - To give suggestion for growth and perspective of company.
- To find whether the employee is satisfied or not with the respective of their jobs

NEED OF THE STUDY

Job satisfaction is considered as key role in any organisation by entrepreneurs where efforts are taken and as well as programs are initiated. As we all know satisfied employee is a productive employee, there may be any kind of grievance relating to organisational or personal there will be a huge extent influence on the job. So that each and every organisation is giving more priority to employees with satisfaction by providing several facilities which improve satisfaction and which reduces dissatisfaction.

For instance, if an employee is not satisfied with their job there will be a chances for absenteeism, low turnover, lower productivity, committing of mistakes, different types of conflicts will be happen. So keeping this thing in the view organisations are trying to solve and identify where the problem is to get out of the above dangers. In this survey, to identify the level of satisfaction in terms of strongly agree to strongly disagree on various job related factors.

CHAPTER-4

INDUSTRY PROFILE

Introduction to Services Sector:

In the sense of economics, services are any functions or tasks, performed by an individual or a group of individual, for which there is a demand and hence a price is determined if it is available in the relevant market. Services are sometimes referred to as intangible goods.

They are consumed at the point of production and they are usually non-transferable, in the sense that the service cannot be purchased and then resold at a different price.

“The services sector has been a major and vital force steadily driving growth in the Indian economy for more than a decade. The economy has successfully navigated the turbulent years of the recent global economic crisis because of vitality of this sector in the domestic economy and its prominent role in India’s economic interactions”.

National Accounts classification of the services sector incorporates trade, hotels, and restaurants; transport, storage and communication; financing, insurance, real estate, and business services; and community, social and personal services. In World Trade Organization (WTO) and Reserve Bank of India (RBI) classification, construction is also included in services sector.

One good example of this are banks which went through big changes in the late 20th century. Using information and communication technology, banks have vastly reduced the number of people they need to employ, and lowered the cost of providing bank service. For example, an automated teller machine is able to provide basic banking services 24 hours a day, 7 days a week, in many different places. Before this, banking services were only available from the bank when it was open. Many banks and building societies have joined together to form much lower cost businesses that can make more money from a wider customer base. The key to this process is gaining information about their customers and constantly coming up with new services for them.

Significances of this sector are listed below:

1. Share in Net National Product: At present, the service sector contributes the maximum share in country’s net national product at factor cost (national income).

2. Helps industrialization: The development of industries are dependent on the performance and improvement of transportation, communication, banking , electricity etc. in a country.

Transport systems helps to carry raw materials, finished goods and labourers in their required destination.

Communication helps to widen the market industrial goods. Electricity and banking services help to flourish the industries in remote areas.

3. Expands agriculture: Service sector helps to develop the agricultural production by providing better network facilities. It helps to carry raw materials and finished goods from one place to another.

4. Growth of Market: This sector provides different types of services to both agriculture and industrial sectors. In other way, it helps to grow the proper markets for both agricultural and industrial goods finished goods as well as raw materials or semi-finished goods.

5. Removes Regional Imbalances:

This sector provides a well organised transport and communication service. It also provides sufficient banking services along with expansion of education and medical facilities in the backward regions of the country. Thus it helps to wipe out the problem of regional imbalances and disparities within the country.

6. High Quality of Life:

Better services in the areas of transport and communication, banking and insurance, education and health etc must help a country to pave the path for economic development by increasing the quality of life or standard of living within the country. It also helps to improve the value of HDI (Human Development Index) of a country.

7. Increase Productivity:

This sector helps the working force by giving sufficient technical education and proper medical facilities. Moreover, a well-organised network of transport and communication system increases the mobility and informations among the workers. All these make the labourer more skillful and efficient and thus the productivity (producing capacity of a labourer) will increase simultaneously.

Performance of Services Sector in India:

It would be important to study the performance of some major services which are playing an important role in strengthening the economy.

TRADE:

By the term trade means exchange of commodities between individuals or groups either directly through barter or indirectly through medium such as money. Thus trade is an important activity providing interface between the producer and consumer. The benefits that can be realised from trade consist of an extension in the range of commodities available for consumption and a specialization in productive activity.

Tourism including Hotels and Restaurants:

Tourism is considered as one of the important component of services sector. It is considered as both growth engine and export-growth engine. It is also considered as an effective mechanism of employment generator as it has the capacity to create large scale employment both directly and indirectly for different sections of the society and also for different categories of workforce both specialized as well as skilled and unskilled.

Storage Services:

Storage services are also an important component of the services sector. Warehousing services are considered as an integral part of both inbound and outbound logistics, as goods produced have to be stored in different geographical locations of the country before shipping and dispatch as per demand and order flows received from different destinations.

In India, the most important component of warehousing is agricultural storage for agri-produce, food-grains, fertilizers, manures etc. Other components include industrial warehousing for industrial goods, import cargo and excisable cargo; inland container depots (ICDs) or container freight stations (CFSs) for facilitating import and export trade; and also special warehouses for cold and temperature-controlled storage.

The warehousing sector usually provides many ancillary services. In India, the Central Warehousing Corporation (CWC) along with 17 State Warehousing Corporations (SWCs) provides scientific storage facilities for agricultural produce and implements and some other notified commodities.

Communication Services:

Communication services, composed of telecom and related services and postal services are considered as important component of service sectors. Telecommunication is the fastest mode of communication developed in the country.

Telecommunication services include the telephone service, telex service, telegrams, fax service, internet and broad band service, and radio and television. Indian telecom service has proved to be an international success story as the sector has been witnessing commendable

growth over the past few years. The Indian telecom network is ranked as second largest in the world, next only to China.

Some Business Services:

There are some business services which are also considered as important component of the services sector.

Some of these important business services are as follows:

IT and ITeS: IT and ITeS sector has bloomed itself into a full fledged industry along with its own flavour. The Indian ITeS and Business Process Outsourcing (BPO) has demonstrated its superiority, sustained cost advantage and fundamentally-powered value proposition in the international market.

Accordingly IT and ITeS sector are giving India the image of a young and resilient global knowledge power. The IT and ITeS industry has four major sub-components, viz., IT services, business process outsourcing (BPO), engineering services and research and development (R & D) and software products.

Accounting, Legal and Consultancy Services: Accounting and auditing, legal and consultancy services are some of the important business services provided by services sector of India. Indian accounting firms are increasingly getting integrated and are providing associated services such as management consultancy, corporate finance, and advisory services in addition to their core business of accounting auditing and tax services.

TYPES OF SERVICE SECTOR:

Hospitality:

Any service that hosts guests such as a hotel, restaurants.

Travel:

Travel services such as flight or tour.

Transportation:

Daily transportation services such as train.

Media:

Media such as newspaper, blog or video.

Health care:

Health care services such as hospital, clinic or doctor's office.

Finance:

Financial services such as a bank that offers bank account, loans and investments.

Education:

Educational institutions and companies such as university or professional training company.

BENEFITS OF WORKING IN SERVICE INDUSTRY:

Easy to Start Up: Starting a business in the service industry is relatively easy in comparison to other business industry types. A service industry business requires little more than a license, phone, and you and your offered skills and expertise in order to get up and going. This not only makes it easier, but makes it more affordable to get started.

No Inventory: Starting in the service industry doesn't require a built-up reserve of inventory that needs to be stored in an expensive warehouse. Because the product you are selling is you and your skills and expertise, you'll only need the equipment required to perform your offered services, no warehouse full of inventory needed.

Flexible Hours: Because jobs are taken as they come rather than having a set schedule of hours dictating when you need to be at your place of work, working in the service industry allows you to have flexible hours, which in turn allows you the opportunity to further develop your job skills and education, spend more time with your family, and other accomplish other important tasks at times you might not otherwise be able to.

Expert Status: Going into a service industry field gives you the opportunity to focus in on a specific set of skills and abilities. Performing tasks and completing jobs related to those skills and abilities each day will help you to become better at what you do and earn expert status more quickly than a job in another industry might.

Jobs During Difficult Economic Times: When the economy dips, most people will cut back on their spending and pay only for necessities. Working in the service industry will help you

keep your job and bring in revenue, even during economic downturns. While most people will turn to DIY or go without things that aren't necessities, service industry experts are always in demand.

BANKING SECTOR:

The banking sector is the lifeline of any modern economy. It is one of the important financial pillars of the financial sector, which plays a vital role in the functioning of an economy. It is very important for economic development of a country that its financing requirements of trade, industry and agriculture are met with higher degree of commitment and responsibility. Thus, the development of a country is integrally linked with the development of banking.

In a modern economy, banks are to be considered not as dealers in money but as the leaders of development. They play an important role in the mobilization of deposits and disbursement of credit to various sectors of the economy. The banking system reflects the economic health of the country. The strength of an economy depends on the strength and efficiency of the financial system, which in turn depends on a sound and solvent banking system. A sound banking system efficiently mobilized savings in productive sectors and a solvent banking system ensures that the bank is capable of meeting its obligation to the depositors.

In India, banks are playing a crucial role in socio-economic progress of the country after independence. The banking sector is dominant in India as it accounts for more than half the assets of the financial sector. Indian banks have been going through a fascinating phase through rapid changes brought about by financial sector reforms, which are being implemented in a phased manner. The current process of transformation should be viewed as an opportunity to convert Indian banking into a sound, strong and vibrant system capable of playing its role efficiently and effectively on their own without imposing any burden on government.

After the liberalization of the Indian economy, the Government has announced a number of reform measures on the basis of the recommendation of the Narasimhan Committee to make the banking sector economically viable and competitively strong.

Need of the Banks:

Before the establishment of banks, the financial activities were handled by money lenders and individuals. At that time the interest rates were very high. Again there were no security of public savings and no uniformity regarding loans. So, as to overcome such problems the organized banking sector was established, which was fully regulated by the government. The organized banking sector works within the financial system to provide loans, accept deposits and provide other services to their customers.

The three major changes in the banking sector after liberalization are:

- i. Step to increase the cash outflow through reduction in the statutory liquidity and cash reserve ratio.
- ii. Nationalized banks including SBI were allowed to sell stakes to private sector and private investors were allowed to enter the banking domain. Foreign banks were given greater access to the domestic market, both as subsidiaries and branches, provided the foreign banks maintained a minimum assigned capital and would be governed by the same rules and regulations governing domestic banks.
- iii. Banks were given greater freedom to leverage the capital markets and determine their asset portfolios. The banks were allowed to provide advances against equity provided as collateral and provide bank guarantees to the broking community.

Challenges Faced by Banking Industry:

The bank marketing is than an approach to market the services profitability. It is a device to maintain commercial viability. The changing perception of bank marketing has made it a social process. The significant properties of the holistic concept of management and marketing has made bank marketing a device to establish a balance between the commercial and social considerations, often considered to be opposite of each other.

A collaboration of two words banks and marketing thus focuses our attention on the following:

- i. Bank marketing is a managerial approach to survive in highly competitive market as well reliable service delivery to target customers.
- ii. It is a social process to sub serve social interests.
- iii. It is a fair way of making profits.
- iv. It is an art to make possible performance-orientation.
- v. It is a professionally tested skill to excel competition.

Users of Banking Services:

The emerging trends in the level of expectation affect the formulation of marketing mix. Innovative efforts become essential the moment it finds a change in the level of expectations. There are two types of customers using the services of banks, such as general customers and the industrial customers.

General Users:

Persons having an account in the bank and using the banking facilities at the terms and conditions fixed by a bank are known as general users of the banking services. Generally, they are the users having small sized and less frequent transactions or availing very limited services of banks.

Industrial Users:

The industrialists, entrepreneurs having an account in the bank and using credit facilities and other services for their numerous operations like establishments and expansion, mergers, acquisitions etc. of their businesses are known as industrial users. Generally, they are found a few but large sized customers.

Bank Marketing in the Indian Perspective:

The formulation of business policies is substantially influenced by the emerging trends in the national and international scenario. The GDP, per capita income, expectation, the rate of literacy, the geographic and demographic considerations, the rural or urban orientation, the margins in economic systems, and the spread of technologies are some of the key factors governing the development plan of an organization, especially banking organization.

In our developing economy, the formulation of a sound marketing mix is found a difficult task. The nationalization of the Reserve Bank of India (RBI) is a landmark in the development of Indian Banking system that have saved numerous paths for qualitative-cum quantities improvements in true sense.

Subsequently, the RBI and the policy makers of the public sector commercial banks think in favor of conceptualizing modern marketing which would bring a radical change in the process of quality up gradation and village to village commercial viability.

Bank Marketing Mix and Strategies:

The first task before the public sector commercial Banks is to formulate that Bank marketing mix which suits the national socioeconomic requirements. Some have 4 P's and some have 7 P's of marketing mix.

The common four Ps of marketing mix is as follows:**(i) Product:**

To be more specific the peripheral services need frequent innovations, since this would be helpful in excelling competition. The product portfolio designing is found significant to maintain the commercial viability of the public sector banks. The banks professionals need to

assign due weight age to their physical properties. They are supposed to look smart active and attractive.

(ii) Price:

Price is a critical and important factor of bank marketing mix due numerous players in the industry. Most consumers will only be prepared to invest their money in search of extraordinary or higher returns. They are ready to pay additional value if there is a perception of extra product value. This value maybe improved performance, function, services, reliability, and promptness for problem solving and of course, higher rate of return.

(iii) Promotion:

Bank Marketing is actually is the marketing of reliability and faith of the people. .It is the responsibility of the banking industry to take people in favor through Word of mouth publicity, reliability showing through long years of establishment and other services.

(iv) Place:

This is choice of where and when to make a product available will have significant impact on the customers. Customers often need to avail banking services fast for this they require the bank branches near and convenient to their official area or the place of easy access.

Challenges to Indian Banking:

The banking industry in India is undergoing a major change due to the advancement in Indian economy and continuous deregulation. These multiple changes happening in series has a ripple effect on banking industry which is trying to be organized completely, regulated sellers of market to completed deregulated customers market.

a. Deregulation:

This continuous deregulation has given rise to extreme competition with greater autonomy, operational flexibility, and decontrolled interest rate and liberalized norms and policies for foreign exchange in banking market. The deregulation of the industry coupled with decontrol in the interest rates has led to entry of a number of players in the banking industry. Thereby reduced corporate credit off which has resulted in large number of competitors battling for the same pie.

b. Modified New Rules:

As a result, the market place has been redefined with new rules of the game. Banks are transforming to universal banking, adding new channels with lucrative pricing and freebees to offer. New channels squeezed spreads, demanding customer's better service, marketing

skills heightened competition, defined new rules of the game pressure on efficiency. Need for new orientation diffused customer loyalty. Bank has led to a series of innovative product offerings catering to various customer segments, specifically retail credit.

c. Efficiency:

Excellent efficiencies are required at banker's end to establish a balance between the commercial and social considerations Bank need to access low cost funds and simultaneously improve the efficiency and efficacy. Owing to cutthroat competition in the industry, banks are facing pricing pressure; have to give thrust on retail assets.

d. Diffused Customer Loyalty:

Attractive offers by MNC and other nationalized banks, customers have become more demanding and the loyalties are diffused. Value added offerings bound customers to change their preferences and perspective. These are multiple choices; the wallet share is reduced per bank with demand on flexibility and customization. Given the relatively low switching costs; customer retention calls for customized service and hassle free, flawless service delivery.

e. Misaligned Mindset:

These changes are creating challenges, as employees are made to adapt to changing conditions. The employees are resisting changing and the seller market mindset is yet to be changed. These problems coupled with fear of uncertainty and control orientation. Moreover banking industry is accepting the latest technology but utilization is far below from satisfactory level.

f. Competency Gap:

The competency gap needs to be addressed simultaneously otherwise there will be missed opportunities. Placing the right skill at the right place will determine success. The focus of people will be doing work but not providing solutions, on escalating problems rather than solving them and on disposing customers instead of using the opportunity to cross sell.

Strategic Options to Cope with the Challenges of Banking Industry:

Dominant players in the industry have embarked on a series of strategic and Tactical initiatives to sustain leadership.

The major initiatives incorporate:

a) Focus on ensuring reliable service delivery through Investing on and implementing right technology.

- b) Leveraging the branch networks and sales structure to mobilize low cost current and savings deposits.
- c) Making aggressive forays in the retail advances segments of home and personal loans.
- d) Implementing initiatives involving people, process and technology to reduce the fixed costs and the cost per transaction.
- e) Focusing on fee based income to compensate for squeezed spread.
- f) Innovating products to capture customer 'mind share' to begin with and later the wallet share.

The banking environment of today is rapidly changing and the rules of yesterday no longer applicable. The corporate and the legal barriers that separate the various banking, investment and insurance sectors are less well-defined and the cross-over are increasing. As a consequence the marketing function is also changing to better support the bank in this dynamic market environment.

The key marketing challenge today is to support and advice on the focus positioning and marketing resources needed to deliver performance on the banking products and services. Marketing, as an investment advisor, is about defining 4Ps and implementing key strategic initiatives to Market segments, increasingly redefined, relevant micro-segments to survive and flourish in the highly competitive market.

Government Initiatives Regarding Banking Scenario:

In an effort to enable banks to provide greater choice in insurance products through their branches, a proposal could be made which will allow banks to act as corporate agents and tie up with multiple insurers. A committee set up by the Finance Ministry of India is likely to suggest this model as an alternative to the broking model.

The Reserve Bank of India (RBI) has simplified the rules for credit to exporters. Exporters can now receive long-term advance credit from banks for up to 10 years to service their contracts. They have to a satisfactory record of three years to get payments from banks, who can adjust the payments against future exports.

The RBI has enabled foreign investors, including foreign portfolio investors (FPIs) and non-resident Indians (NRIs), to invest up to 26 per cent in insurance and related activities via the automatic route.

TYPES OF BANKS:

Commercial Banks:

These banks play the most important role in modern economic organisation. Their business mainly consists of receiving deposits, giving loans and financing the trade of a country. They provide short-term credit, i.e., lend money for short periods. This is their special feature.

Exchange Banks:

Exchange banks finance mostly the foreign trade of a country. Their main function is to discount, accept and collect foreign bills of exchange. They also buy and sell foreign currencies and help businessmen to convert their money into any foreign money they need. Their share in the internal trade of a country is usually small. In addition, they carry on ordinary banking business too.

Industrial Banks:

There are a few industrial banks in India. But in some other countries, notably Germany and Japan, these banks perform the function of advancing loans to industrial undertakings. Industries require capital for a long period for buying machinery and equipment. Industrial banks provide this type of Mock capital. Industrial banks have a large capital of their own. They also receive deposits for longer periods. They are thus in a position to advance long-term loan.

Agricultural or Co-operative Banks:

The main business of agricultural banks is to provide funds to farmers. They are worked on the co-operative principle. Long-term capital is provided by land mortgage banks, nowadays called land-development banks, while short-term loans are given by co-operative societies and co-operative banks. Long-term loans are needed by the farmers for purchasing land or for permanent improvements on land, while short-period loans help them in purchasing implements, fertilizers and seeds. Such banks and societies are doing useful work in India.

Savings Banks:

These banks (perform the useful service of collecting small savings. Commercial banks too run “savings departments” to mobilise the savings of men of small means. The idea is to encourage thrift and discourage hoarding. Post Office Saving Banks in India are doing this useful work.

Central Banks:

Over and above the various types of banks mentioned above, there exists in almost all countries today a Central Bank. It is usually controlled and quite often owned by the government of the country.

UTILITY OF BANKS:

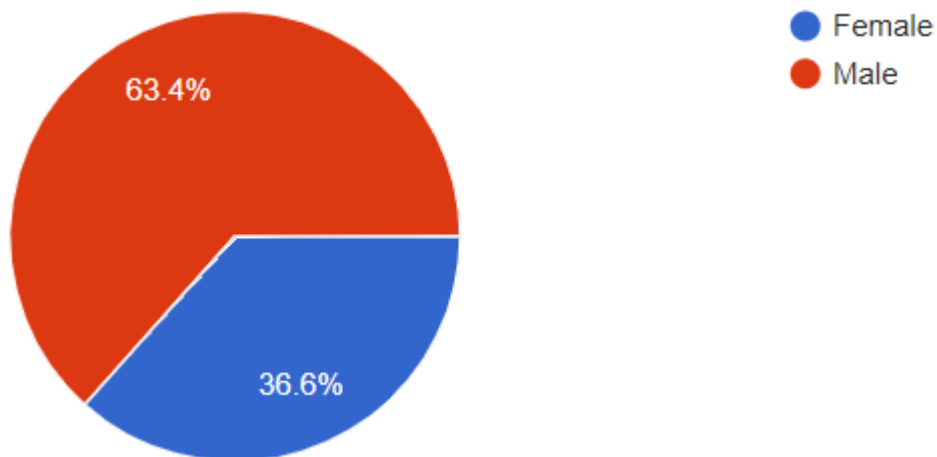
An efficient banking system is absolutely necessary for a country, if it is to progress economically. The services that an efficient banking system can render a country are indeed very valuable. Undeveloped banking system is not only an index of economic backwardness of a country, it is also an important cause of it.

The banking system can be useful in the following ways, in addition to what has been mentioned in the functions of banks.

- (i) The banks create instruments of credit which are very convenient substitutes for money. This means a great saving Actual movement of money is avoided and expenses saved.
- (ii) The banks increase the mobility of capital. They bring the borrowers and the lenders together. They collect money from those who cannot use it, and give it to those who can. Thus, they help the movement of funds from place to place, and from person to person, in a very convenient and inexpensive manner.
- (iii) They encourage the habit of habit by providing safe channels of investment. In the absence of banking facilities, people would just squander their funds.
- (iv) By encouraging savings, the banks bring about accumulation of large amount of capital in the country from small individual savings. In this way, they make the resources of the country more productive, and thus contribute to the general prosperity and welfare of the country.

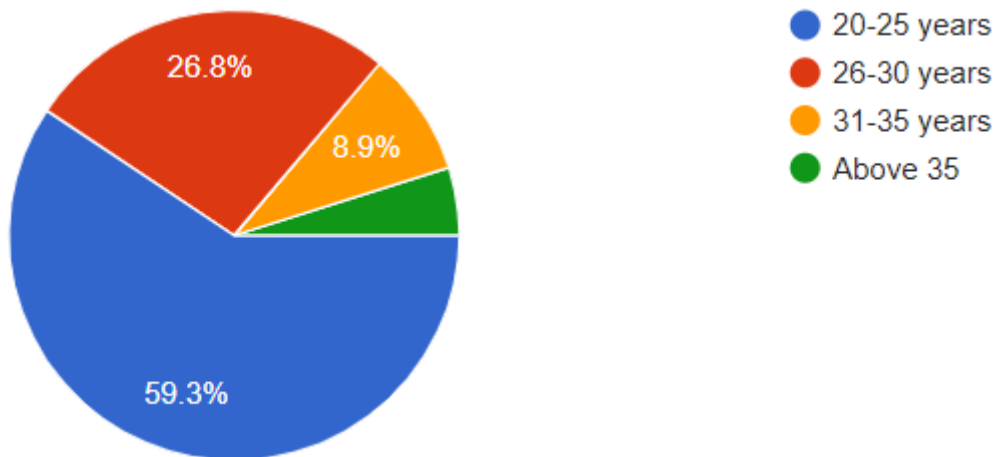
CHAPTER-5
DATA ANALYSIS & INTERPRETATION:

1. GENDER:



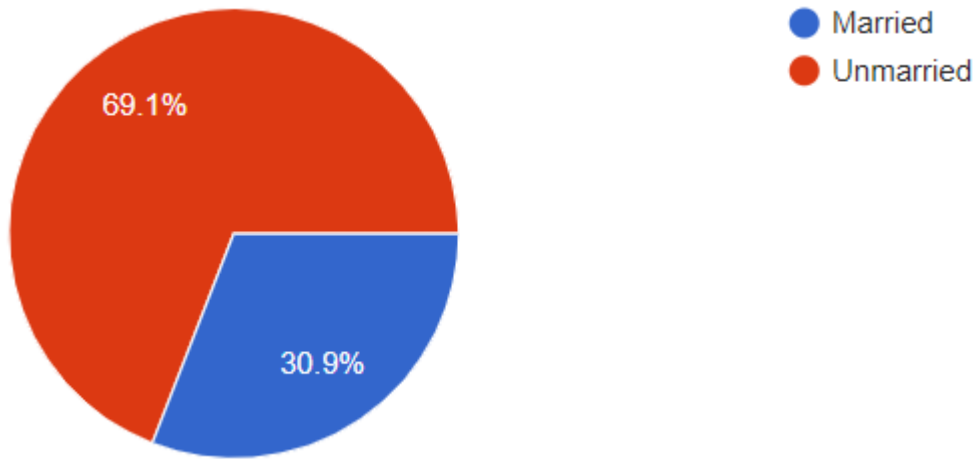
INTERPRETATION: From the collection of respondents, male percentage is high when compared to female percentage. i.e; male percentage is 63.4% & female percentage is 36.6%

2. AGE:



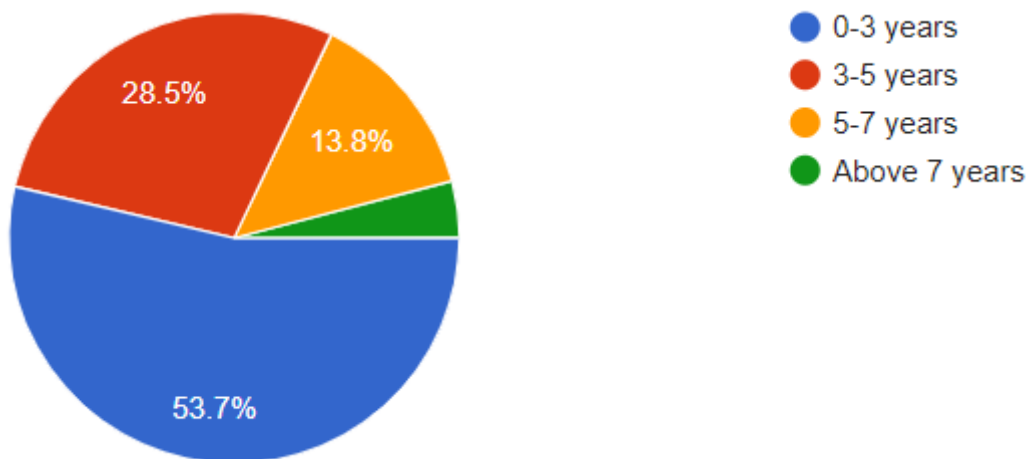
INTERPRETATION: From the collection of respondents, age of the highest percentage is 59.3% i.e; 20-25 years, least is above 35 years.

3. MARITAL STATUS:



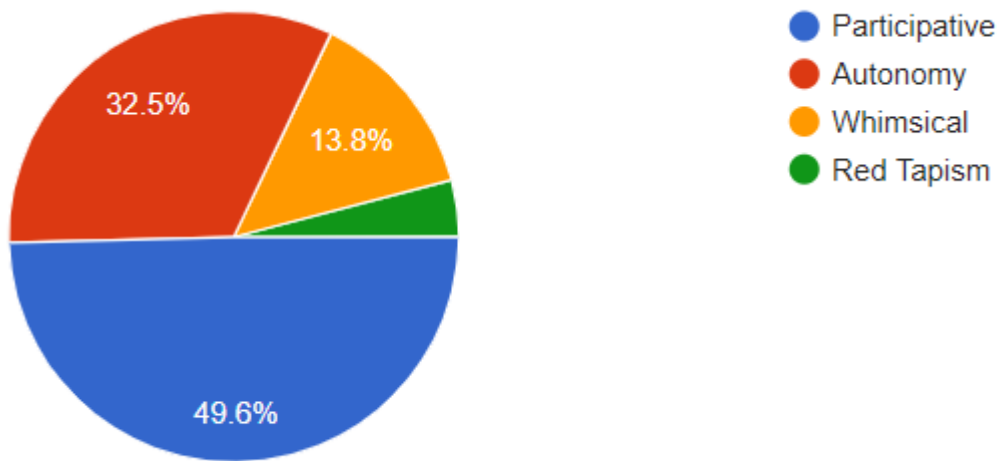
INTERPRETATION: From this survey, married people % is 30.9% and unmarried people % is 69.1%.

4. WORK EXPERIENCE:



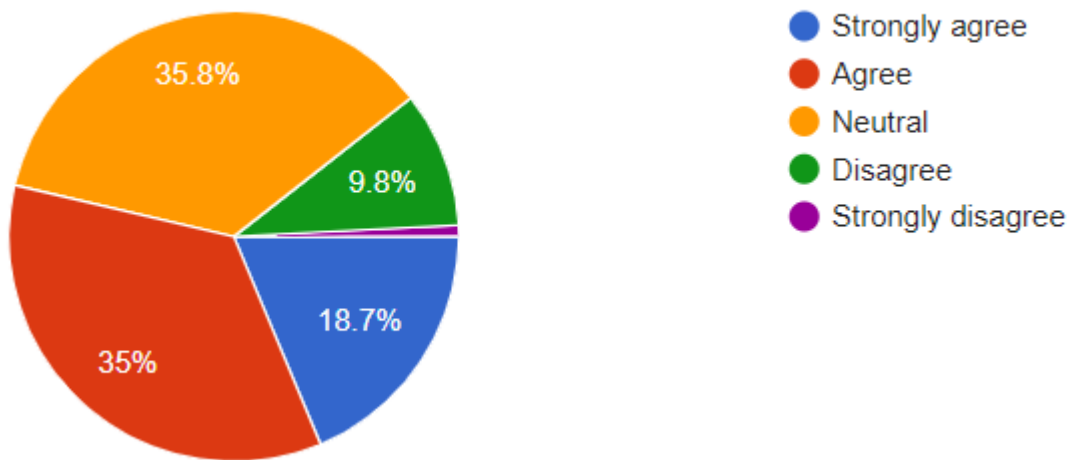
INTERPRETATION: From the above diagram, 0-3 years working experience people are high and the percentage is 53.7% and the least is above 7 years people.

5. HOW IS THE WORKING ENVIRONMENT?



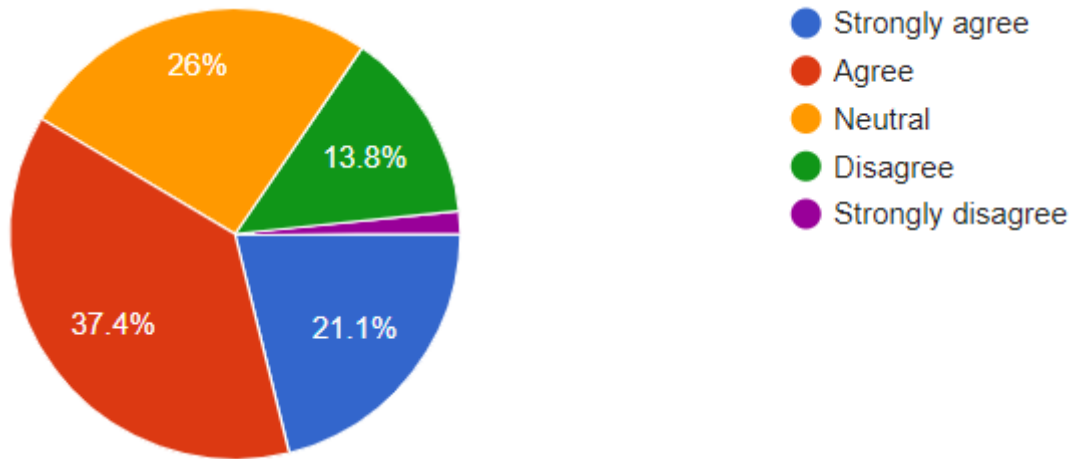
INTERPRETATION: From the above diagram, working environment is very participative, and also its percentage is 49.6%. According to this survey, Red Tapism is very less in organisations.

6. ARE YOU SATISFIED WITH THE TOP MANAGEMENT?



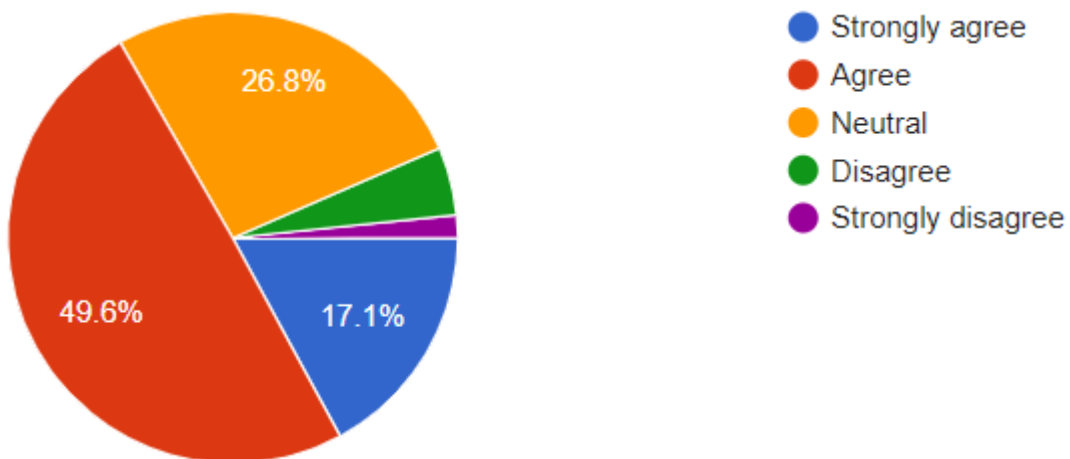
INTERPRETATION: In this survey, satisfying with the top management is very similar in these two they are agree & neutral, and their percentages are 35%, 35.8%.

7. WORKING HOURS AT YOUR COMPANY IS SATISFACTORY?



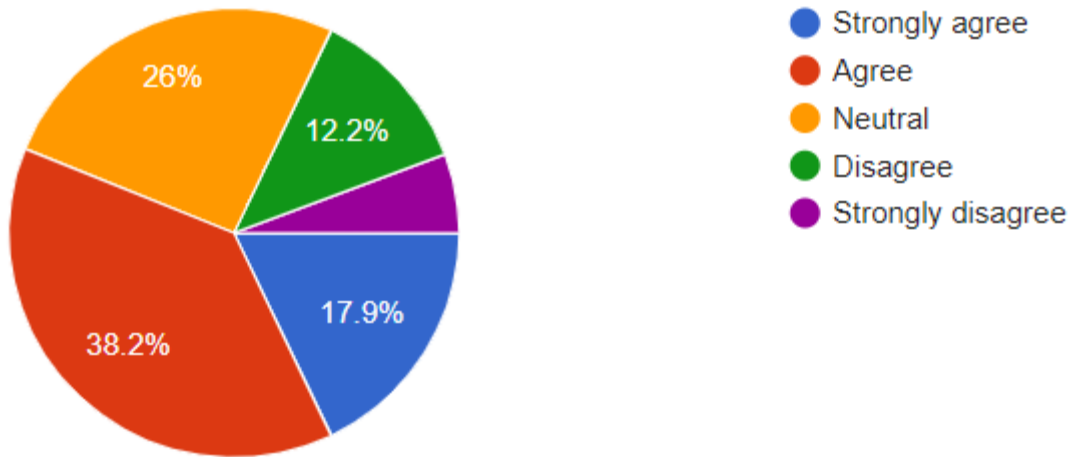
INTERPRETATION: In this survey, most of the employees are satisfied with their working hours, highest percentage of agree is 37.4 & least is strongly disagree.

8. EMPLOYEES IN THE ORGANISATION HAVE NECESSARY AUTHORITY TO PERFORM THEIR DUTIES EFFECTIVELY.



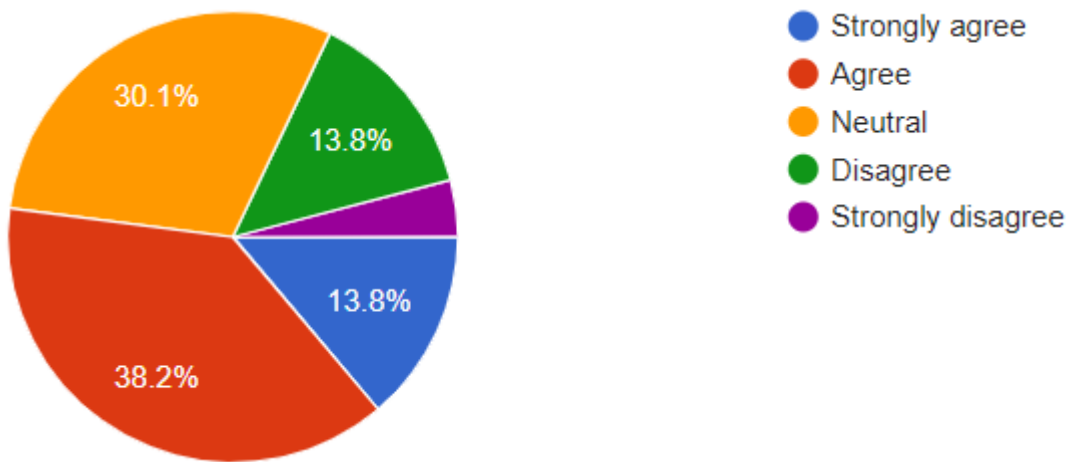
INTERPRETATION: In this survey, employees have authority to perform their duties very effectively, highest percentage is 49.6% i.e; agree.

9. “EMPLOYEES GET APPRECIATION AND REWARDS IF THE DESIRED WORK /TARGETS ARE ACCOMPLISHED.”



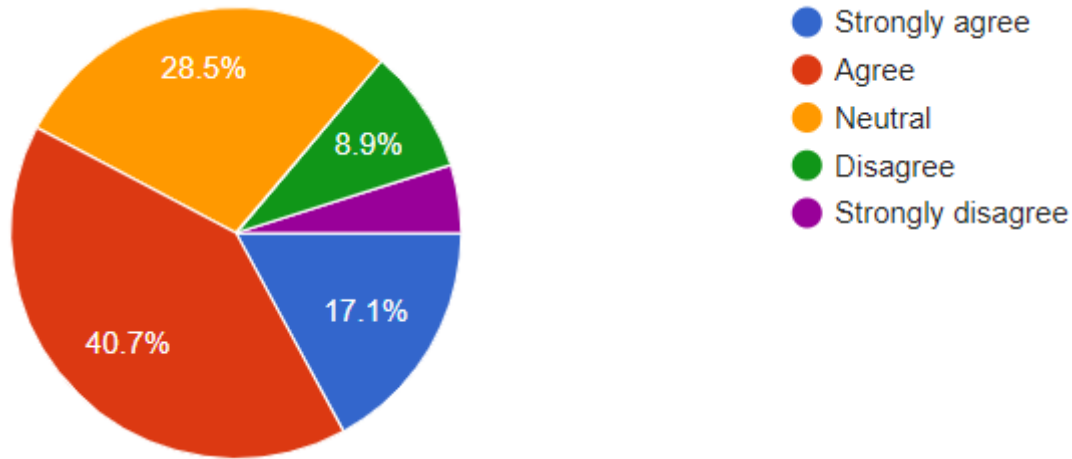
INTERPRETATION: From this survey, employees may or may not get appreciation for the desired work with the respective of their organisation.

10. COMPANY HAS GOOD CAREER PROSPECT FOR ITS EMPLOYEES



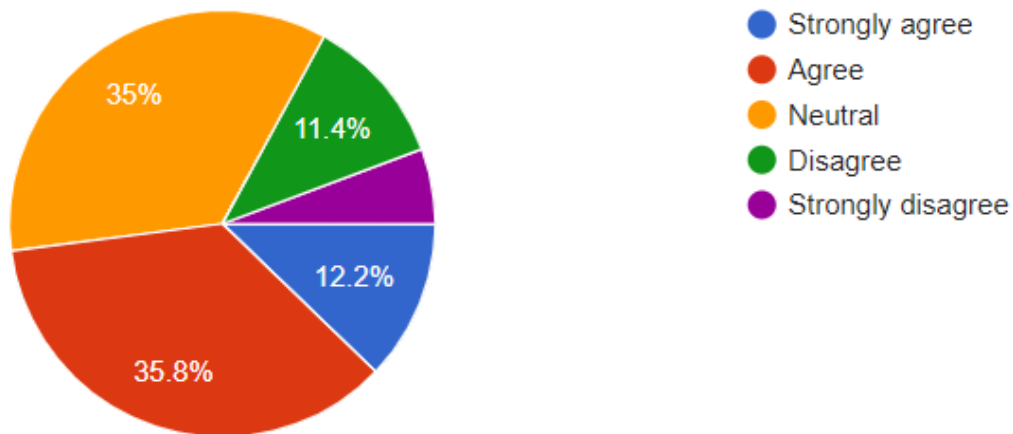
INTERPRETATION: According to this survey, company has good career prospects for its employees so in this the percentages are 38.2% is very high in agree.

11. PHYSICAL WORKING CONDITION IN THE COMPANY IS SATISFACTORY.



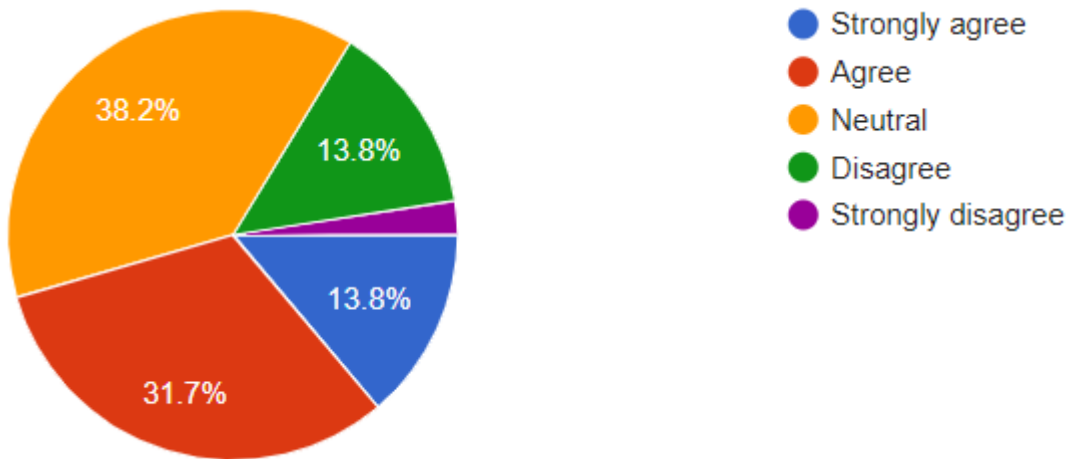
INTERPRETATION: From the above diagram, satisfaction of physical working condition is high in the percentage of 40.7% and the least percentage of strongly disagree people.

12. TOP MANAGEMENT INVOLVES EMPLOYEES IN THE MANAGEMENT DECISIONS.



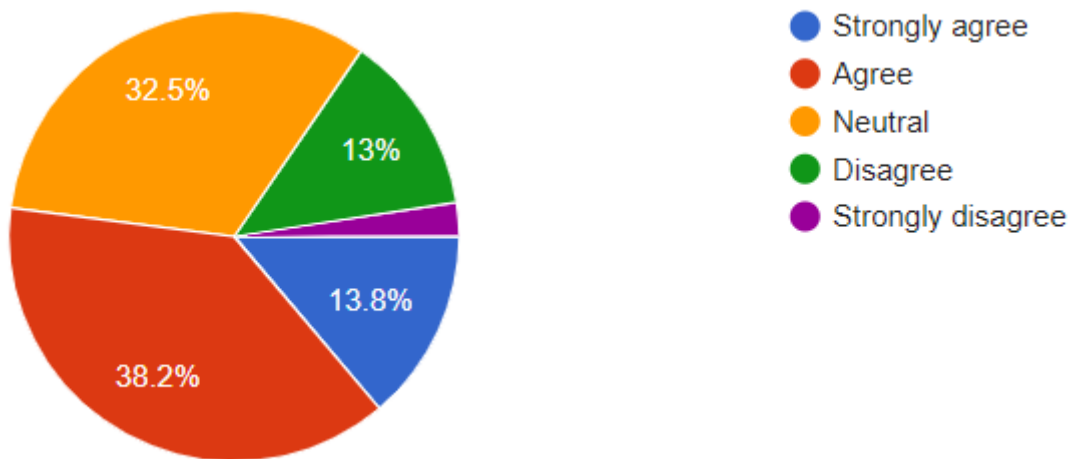
INTERPRETATION: In this survey, top management may or may not be involved in the management decisions, so it depends upon the situation.

13. COMPANY PROVIDES SATISFACTORY SALARY ACCORDING TO THE WORK.



INTERPRETATION: In this survey, the highest percentage is neutral i.e;38.2% some of the respondents are satisfied with their salary by providing the company according to their work and the other are dissatisfied.

14. RATE YOUR OVERALL SATISFACTION WITH YOUR JOB?



INTERPRETATION: According to this survey, employees are satisfied with their job, “agree” percentage is high as well as some of the employees are dissatisfied, disagree percentage is 13 %

CHAPTER-6

FINDINGS & SUGGESTIONS

FINDINGS:

- ❖ In this survey, most of the employees working experience between 0-3 years.
- ❖ Employees working environment is very participative and this is the good thing for employees to do better work in organisation.
- ❖ Employees are not much satisfied with the top management there is a slight difference between agree & neutral with the top management.
- ❖ Employees are not satisfied about their working hours.
- ❖ Employees perception is to perform their duties effectively they need some necessary authority.
- ❖ In the point of view, some of the employees will get rewards and appreciation due to their work base.
- ❖ According to this survey, employees feel like there may or may not be involve employees in the top management decision.

SUGGESTIONS:

- ❖ Having friendly nature with employees and good time at work along with the salaries, hikes and all this gives job satisfaction.
- ❖ Provide benefits of all level of employees.
- ❖ Getting rewards and appreciations from top management gives positive energy for employees.
- ❖ Make a slight change in the working hours.
- ❖ Engage each and every employee in the organisation.
- ❖ Recognise good work among employees.
- ❖ Employees will become bored and lose motivation if they are never given an opportunity to expand their skills and responsibilities.

CHAPTER-7 CONCLUSION

CONCLUSION:

In this study, most of the employee's feedback is neutral in every questionnaire. Some of the employees are satisfied with their work and salaries what they have receive. A satisfied employee would have an emotional bond with the organisation and takes pride in their membership, which paves way to keep up industrial integrity and high morale. Every employee needs motivation so that employee works better and also gives positive energy for employee. Every organisation has to create a good and positive environment to employees.

Job satisfaction is a crucial subject of attention which is very considered by the higher authorities, policy makers and top executives because this issue is related to many other significant and important issues of organisations. Recognise the employees through appreciation and rewards it gives satisfaction of employee for what they have done. At the same time, employee will be motivated and it also helps to do more hard work.

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CHAPTER-9

APPENDICES

1. Gender

- Female
- Male

2. Age

- 20-25 years
- 26-30 years
- 31-35 years
- Above 35

3. Marital status

- Married
- Unmarried

4. Work experience

- 0-3 years
- 3-5 years
- 5-7 years
- Above 7 years

5. How is the working environment?

- Participative
- Autonomy
- Whimsical
- Red tapism

6. Are you satisfied with top management?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

7. Working hours at your company is satisfactory?

- Strongly agree
- Agree

- Neutral
- Disagree
- Strongly disagree

8. Employees in the organisation have necessary authority to perform their duties effectively.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

9. Employees get appreciation and rewards if the desired work/targets are accomplished.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

10. Company has good career prospects for its employees.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

11. Physical working condition in the company is satisfactory.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

12. Top management involves employees in the management decisions.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

13. Company provides satisfactory salary according to the work.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

14. Rate your overall satisfaction with your job?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

A FIELD PROJECT REPORT

ON

**"A study on customer satisfaction in banking services with
Special reference to south Indian bank."**

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

**(P S L Mukthinath, Jammula Akhila, Robbi N Sai Swarupa Lalitha Sri Aishwarya, Jitha venkata
lakshmi ,Anchula Venu,)**

(Regd. No.221FCO1047,221FCO1048, 221FCO1049, 221FCO1050, 221FCO1051)

Under the esteemed guidance of

Dr. G. Krishna Harshitha

ASSISTANT PROFESSOR



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



VIGNAN'S

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-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled A study on customer satisfaction in banking services with Special reference to south Indian bank submitted by P S L Mukthinath, Jammula Akhila, Robbi N Sai Swarupa Lalitha Sri Aishwarya, Jitha venkata lakshmi ,Anchula Venu, Abearing the Regd. No. 221FC01047,221FC01048,221FC01049, 221FC01050, 221FC01051 from the Department of Management Studies, Vignans Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

SIGNATURE OF THE GUIDE

HOD/MBA

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CHAPTER
1INTRIDUCTION

INTRODUCTION

Banks serve as mediators in mobilizing public savings and channelizing the stream of funds for productive purposes, keeping on the process of the economic growth of the country. Realizing the important role of banks in economic development, the Government of India/Reserve Bank of India takes numerous major initiatives after independence to gear the banking system to serve the national objectives. Banks assisted the healing of sick industrial units and in the avoidance of unemployment, which would otherwise have resulted from the closure of industrial units for want of credit.

The Indian banking industry has its foundations in the 18th century, and has had a varied evolutionary experience since then. The initial banks in India were primarily traders banks engaged only in financing activities. Banking industry in the pre-independence era developed with the Presidency Banks, which were transformed into the Imperial Bank of India and subsequently into the State Bank of India. The initial days of the industry saw a majority private ownership and a highly volatile work environment. Major strides towards public ownership and accountability were made with nationalization in 1969 and 1980 which transformed the face of banking in India. The industry in recent times has recognized the importance of private and foreign players in a competitive scenario and has moved towards greater liberalization. Without a sound effective banking system we cannot have an effective banking system. Banking system faces the challenges faced by the environment that include internal and external factors.

In India the banks are being segregated in different groups. Each group has their own benefits and limitations. The RBI has shown certain interest to involve more foreign banks than the existing one recently. There are two sectors; they are public and private sectors. Public sector banks are owned by the government. The government runs the bank. At present there are a total 26 public sector banks in India. On the other hand the private sector is owned and run by the private sector. Various banks in the country such as SBI, ICICI, HDFC, etc. are examples of private sector banks. In these banks

an individual has control over the banks in preparation to share the banksheldbyhim.

Satisfied customers have a positive impact on companies' results, so it is important to know the satisfaction level of the customers.

When a company manages to serve its customers well enough and make them happy, the company can create a long term relation with the customers. Customer satisfaction is so important in the banking industry, measuring the customer experience and identifying ways to improve in this area is essential. Improving the customer experience is your best way to differentiate yourself from the competition and improve the financial performance for your bank. In the present scenario the competition between banks are growing all the time hence good service is becoming more and more important.

STATEMENT OF THE PROBLEM

Keeping the customers satisfied is one of the key ingredients for the success of any business, especially in service sector. In this study the researcher would like to learn the various aspects regarding the customer satisfaction in the services offered by South Indian Bank.

SIGNIFICANCE OF THE STUDY

This study is significant since understanding and analyzing the customer satisfaction and various factors influencing the same is important for the growth and success of any business.

OBJECTIVES

- 1) To understand the major attributes of customer satisfaction.
- 2) To determine the main factors influencing the level of customer satisfaction in the south Indian bank.
- 3) To assess the level of customer satisfaction on the quality of services provided by the south Indian bank.

RESEARCH DESIGN

A research is a valid when a conclusion is accurate or true and research design is the conceptual blueprint within research is conducted. A scholar for this

research is conducted. A scholar for his research, prepare an action plan to constitute the outline of collection, measurement and analysis of data.

Nature of study

The nature of study states as descriptive.

Nature of data

The study is based on both secondary and primary data.

Source of data

The primary data were collected by distributing questionnaire and secondary data was collected from internet and magazines.

SAMPLE DESIGN

A sample design is the framework, or roadmap, that serves as the basis for the selection of a survey sample and affects many other important aspects of a survey as well. One must define a sampling frame that respects the population of interest from which a sample is to be drawn.

Nature of population

The population of this study covers the customers of South Indian Bank.

Sample unit

The sample unit of the study is the customers of South Indian Bank among teachers of Christ College Irinjalakuda.

Methods of sampling

In this method, the method of sample used is convenience sample method. The data from the survey is collected using questionnaire.

Size of sample

Here 50 customers are used as a sample for the study.

Tools for analysis

- Percentage analysis
- Table & Charts
- Likert Scale

Chapterisation

- Chapter 1 - Introduction
- Chapter 2 - Review of literature

- Chapter3- TheoreticalFramework
- Chapter4-Dataanalysisandinterpretation
- Chapter5-Finding,suggestion andconclusion

CHAPTER
2 REVIEW OF LITERATURE

REVIEW OF LITERATURE

INTRODUCTION

This chapter deals with review of literature. Review of literature is divided into two sectors: conceptual review and empirical literature. Conceptual review includes details about financial performance analysis and ratio analysis. Ratio analysis includes different ratios used for the study of financial performance analysis. Empirical literature is a comprehensive summary of previous research on the topic financial performance analysis. The review should enumerate, describe, summarize, objectively evaluate and clarify this previous research. It should give a theoretical base for the research and help to determine the nature of the research.

CONCEPTUAL REVIEW

Customer satisfaction is an important theoretical as well as practical issue for most marketers and consumer researchers. Customer satisfaction can be considered the essence of success in today's highly competitive world of business. Thus the significance of customer satisfaction and customer retention in strategy development for a market oriented and customer focused firm cannot be overstated. Consequently, customer satisfaction is increasingly becoming a corporate goal as more and more companies strive for quality in their products and services. Customer satisfaction is the feeling or attitude of a customer towards a product or services after it has been used and is generally described as a full meeting of one's expectations. Customer satisfaction is a major outcome of marketing activity whereby it serves as a link between the various stages of consumer buying behavior.

However, some argue that customers develop norms for product performance based on general product Experiences, and these, rather than expectations from a brand's performance, determine the confirmation /disconfirmation process. More recent work has argued that in addition to the cognitive components, satisfaction judgments are also dependent upon affective components as both coexisted make independent contributions to the satisfaction judgments.

Customer satisfaction, a business term, is a measure of how products and

services supplied by a company meet or surpass customer expectations. It is seen as a key performance indicator within business and is part of the four perspectives of balanced Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. There is a substantial body of empirical literature that establishes the benefits of customer satisfaction for firms. Organizations need to retain existing customers while targeting non-customer. Measuring customer satisfaction provides an indication of how successful the organization is at providing products and/or services to the marketplace. Customer satisfaction is an abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables.

BENEFITS OF CUSTOMER SATISFACTION

The importance of customer satisfaction and support is increasingly becoming a vital business issue as organizations realize the benefits of Customer Relationship Management (CRM) for providing effective customer service. Professionals working within customer focused business or those running

call centers or help desks, need to keep informed about the latest customer satisfaction techniques for running available customer service function. From small customer service departments' to large call centers, the importance of developing a valued relationship with customers using CRM is essential to support customer and long-term business growth.

CONSUMER RESEARCH IN DIFFERENT DISCIPLINES

A considerable body of literature exists on consumption, consumer behaviour and consumer decision making process. Most of the consumer research focused on adopter categories, habits, attitudes and intentions rather than on actually measuring the satisfaction level with the service.

CONSUMER SATISFACTION PROCESS

The paramount goal of marketing is to understand the customer and to

Influence buying behaviour. The process can be depicted as follows:-

1. Need recognition- realization of the difference between the desired and the current situation that serves as a trigger for the entire process.
2. Search for information.
3. Pre-purchase alternative evaluation.
4. Consumption (utilization of the procured option)
5. Post-purchase alternative re-evaluation.
6. Divestment (disposal of the unconsumed product and its remnants)

EMPIRICAL LITERATURE

Uppal R.K. (2010) conducted studies on customer complaints and this research showed that excellent customer service and customer satisfaction help to sustain business growth. Furthermore, it showed that customer complaints are continuously increasing in the public sector banks, adversely affecting customers' satisfaction and performance. This research also suggested that establishing a customer care center in all banks would help solve customer complaints on a priority basis.

Mehta R. (2013) examined the Banking Services and Customer Satisfaction – A Study of Public and Private Sector Banks in Navsari City. In the present research, an endeavor has been done to gauge the fulfillment level of the clients by looking at different elements that can affect the fulfillment of clients to banks situated in Navsari City of Gujarat. The principle center is done around whether private banks bring more fulfillment than open part banks to the general population and what are those components which are considered when individuals say they are fulfilled.

Aseem Mathur (2014) in his article "Customer's Trends towards Public and Private sector Banks" Now 'Anywhere Banking' and 'Anytime Banking' has turned into a reality. Banking activities have increased enormously with a clear change in way of offline and techniques especially in the field of lending, from wholesale to retail character. Now, the customer is the input component of the banking industry. The Banking Industry can neither function without customers

nor is just acquiring definite number of customers adequate for their business. Finally he conclude that 10 most important factors influencing the selection of a bank they are safety of funds, secured ATMs, ATMs availability, reputation

of the bank etc., On the other hand, "Advertisements" was not ranked important. Banks do not need to spend much on the part of advertisements.

Pareek, V. (2014) research opined with a remark that out of several factors few causal fundamental factors like product attributes, employee characteristics, customer convenience, bank tangibles, cost of transactions and customer communication contributes in customer satisfaction in Indian banks. Interestingly convenience one of the 4P's i.e. marketing mix was found to be an unimportant in deciding customer satisfaction in Indian banks (studied banks).

Rahi, S. (2015) research findings show customers are more loyal towards those banks that are facilitating internet banking services. Also a good brand image builds relationships between banks and customers and enhances the customer loyalty toward the bank. He also concluded that those banks that are giving the internet banking services to their customers, loyalty of those customers are more towards the banks. He also suggested that if the brand image also plays a significant role between loyalty of the customers and internet banking. The role of brand image is positive in making a positive relationship between customers and internet banking.

Ramya T J (2016) in her study "A Study on Customer Satisfaction towards Private

Banks with special reference to South Indian banks" The banking industry has an incredible growth in Indian market. The doorway of new technology has made a lot of changes in Indian banking sector. Newly the Indian economy has seen the emergence of many banks in the private sector. The growth of private banks is not possible without achieving customer satisfaction. Customer satisfaction is a present-day come with in each to survive in the market

. Gauging of customer satisfaction is currently very central to gain self-assurance to build the market. The study indicates service and employee

commitment is very important for customer satisfaction

Sakthi K. and Eswaran R. (2016) examined the customer satisfaction towards service provided by state bank of India - with special reference to Erode district. The main objective of the study is to study the level of customer satisfaction towards services provided by SBI and to estimate the performance of SBI based on the service provided. For this purpose a sample of 80 was collected where convenience sampling was used to analyze the data with percentage analysis or frequency analysis and chi-square as tools. The researcher concluded that there is a need for SBI staff to have training in the areas of technology and interactive skills.

Vershinina O. (2017) studies that the customer satisfaction in the banking sector: a study of Russian bank Sberbank. The point of the theory is to quantify the level of consumer loyalty for Sberbank. The reason for the paper is to uncover the client's impression of the bank which would be imperative for the future development of the organization. Hypothetical structure of the exploration looks at the expression "consumer loyalty" and examines distinctive models that can quantify it.

CONCLUSION

In this chapter, the review of literature mainly focuses on financial performance, profitability and banking structure of Indian banks. The overall characteristics of banks do not differ. Since not much referral has been found regarding financial performance of South Indian banks, there is a sample scope for the study. In order to

evaluate the objectives of the present study; an attempt is made to comprehend the existing research study on the financial performance of South Indian banks.

CHAPTER 3
INDUSTRY AND COMPANY PROFILE

INDUSTRY AND COMPANY PROFILE

INTRODUCTION

This chapter includes the industry profile and company profile used in this study. Industry analysis means documents that evaluate an industry and companies involved in it. In this study, an analysis about the automotive or automobile industry has been discussed in the industry profile. Company profile is a professional summary of the business, history and its activities. In this study, the company profile of South Indian Bank Limited has been discussed.

INDUSTRY PROFILE

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalized and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well.

Indian banking industry has recently witnessed the rollout of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry. The digital payments system in India has evolved the most among 25 countries with India's Immediate Payment Service (IMPS) being the only system at level five in the Faster Payments Innovation Index (FPII).

INTRODUCTION TO BANKING IN INDIA

The banking section will navigate through all the aspects of the Banking System in India. It will discuss the matters with the birth of the banking concept in the country to new players adding their names in the industry in coming few years. The banker of all banks, Reserve Bank of India (RBI),

the Indian Banks Association (IBA) and top 20

Banks like IDBI, HSBC, ICICI, ABN AMRO, etc. has been well defined under three separate heads with one page dedicated to each bank. However, in the introduction part of the entire banking cosmos, the past has been well explained under three different heads namely:

- History of Banking in India
- Nationalization of Banks in India
- Scheduled Commercial Banks in India

HISTORY OF THE BANKING SECTOR

Banking in India originated in the last decades of the 18th century. The first banks were The General Bank of India which started in 1786, and the Bank of Hindustan, both of which are now defunct. The oldest bank in existence in India is the State Bank of India, which originated in the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal. This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, all three of which were established under charters from the British East India Company. For many years the Presidency banks acted as quasi-central banks, as did their successors. The three banks merged in 1921 to form the Imperial Bank of India, which, upon India's independence, became the State Bank of India.

Indian merchants in Calcutta established the Union Bank in 1839, but it failed in 1848 as a consequence of the economic crisis of 1848-49. The Allahabad Bank, established in 1865 and still functioning today, is the oldest Joint Stock bank in India. It was not the first though. That honor belongs to the Bank of Upper India, which was established in 1863, and which survived until 1913, when it failed, with some of its assets and liabilities being transferred to the Alliance Bank of Simla. Foreign banks too started to arrive, particularly in Calcutta, in the 1860s. The Comptoir d'Escompte de Paris opened a branch in Calcutta in 1860 and another in Bombay in 1862; branches in Madras and Pondicherry, then a French colony, followed. HSBC

Established itself in Bengal in 1869. Calcutta was the most active trading port in India, mainly due to the trade of the British Empire, and so became a banking center. The Bank of Bengal, which later became the State Bank of India.

COMPANY PROFILE

The South Indian Bank Limited (the Bank) provides retail and corporate banking, Para banking activities, such as debit card, third-party product distribution, in addition to Treasury and Foreign Exchange Business. The Bank's segments include Treasury, Corporate/Wholesale Banking, Retail banking and Other Banking Operations. The treasury services segment consists of interest earnings on investments portfolio of the Bank, gains or losses on investment operations and earnings from foreign exchange business. The Corporate/Wholesale Banking segment provides loans to the corporate segment. The Retail Banking segment provides loans to non-corporate customers. The Other Banking Operations segment includes income from Para banking activities, such as debit cards, third party product distribution and associated costs. The Bank has a network of approximately 830 branches, approximately 40 extension counters and approximately 1,290 automated teller machines (ATMs) in India.

COMMON PRACTICES FOLLOWED BY SOUTH INDIAN BANK BRANCHES

1. Display business hours.
2. Render courteous services.
3. Attend to all customers present in the banking hall at the close of business hours.
4. Provide separate 'Enquiry' or 'May I help you' counters at large branches.
5. Offer nomination facility to all deposit accounts (i.e. account opened in individual capacity) and all safe deposit locker hirers (i.e. individual hirers).
6. Display interest rates for various deposits from time to time.
7. Notify change in interest rates on advances.
8. Provide details of various deposit schemes/services of the Bank.
9. Issue Demand Drafts, Pay Orders, etc.
10. Display Time-Norms for various banking transactions.
11. Pay interest for delayed credit of outstation cheque, as advised by Reserve

Bank of India (RBI) from time to time.

12. Accord immediate credit in respect of outstation and local cheques up to a specified limit subject to certain conditions, as advised by RBI from time to time.

13. Provide complaint/suggestion box in the branch premises.

14. Display address of Regional/Zonal and Central Offices as well as Nodal Officer dealing with customer grievances/complaints.

WAYS FOR MAINTAINING RELATIONS WITH THE CUSTOMERS ADOPTED BY SOUTH INDIAN BANK

The ability of the banking industry to achieve the socio-economic objectives and in the process bringing more and more customers into its fold will ultimately depend on the satisfaction of the customers. We have a strong belief that a satisfied customer is the foremost factor in developing our business. A need was felt by us at SOUTH INDIAN BANK that in order to become more customers' friendly the Bank should come out with a Charter of its services

for the customers. Citizens' Charter concept was considered as a base instrument to fill this need and accordingly this document was prepared. This document was made in consultation with the users and highlights our Bank's commitments towards customer satisfaction, thus ensuring accountability and responsibility amongst its officials and staff. This Code for customers not only explains our commitment and responsibilities along with the redressed methods but also specifies the obligation on the part of customers for healthy practices in Customer-

Banker relationships. This is not a legal document creating rights and obligations. The Code has been prepared to promote fair banking practices and to give information in respect of various activities relating to customer service. We wish to acknowledge the initiative taken by the Ministry of Finance, Government of India and Ministry of Administrative Reforms and Public Grievances for encouraging us to bring out this Code. We maintain constant consultations with our clientele through various

Seminars, Customer Meets, etc. to evaluate, improve and widen the range of services to

customers. However, all our customers are requested to keep us informed of their experiences about the various services rendered by the Bank and feel free to comment on this Code. We intend to bring it out in many Regional Languages in subsequent years.

South Indian Bank Limited provides various banking products and services in India. The company offers personal banking products and services, which include saving accounts and term deposits; loans, such as personal, vehicle, home, gold, educational, and agriculture loans, as well as loans against property, loans for subscribing to IPO/public issue of a company, and loans against rent receivables; mutual funds; and life, health, and general insurance products and services. The company also provides business banking services, which include overdrafts, cash credits, and mercantile credits; working capital finance, long term finance, inland letters of credit, and bank guarantees. In addition, the company offers money transfer services; NRI banking services; and value added services, such as online trading, Demat services, ATM cum debit cards, credit cards, Internet banking, m-commerce, mobile banking, and cash management services. The company is based in Kerala.

PRODUCTS AND SERVICES

Personal Banking—Under this bank offers a wide range of personal banking products and services such as deposit, saving, loans, internet banking, mobile banking, demat services, credit card, debit card, etc.

The bank offers mutual funds products of various funds houses such as ICICI Prudential AMC, Franklin Templeton, TATA Mutual Fund, Sundaram BNP Paribas, UTI Mutual Funds, Reliance Mutual Funds, HSBC Investments, HDFC Mutual Fund, Fidelity Fund Management, Principal Mutual Funds, Fortis Investments, Birla Sun Life Asset Management Company and DSP Blackrock Mutual Funds.

In addition it launched the credit cards in association with one of the major players in Indian Credit Card industry M/s SBI cards co-branded credit cards. The bank can offer the SIB-SBI (South Indian Bank State Bank of India) Co-branded Credit card to customers who come under the selected/designated

branches across India. The SIB-SBI Co-branded Credit Cards are available in two variants – Simply SAVE Credit Card and Platinum Credit Card. The bank launched premium variant of Visa Card i.e. Visa Platinum near Field Communication (NFC) Card which is enabled with NFC technology which permits contactless transactions at NFC enabled POS terminals. In FY 2017 the bank introduced its new mobile banking application SIB Mirror+ to provide an next generation digital banking experience. The new app which is available to both Domestic and (Non-Resident Indian) NRI customers is packed with features such as Self Registration facility, E-statement Bill Payment module within bank NEFT (National Electronic Fund Transfer) & IMPS (Immediate Payment Services) 24x7 fund transfer - lock Mobile/DTH (Direct-to-home) Recharge Social Money etc. SIB opened 10 new outlets (4 Branches and 6 Extension Counters) 60 ATMs and 4 CRMs across the country during the financial year 2017 -

18. During the FY 2018 SIB tied up with Kodak Mahindra Life Insurance Ltd. and SBI Life Insurance Co. Ltd. In addition to its existing partner Life Insurance Corporation of India. As the second partner for General Insurance in addition to Bajaj Allianz General Insurance Co. Ltd. The bank tied-up with The New India Assurance Co. Ltd. The bank launched a new Online mutual fund platform 'SIBe-Invest' to facilitate online purchase & sale of mutual funds has been introduced for branches. During the FY 2018 -

19. The Bank introduced eight new loan products of which most of them were relaunched to give thrust to the MSME sector. In addition to the above the Bank has revamped 'Supply Chain Finance' which is supported by a robust Supply Chain Management Solution which could be accessed via URL by vendors, dealers and corporate along with the bank user for real time entry monitoring and disbursement of credits. SBI opened 18 new outlets (16 Branches and 2 Extension counters) 36 ATMs and 7 CRMs across the country during the financial year 2018-19. During the year 2019 the Bank had closed 18 ATMs 1 CRM and replaced 27 ATMs with CRMs.

**CHAPTER
4 DATA ANALYSIS AND
INTERPRETATION**

ANALYSIS AND INTERPRETATION

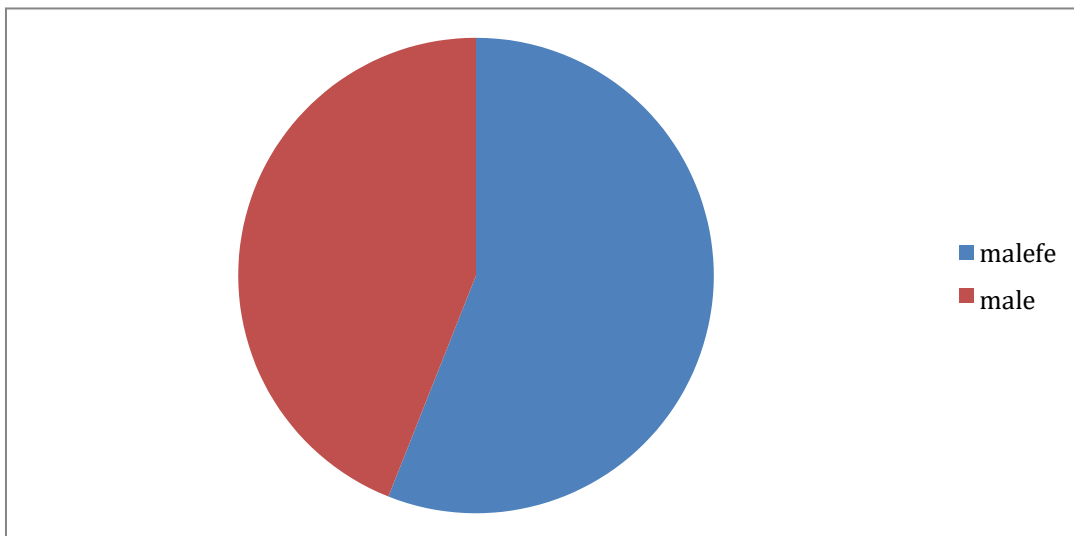
Table 4.1 showing the gender classification

Gender	No. of Persons	Percentage
Female	28	56%
Male	22	44%
Total	50	100%

(Source: Survey data)

Interpretation; The above table shows that among the respondents 56% of the respondents are female and 44% are male.

Figure 4.1 showing the gender classification



(Source: Survey data)

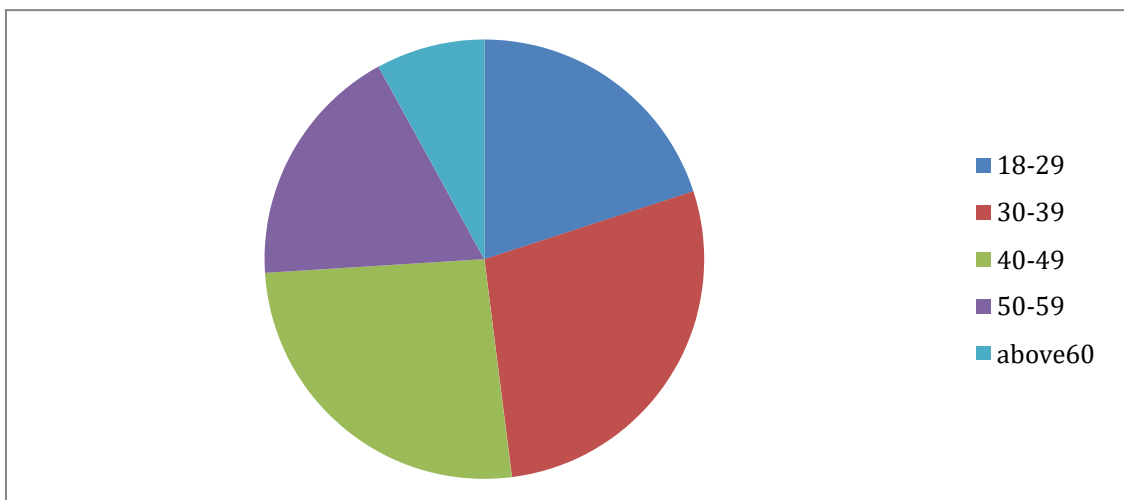
Table4.2 showing theageoftherespondents

Age	No.ofrespondents	Percentage
18-29	10	20%
30-39	14	28%
40-49	13	26%
50-59	9	18%
Above60	4	8%
Total	50	100

(Source:Surveydata)

Interpretation; The above table shows the age of the respondents, 20% were from the age group of 18 to 29 years old, 28% were from the age group of 30 to 39 years old, 26 % were from the age group of 40 to 49 years old, 18% were from the age group of 50 to 59 years old, 8% were above 60 years.

Figure4.2 showing theageoftherespondents



(Source:Surveydata)

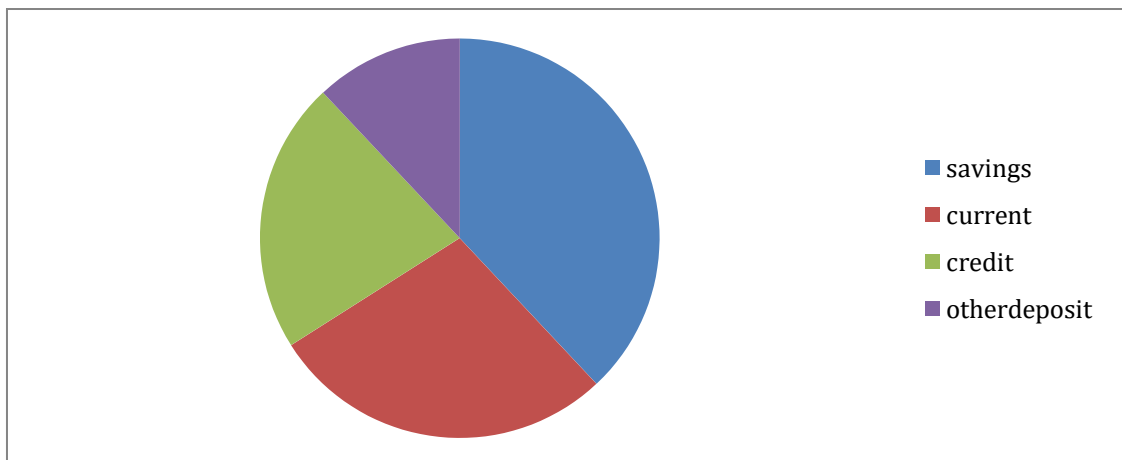
Table 4.3 showing types of account

Type of account	No. of persons	Percentage
Savings	19	38%
Current	14	28%
Credit	11	22%
Other deposits	6	12%
Total	50	100%

(Source: Survey

data) **Interpretation;** From the above table it is clear that 38% of customers are having savings accounts, 28% of customers are having current accounts, 22% of customers are having credit accounts, and 12% of customers are having other deposits.

Figure 4.3 showing types of account



(Source: Survey data)

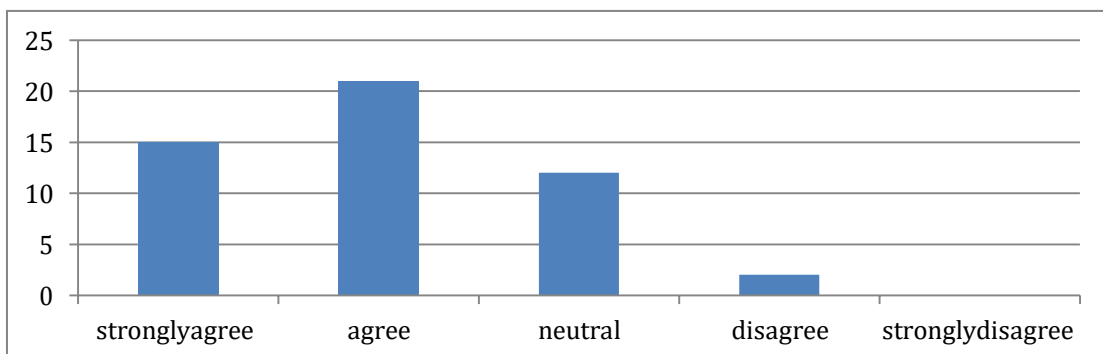
Table 4.4 showing satisfaction in the Brochures and Notice Boards of SIB

Response	No.ofpersons	Percentage
Strongly Agree	15	30%
Agree	21	42%
Neutral	12	24%
Disagree	2	4%
Strongly disagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation; From the above table we can understand that around 30% of respondents are satisfied in the in the accuracy of information provided in the Brochures and Notice Boards of SIB, 42% agree to the same, 24% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.

Figure 4.4 showing satisfaction in the Brochures and Notice Boards of SIB



(Source:Surveydata)

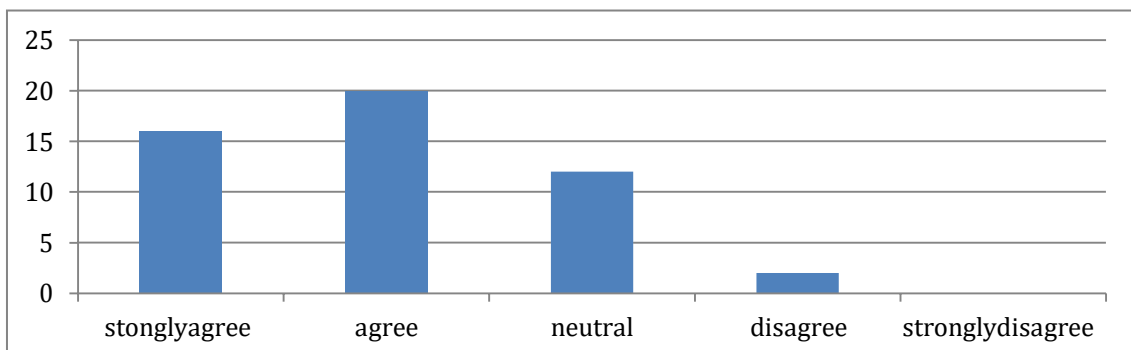
Table 4.5 Showing satisfaction in Passbook, Debit/ Credit cards,chequebook,etc of SIB

Response	No.ofpersons	Percentage
Strongly Agree	16	32%
Agree	20	40%
Neutral	12	24%
Disagree	2	4%
Strongly disagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 32% of respondents are satisfied in the like Passbook, Debit/ Credit cards, cheque book are visually appealing, 40% agree to the same, 24% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.

Figure 4.5 Showing satisfaction in Passbook, Debit/ Credit cards,chequebook,etc of SIB



(Source:Surveydata)

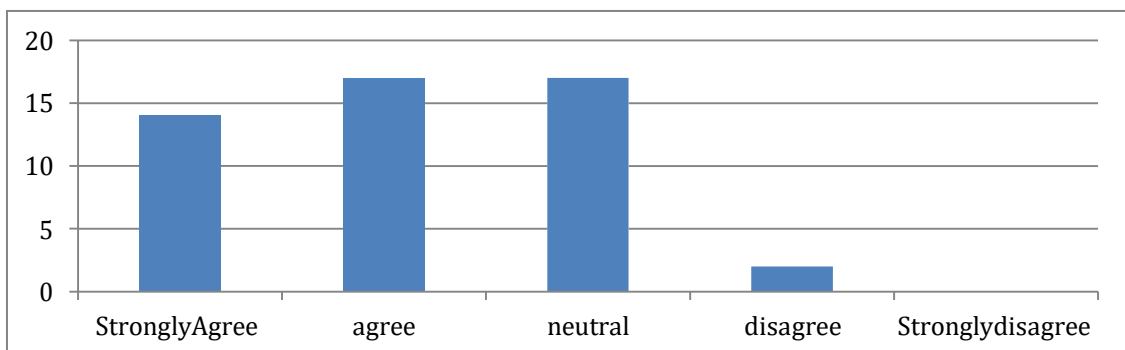
Table 4.6 Showing satisfaction in the accessibility of Operatingcounters

Response	No.ofpersons	Percentage
StronglyAgree	14	28%
Agree	17	34%
Neutral	17	34%
Disagree	2	4%
Stronglydisagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 28% ofrespondents are satisfied in the accessibility of Operating counters, 34% agree to the same, 34% ofrespondents gavea neutralresponse to the statement ,4%ofrespondents dissagreedtothisstatement.

Figure 4.6 Showing satisfaction in the accessibility of Operatingcounters



(Source:Surveydata)

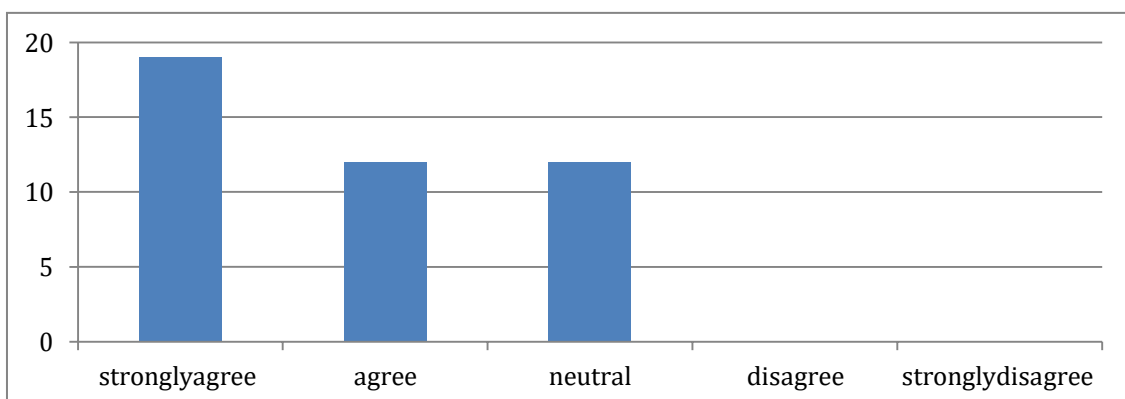
Table 4.7 Showing satisfaction in the modern-looking aspect of equipment and fixtures in SIB

Response	No. of persons	Percentage
Strongly Agree	19	38%
Agree	19	38%
Neutral	12	24%
Disagree	0	0%
Strongly disagree	0	0%
Total	50	100%

(Source: Survey data)

Interpretation: From the above table we can understand that around 38% of respondents feel that the equipment and fixtures of SIB are modern looking., 38% agree to the same, 24% of respondents gave a neutral response to the statement.

Figure 4.7 Showing satisfaction in the modern-looking aspect of equipment and fixtures in SIB



(Source: Survey data)

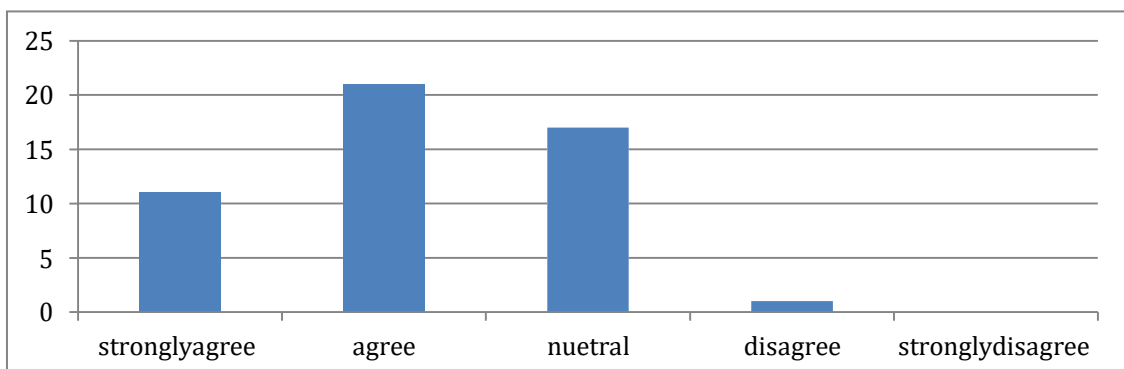
Table 4.8 Showing satisfaction in the confidence creating attitude of employees

Response	No. of persons	Percentage
Strongly Agree	11	22%
Agree	21	42%
Neutral	17	34%
Disagree	1	2%
Strongly disagree	0	0%
Total	50	100%

(Source: Survey data)

Interpretation: From the above table we can understand that around 22% of respondents feel that the employees of SIB are good enough to create satisfaction in the minds of the customers regarding the banking services. 42% agree to the same, 34% of respondents gave a neutral response to the statement, 2% of respondents disagreed to this statement.

Figure 4.8 Showing satisfaction in the confidence creating attitude of employees



(Source: Survey data)

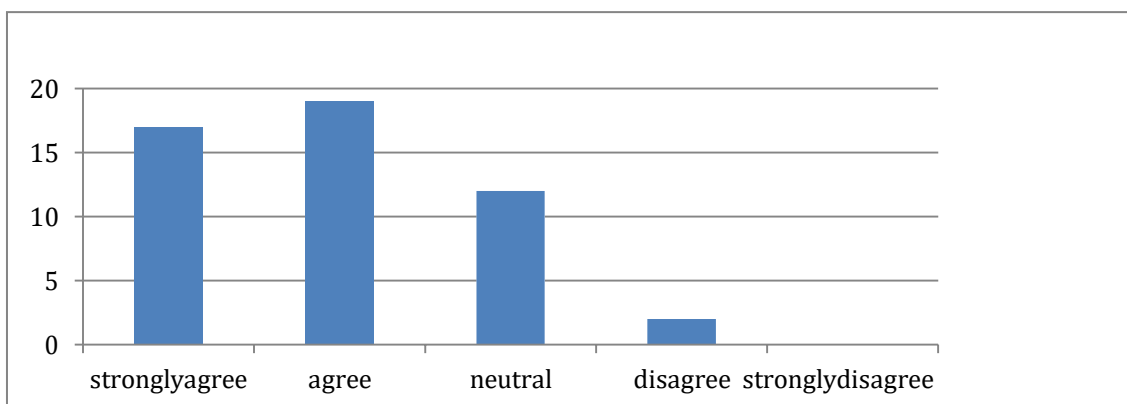
Table 4.9 Showing satisfaction in the convenience of Operating hours

Response	No. of persons	Percentage
Strongly Agree	17	34%
Agree	19	38%
Neutral	12	24%
Disagree	2	4%
Strongly disagree	0	0%
Total	50	100%

(Source: Survey data)

Interpretation: From the above table we can understand that around 34% of respondents are satisfied in the operating hours of SIB, 38% agree to the same, 24% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.

Figure 4.9 Showing satisfaction in the convenience of Operating hours



(Source: Survey data)

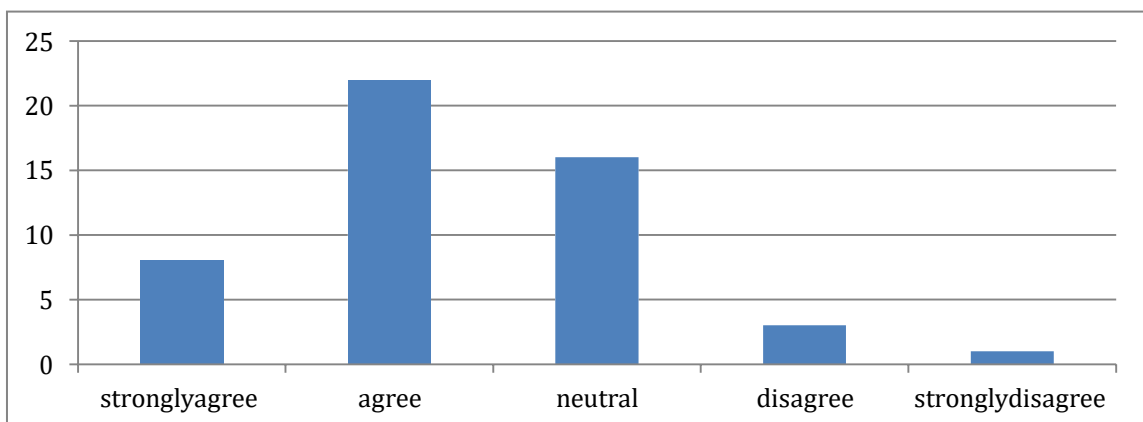
Table4.10 Showingsatisfactioninbankingprocedure

Response	No.ofpersons	Percentage
StronglyAgree	8	16%
Agree	22	44%
Neutral	16	32%
Disagree	3	6%
Stronglydisagree	1	2%
Total	50	100%

(Source:Surveydata)

Interpretation : From the above table we can understand that around 16% of respondents are satisfied in the Banking procedure and feels that its hassle free,44% agree to the same, 32% of respondents gave a neutral response to thestatement, 6% of respondents dissagreed to this statement and 2% stronglydissagreestoit.

Figure4.10Showingsatisfactioninbankingprocedure



(Source:Surveydata)

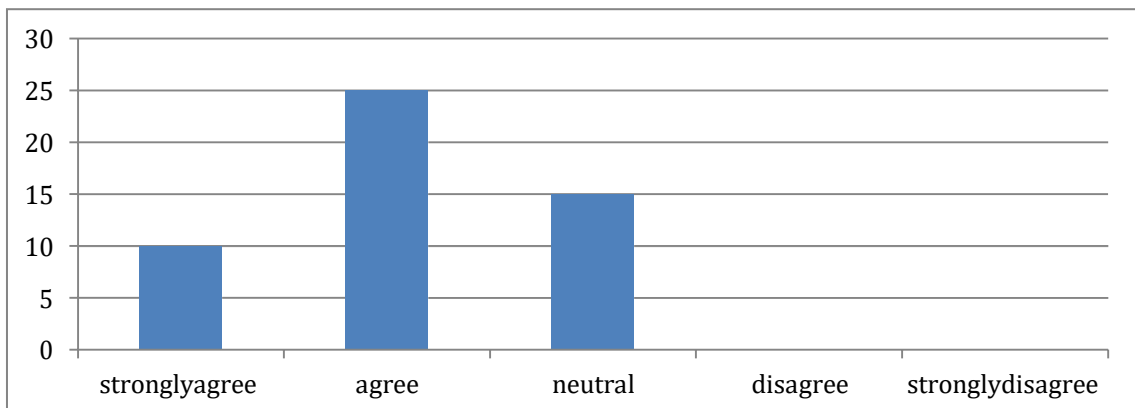
Table 4.11 Showing satisfaction in the timeliness of services provided by SIB

Response	No. of persons	Percentage
Strongly Agree	10	20%
Agree	25	50%
Neutral	15	30%
Disagree	0	0%
Strongly disagree	0	0%
Total	50	100%

(Source: Survey

data)**Interpretation:** From the above table we can understand that around 20% of respondents are satisfied in the timeliness of services offered by SIB, 50% agree to the same, 30% of respondents gave a neutral response to the statement.

Figure 4.11 Showing satisfaction in the timeliness of services provided by SIB



(Source: Survey data)

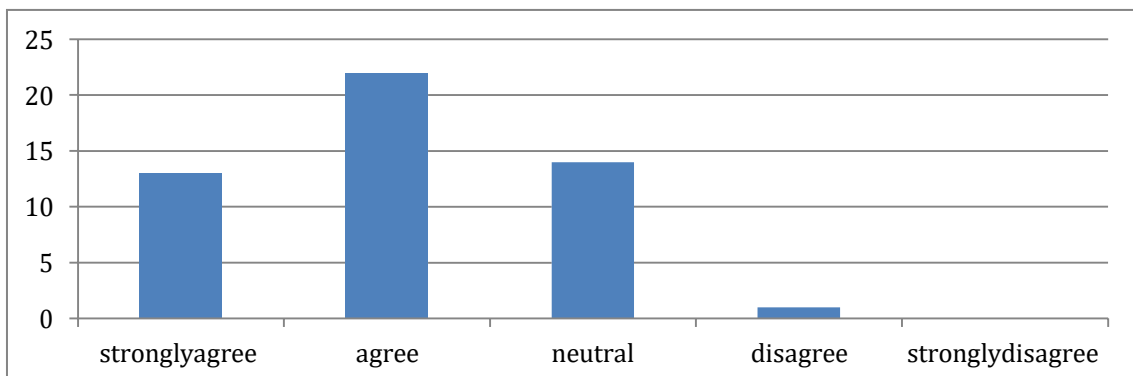
Table 4.12 Showing satisfaction level regarding the friendly and courteous of staff

Response	No.ofpersons	Percentage
Strongly Agree	13	26%
Agree	22	44%
Neutral	14	28%
Disagree	1	2%
Strongly disagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 26% of respondents are satisfied in staff being friendly and courteous, 44% agree to the same, 28% of respondents gave a neutral response to the statement, 2% of respondents disagreed to this statement.

Figure 4.12 Showing satisfaction level regarding the friendly and courteous of staff



(Source:Surveydata)

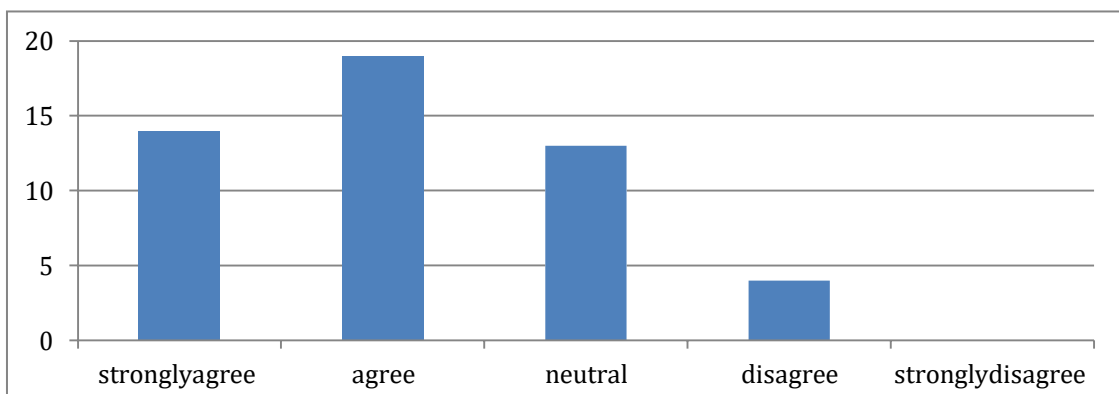
Table 4.13 Showing satisfaction level in ATM, Tele, Branch and E-banking facilities offered by SIB

Response	No.ofpersons	Percentage
Strongly Agree	14	28%
Agree	19	38%
Neutral	13	26%
Disagree	4	8%
Strongly disagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 28% of respondents are satisfied in the ATM, Tele, Branch and E- banking facilities offered by SIB, 38% agree to the same, 26% of respondents gave a neutral response to the statement, 8% of respondents disagreed to this statement.

Figure 4.13 Showing satisfaction level in ATM, Tele, Branch and E-banking facilities offered by SIB



(Source:Surveydata)

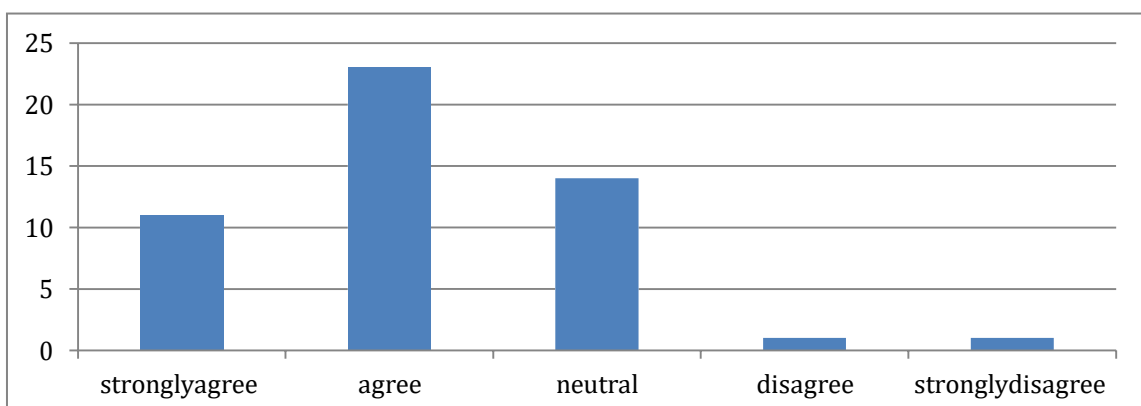
Table 4.14 Showing satisfaction level in services charges

Response	No. of persons	Percentage
Strongly Agree	11	22%
Agree	23	46%
Neutral	14	28%
Disagree	1	2%
Strongly disagree	1	2%
Total	50	100%

(Source: Survey data)

Interpretation : From the above table we can understand that around 22% of respondents are satisfied in the services charges of SIB, 46% agree to the same, 28% of respondents gave a neutral response to the statement, 2% of respondents disagreed to this statement and 2% strongly disagree to it.

Figure 4.14 Showing satisfaction level in services charges



(Source: Survey data)

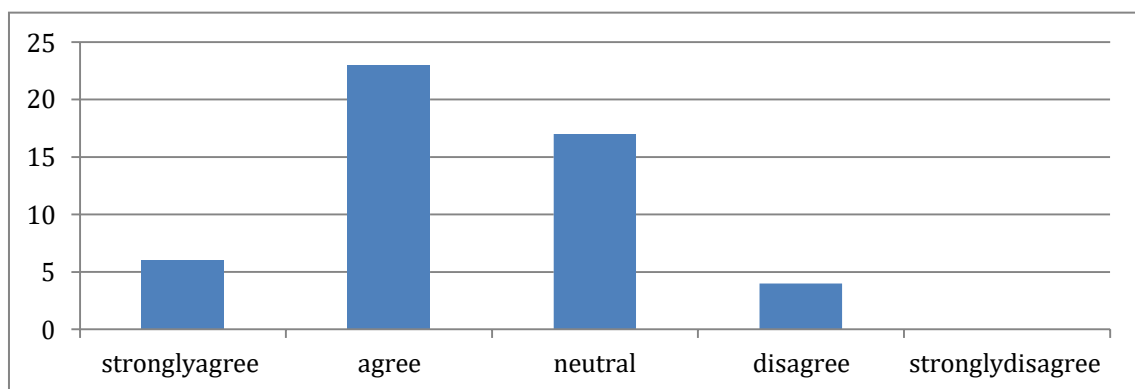
Table4.15 ShowingsatisfactionlevelinDepositsinterestrates

Response	No.ofpersons	Percentage
Strongly Agree	6	12%
Agree	23	46%
Neutral	17	34%
Disagree	4	8%
Strongly disagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 12% of respondents are satisfied in the Deposits interest rates offered by SIB.46% of the respondents agree to the same, 34% expressed a neutral opinion and 8% disagreed to the same.

Figure4.15 ShowingsatisfactionlevelinDepositsinterestrates



(Source:Surveydata)

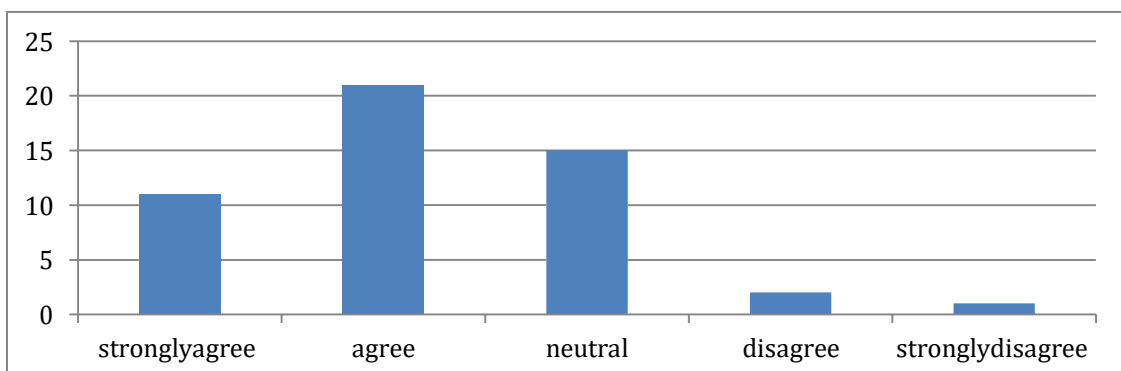
Table 4.16 showing satisfaction level in Credit facilities and its interest rate

Response	No.ofpersons	Percentage
Strongly Agree	11	22%
Agree	21	42%
Neutral	15	30%
Disagree	2	4%
Strongly disagree	1	2%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 22% of respondents are satisfied in the Credit facilities and they feel that it's reasonable and fair. ,42% agree to the same,30% of respondents gave a neutral response to the statement,6% of respondents disagree to this statement.

Figure 4.16 showing satisfaction level in Credit facilities and its interest rate



(Source:Surveydata)

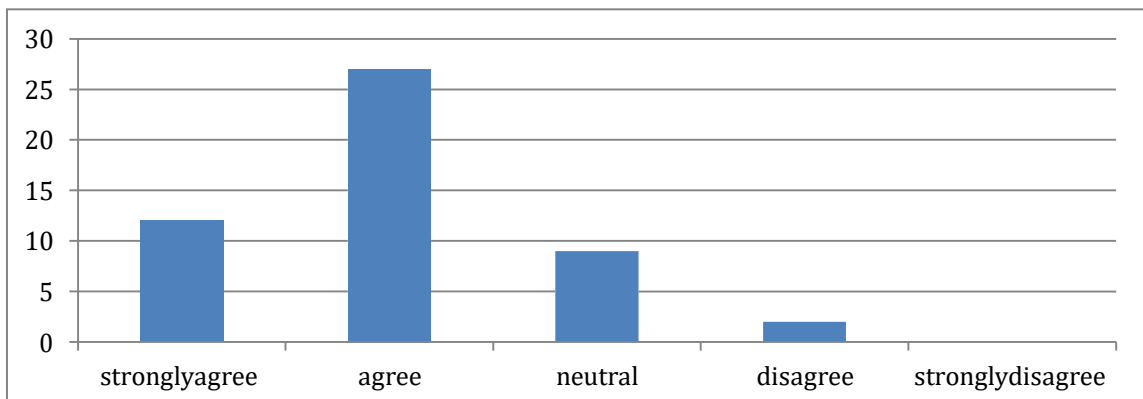
Table 4.17 Showing satisfaction level in Banking procedures and other formalities

Response	No.ofpersons	Percentage
Strongly Agree	12	24%
Agree	27	54%
Neutral	9	18%
Disagree	2	4%
Strongly disagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 24% of respondents are satisfied in the Banking procedures and other formalities, 54% agree to the same, 18% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.

Figure 4.17 Showing satisfaction level in Banking procedures and other formalities



(Source:Surveydata)

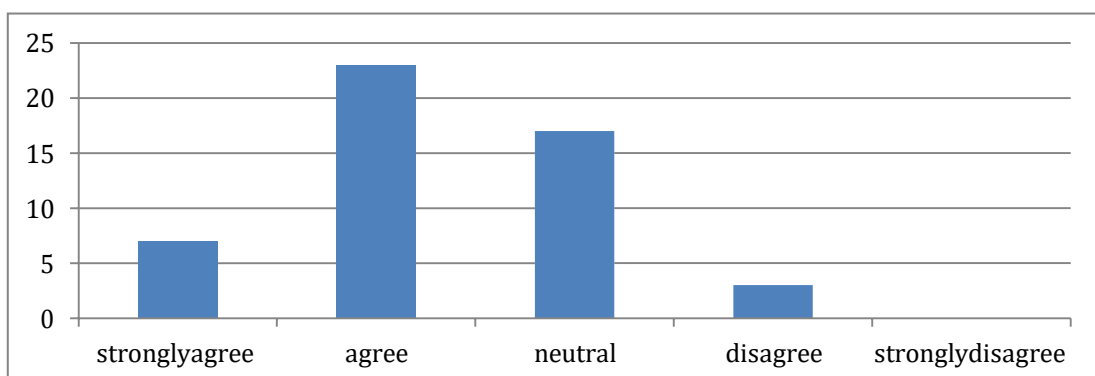
Table 4.18 Showing satisfaction level in the speediness of transaction/sanctioningofloanetc.

Response	No.ofpersons	Percentage
StronglyAgree	7	14%
Agree	23	46%
Neutral	17	34%
Disagree	3	6%
Stronglydisagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation :From the above table we can understand that around 14% ofrespondents are satisfied in theTransaction/sanctioningofloan etc. and feelthat it is very fast, 46% agree to the same, 34% of respondents gave a neutralresponseto thestatement,6%ofrespondentsdisagreed tothis statement.

Figure4.18 Showing satisfaction level in the speediness of transaction/sanctioningofloanetc.



(Source:Surveydata)

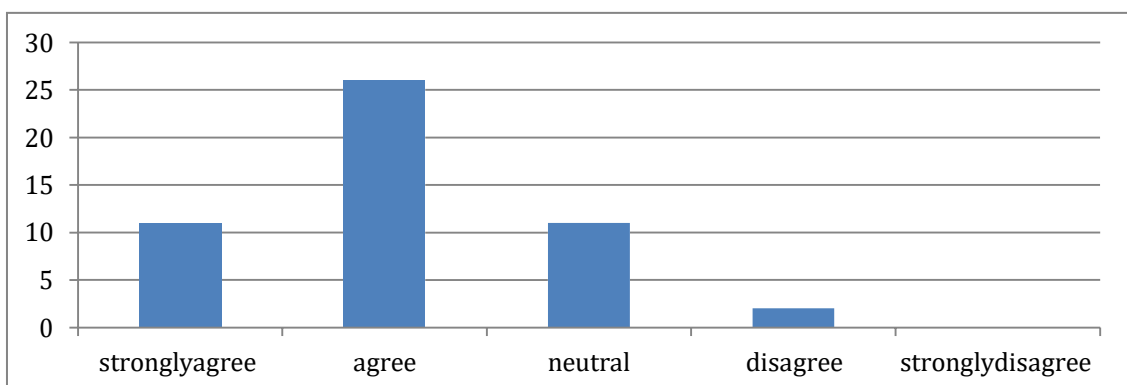
Table 4.19 Showing satisfaction in the accessibility and working condition of ATMs of SIB

Response	No. of persons	Percentage
Strongly Agree	11	22%
Agree	26	52%
Neutral	11	22%
Disagree	2	4%
Strongly disagree	0	0%
Total	50	100%

(Source: Survey data)

Interpretation: From the above table we can understand that around 22% of respondents are satisfied stating ATMs are easily available and in working condition mostly, 52% agree to the same, 22% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.

Figure 4.19 Showing satisfaction in the accessibility and working condition of ATMs of SIB



(Source: Survey data)

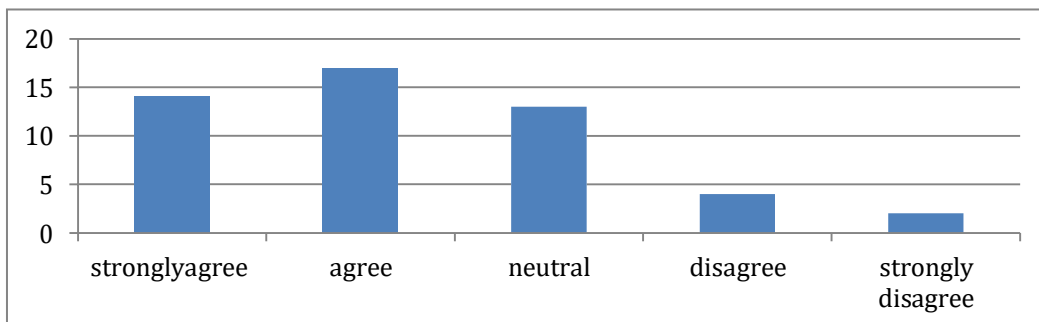
Table 4.24 showing satisfaction level regarding the banking facilities like Core/Net/Mobile banking

Response	No. of persons	Percentage
Strongly Agree	14	28%
Agree	17	34%
Neutral	13	26%
Disagree	4	8%
Strongly disagree	2	4%
Total	50	100%

(Source: Survey data)

Interpretation: From the above table we can understand that around 28% of respondents are satisfied in Core / Net / Mobile banking facilities and feel that they are user friendly, 34% agree to the same, 26% of respondents gave a neutral opinion to the statement, 8% of respondents disagreed to this statement and 4% strongly disagree to it.

Figure 4.24 showing satisfaction level regarding the banking facilities like Core/Net/Mobile banking



(Source: Survey data)

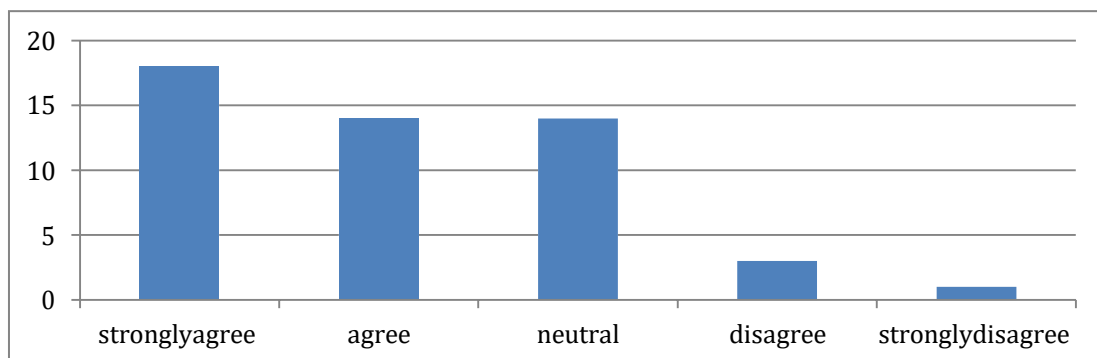
Table 4.21 Showing satisfaction level related to Money transfers facilities-RTGS,EFT,andEPS

Response	No.ofpersons	Percentage
Strongly Agree	18	36%
Agree	14	28%
Neutral	14	28%
Disagree	3	6%
Strongly disagree	1	2%
Total	50	100%

(Source:Surveydata)

Interpretation :From the above table we can understand that around 36% of respondents are satisfied in the Money transfers facilities- RTGS, EFT, andEPS,28% agree to the same, 28% of respondents gave a neutral response to the statement, 6% of respondents disagreed to this statement and 2% strongly disagree to it

Figure 4.21 Showing satisfaction level related to Money transfers facilities-RTGS,EFT,andEPS



(Source:Surveydata)

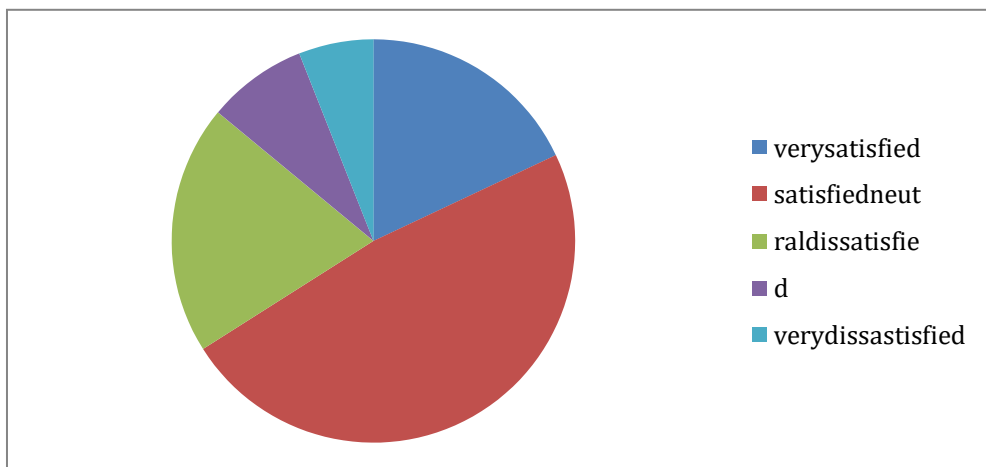
Table 4.22 showing the overall customer satisfaction level in banking services of SIB

Response	No. of persons	Percentage
Very satisfied	9	32%
Satisfied	24	48%
Neutral	10	20%
Dissatisfied	4	0%
Very dissatisfied	3	0%
Total	50	100%

(Source: Survey data)

Interpretation: From the above table we can understand that 32% of customers are very satisfied, 48% of customers are satisfied, 20% of customers are neutral and none of them are dissatisfied in the banking services provided by SIB.

4.22 Figure showing the overall customer satisfaction level in banking services of SIB



(Source: Survey data)

CHAPTER
5 FINDINGS, SUGGESTIONS AND
CONCLUSIONS

FINDINGS

1. Among the respondents 56% of the respondents are female and 44% are male.
2. It was found that among the respondents 20% were from the age group of 18 to 29 years old, 28% were from the age group of 30 to 39 years old, 26% were from the age group of 40 to 49 years old, 18% were from the age group of 50 to 59 years old, 8% were above 60 years.
3. Among the respondents around 38% of customers are having savings accounts, 28% of customers are having current accounts, 22% of customers are having credit accounts, and 12% of customers are having other deposits.
4. It was found that around 30% of respondents are satisfied in the accuracy of information provided in the Brochures and Notice Boards of SIB, 42% agree to the same, 24% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.
5. Majority of the customers are satisfied in the Passbook, Debit/ Credit cards, chequebook, etc provided by SIB. Only 4% of respondents showed dissatisfaction in the same.
6. It was found that around 28% of respondents are satisfied in the accessibility of Operating counters, 34% agree to the same, 34% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.
7. Among the respondents around 38% of respondents feel that the equipment and fixtures of SIB are modern looking., 38% agree to the same, 24% of respondents gave a neutral response to the statement.
8. It was found that majority of customers feel that the employees of SIB are capable to create a confidence in the minds of the customers regarding the banking services provided by them.
9. It was found that majority of customers feel that the operating hours of SIB is convenient to them.
10. Among the respondents around 16% of respondents are satisfied in the Banking procedure and feel that it is hassle free, 44% agree to the same, 32% of

respondents gave a neutral response to the statement, 6% of respondents disagreed to his statement and 2% strongly disagree to it.

11. among the respondents around majority are satisfied in the timeliness of services offered by SIB.

12. Majority of the respondents feels that the employees of SIB are the friendly and courteous.

13. It was found that among the respondents around 28% of respondents are satisfied in the ATM, Tele, Branch and E- banking facilities offered by SIB, 38% agree to the same, 26% of respondents gave a neutral response to the statement, 8% of respondents disagreed to this statement.

14. Around 22% of respondents are satisfied in the services charges of SIB, 46% agree to the same, 28% of respondents gave a neutral response to the statement, 2% of respondents disagreed to this statement and 2% strongly disagree to it.

15. It was found that around 12% of respondents are satisfied in the Deposits interest rates offered by SIB. 46% of the respondents agree to the same, 34% expressed a neutral opinion and 8% disagreed to the same.

16. It was found that around 22% of respondents are satisfied in the Credit facilities and they feel that it's reasonable and fair. 42% agree to the same, 30% of respondents gave a neutral response to the statement, 6% of respondents disagreed to this statement.

17. Majority of the respondents are satisfied in the Banking procedures and other formalities of SIB.

18. Most of the respondents are happy and satisfied in the speediness of transaction/sanctioning of loan etc.

19. Most of the respondents are happy and satisfied in the accessibility and working condition of ATMs of SIB

20. It was found that around 28% of respondents are satisfied in Core / Net / Mobile banking facilities and feel that they are user friendly, 34% agree to the same, 26% of respondents gave a neutral opinion to the statement, 8% of respondents disagreed to this statement and 4% strongly disagree to it.

21. It was found that around 36% of respondents are satisfied in the Moneytransfersfacilities-

RTGS,EFT,andEPS,28%agree tothesame,28%ofrespondentsgaveaneutralresponsetothestatement,6%ofrespondentsdisagreedtothisstatementand2%stronglydisagreeoit

22. Most of the respondents of this study are happy and satisfied in theoverallservicesprovidedbySIB.

SUGGESTIONS

1. It is advisable to South Indian bank to concentrate more on their technology part, since banking industry is becoming competitive day by day.
2. Bank can adopt new techniques of promotion to create awareness about plans to users.
3. The bank can come up with some attractive schemes to attract more customers

CONCLUSION

Bank's customers come from different strata of the society. They represent ultra rich, rich, upper middle class, lower middle class, poor, highly educated, adequately educated, illiterate aged, grown-ups, youth, children, white collared, blue collared, daily wage earners, agriculturists, big corporate, small scale industrialists, professionals, self-employed persons, housewives, etc. These customers again come from different cultural and social background. Each customer has his attitudes and expectations influenced by his cultural and social background. So it is essential for all banks to keep their customers satisfied irrespective of the type.

This study investigated the customer satisfaction in banking services of south Indian bank. From the findings it can be concluded that the South Indian Bank is keeping their customers satisfied in different aspects like physical facilities, technology, banking formalities and procedures, interest rates, online banking facilities, etc. The overall satisfaction level of customers in SIB bank is fair enough, though bank need to focus more on the promotional and marketing area.

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APPENDIX

Survey Questionnaire: A study on customer satisfaction in banking services with special reference to south Indian bank.

Age

A, 18-29

B, 30-39

C, 40-49

D, 50-59

E, above 60

Gender A,

Male B, Female

male

Type of account A,

Savings account B,

Current account C,

Credit

account D, Other deposit

posit

How long you have been a customer of south Indian bank?

A, < 2

years B, 2-

4 years

C, 4 - 6

years D, > 6 years

ars

Would you recommend south Indian bank to your friends/relatives?

A,

yes B,

no

A, PHYSICAL FACILITIES

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
Brochures, Notice Board, provision of information					
Passbook, Debit/Credit cards, chequebook, aesthetically appealing					
Operating counters are easily accessible					
Bank has modern-looking equipment and fixtures					
Basic amenities					

facilities(Drinkingw ater& Toilets).					
--	--	--	--	--	--

B. SERVICEQUALITY

	StronglyAgre e	Agree	Neutral	Disagree	StronglyDisa gree
Theemploye esinstillingc onfidenceint heir customers					
Operatingho ursareconve nienttocusto mers					
Bankingpro cedureishass lefree					
Providingth eserviceatth etimetheser vicewas promised					

Employees who sincerely interest in solving customers' problems					
Bank staff is friendly and courteous					

C. SERVICE PRODUCT

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Easy ATM, Tele, Branch and E-banking.					
Fair services charges.					
Deposits interest rates are fair and competitive					
Credit facilities – available at reasonable interest rate					

D. SERVICE DELIVERY

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Banking procedures and formalities are easy.					
Transaction/sanctioning on a loan etc. are very fast					
On the spot Issuing demand draft and cheque clearance					
ATMs are easily available in working condition					
Bank staff's problem solving attitudes					

E. TECHNOLOGY

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ATM/ Creditcard/ Debitcards facilities are good					
Core/Net / Mobile banking facilities are easy					
Money transfer facilities- RTGS, EFT, and EPSa are accessible					
SMS/ email/call received instantly after any transaction					

How far are you satisfied with the current services of the bank?

A, Very satisfied B,

Satisfied

C, neutral

D, Dissatisfied

E, very Dissatisfied

A FIELD PROJECT REPORT

ON

**"A study on customer satisfaction in banking services with
Special reference to south Indian bank."**

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

**(P S L Mukthinath, Jammula Akhila, Robbi N Sai Swarupa Lalitha Sri Aishwarya, Jitha venkata
lakshmi ,Anchula Venu,)**

(Regd. No.221FCO1047,221FCO1048, 221FCO1049, 221FCO1050, 221FCO1051)

Under the esteemed guidance of

Dr. G. Krishna Harshitha

ASSISTANT PROFESSOR



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled A study on customer satisfaction in banking services with Special reference to south Indian bank submitted by P S L Mukthinath, Jammula Akhila, Robbi N Sai Swarupa Lalitha Sri Aishwarya, Jitha venkata lakshmi ,Anchula Venu, Abearing the Regd. No. 221FC01047,221FC01048,221FC01049, 221FC01050, 221FC01051 from the Department of Management Studies, Vignans Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

SIGNATURE OF THE GUIDE

HOD/MBA

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CHAPTER
1INTRIDUCTION

INTRODUCTION

Banks serve as mediators in mobilizing public savings and channelizing the stream of funds for productive purposes, keeping on the process of the economic growth of the country. Realizing the important role of banks in economic development, the Government of India/Reserve Bank of India takes numerous major initiatives after independence to gear the banking system to serve the national objectives. Banks assisted the healing of sick industrial units and in the avoidance of unemployment, which would otherwise have resulted from the closure of industrial units for want of credit.

The Indian banking industry has its foundations in the 18th century, and has had a varied evolutionary experience since then. The initial banks in India were primarily traders banks engaged only in financing activities. Banking industry in the pre-independence era developed with the Presidency Banks, which were transformed into the Imperial Bank of India and subsequently into the State Bank of India. The initial days of the industry saw a majority private ownership and a highly volatile work environment. Major strides towards public ownership and accountability were made with nationalization in 1969 and 1980 which transformed the face of banking in India. The industry in recent times has recognized the importance of private and foreign players in a competitive scenario and has moved towards greater liberalization. Without a sound effective banking system we cannot have an effective banking system. Banking system faces the challenges faced by the environment that include internal and external factors.

In India the banks are being segregated in different groups. Each group has their own benefits and limitations. The RBI has shown certain interest to involve more foreign banks than the existing one recently. There are two sectors; they are public and private sectors. Public sector banks are owned by the government. The government runs the bank. At present there are a total 26 public sector banks in India. On the other hand the private sector is owned and run by the private sector. Various banks in the country such as SBI, ICICI, HDFC, etc. are examples of private sector banks. In these banks

an individual has control over the banks in preparation to share the banksheldbyhim.

Satisfied customers have a positive impact on companies' results, so it is important to know the satisfaction level of the customers.

When a company manages to serve its customers well enough and make them happy, the company can create a long term relation with the customers. Customer satisfaction is so important in the banking industry, measuring the customer experience and identifying ways to improve in this area is essential. Improving the customer experience is your best way to differentiate yourself from the competition and improve the financial performance for your bank. In the present scenario the competition between banks are growing all the time hence good service is becoming more and more important.

STATEMENT OF THE PROBLEM

Keeping the customers satisfied is one of the key ingredients for the success of any business, especially in service sector. In this study the researcher would like to learn the various aspects regarding the customer satisfaction in the services offered by South Indian Bank.

SIGNIFICANCE OF THE STUDY

This study is significant since understanding and analyzing the customer satisfaction and various factors influencing the same is important for the growth and success of any business.

OBJECTIVES

- 1) To understand the major attributes of customer satisfaction.
- 2) To determine the main factors influencing the level of customer satisfaction in the south Indian bank.
- 3) To assess the level of customer satisfaction on the quality of services provided by the south Indian bank.

RESEARCH DESIGN

A research is a valid when a conclusion is accurate or true and research design is the conceptual blueprint within research is conducted. A scholar for this

research is conducted. A scholar for his research, prepare an action plan to constitute the outline of collection, measurement and analysis of data.

Nature of study

The nature of study states as descriptive.

Nature of data

The study is based on both secondary and primary data.

Source of data

The primary data were collected by distributing questionnaire and secondary data was collected from internet and magazines.

SAMPLE DESIGN

A sample design is the framework, or roadmap, that serves as the basis for the selection of a survey sample and affects many other important aspects of a survey as well. One must define a sampling frame that respects the population of interest from which a sample is to be drawn.

Nature of population

The population of this study covers the customers of South Indian Bank.

Sample unit

The sample unit of the study is the customers of South Indian Bank among teachers of Christ College Irinjalakuda.

Methods of sampling

In this method, the method of sample used is convenience sample method. The data from the survey is collected using questionnaire.

Size of sample

Here 50 customers are used as a sample for the study.

Tools for analysis

- Percentage analysis
- Table & Charts
- Likert Scale

Chapterisation

- Chapter 1 - Introduction
- Chapter 2 - Review of literature

- Chapter3- TheoreticalFramework
- Chapter4-Dataanalysisandinterpretation
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CHAPTER
2 REVIEW OF LITERATURE

REVIEW OF LITERATURE

INTRODUCTION

This chapter deals with review of literature. Review of literature is divided into two sectors: conceptual review and empirical literature. Conceptual review includes details about financial performance analysis and ratio analysis. Ratio analysis includes different ratios used for the study of financial performance analysis. Empirical literature is a comprehensive summary of previous research on the topic financial performance analysis. The review should enumerate, describe, summarize, objectively evaluate and clarify this previous research. It should give a theoretical base for the research and help to determine the nature of the research.

CONCEPTUAL REVIEW

Customer satisfaction is an important theoretical as well as practical issue for most marketers and consumer researchers. Customer satisfaction can be considered the essence of success in today's highly competitive world of business. Thus the significance of customer satisfaction and customer retention in strategy development for a market oriented and customer focused firm cannot be overstated. Consequently, customer satisfaction is increasingly becoming a corporate goal as more and more companies strive for quality in their products and services. Customer satisfaction is the feeling or attitude of a customer towards a product or services after it has been used and is generally described as a full meeting of one's expectations. Customer satisfaction is a major outcome of marketing activity whereby it serves as a link between the various stages of consumer buying behavior.

However, some argue that customers develop norms for product performance based on general product experiences, and these, rather than expectations from a brand's performance, determine the confirmation/disconfirmation process. More recent work has argued that in addition to the cognitive components, satisfaction judgments are also dependent upon affective components as both coexist and make independent contributions to the satisfaction judgments.

Customer satisfaction, a business term, is a measure of how products and

services supplied by a company meet or surpass customer expectations. It is seen as a key performance indicator within business and is part of the four perspectives of balanced Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. There is a substantial body of empirical literature that establishes the benefits of customer satisfaction for firms. Organizations need to retain existing customers while targeting non-customer. Measuring customer satisfaction provides an indication of how successful the organization is at providing products and/or services to the marketplace. Customer satisfaction is an abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables.

BENEFITS OF CUSTOMER SATISFACTION

The importance of customer satisfaction and support is increasingly becoming a vital business issue as organizations realize the benefits of Customer Relationship Management (CRM) for providing effective customer service. Professionals working within customer focused business or those running

call centers or help desks, need to keep informed about the latest customer satisfaction techniques for running available customer service function. From small customer service departments' to large call centers, the importance of developing a valued relationship with customers using CRM is essential to support customer and long-term business growth.

CONSUMER RESEARCH IN DIFFERENT DISCIPLINES

A considerable body of literature exists on consumption, consumer behaviour and consumer decision making process. Most of the consumer research focused on adopter categories, habits, attitudes and intentions rather than on actually measuring the satisfaction level with the service.

CONSUMER SATISFACTION PROCESS

The paramount goal of marketing is to understand the customer and to

Influence buying behaviour. The process can be depicted as follows:-

1. Need recognition- realization of the difference between the desired and the current situation that serves as a trigger for the entire process.
2. Search for information.
3. Pre-purchase alternative evaluation.
4. Consumption (utilization of the procured option)
5. Post-purchase alternative re-evaluation.
6. Divestment (disposal of the unconsumed product and its remnants)

EMPIRICAL LITERATURE

Uppal R.K. (2010) conducted studies on customer complaints and this research showed that excellent customer service and customer satisfaction help to sustain business growth. Furthermore, it showed that customer complaints are continuously increasing in the public sector banks, adversely affecting customers' satisfaction and performance. This research also suggested that establishing a customer care center in all banks would help solve customer complaints on a priority basis.

Mehta R. (2013) examined the Banking Services and Customer Satisfaction – A Study of Public and Private Sector Banks in Navsari City. In the present research, an endeavor has been done to gauge the fulfillment level of the clients by looking at different elements that can affect the fulfillment of clients to banks situated in Navsari City of Gujarat. The principle center is done around whether private banks bring more fulfillment than open part banks to the general population and what are those components which are considered when individuals say they are fulfilled.

Aseem Mathur (2014) in his article "Customer's Trends towards Public and Private sector Banks" Now 'Anywhere Banking' and 'Anytime Banking' has turned into a reality. Banking activities have increased enormously with a clear change in way of offline and techniques especially in the field of lending, from wholesale to retail character. Now, the customer is the input component of the banking industry. The Banking Industry can neither function without customers

nor is just acquiring definite number of customers adequate for their business. Finally he conclude that 10 most important factors influencing the selection of a bank they are safety of funds, secured ATMs, ATMs availability, reputation

of the bank etc., On the other hand, "Advertisements" was not ranked important. Banks do not need to spend much on the part of advertisements.

Pareek, V. (2014) research opined with a remark that out of several factors few causal fundamental factors like product attributes, employee characteristics, customer convenience, bank tangibles, cost of transactions and customer communication contributes in customer satisfaction in Indian banks. Interestingly convenience one of the 4P's i.e. marketing mix was found to be an unimportant in deciding customer satisfaction in Indian banks (studied banks).

Rahi, S. (2015) research findings show customers are more loyal towards those banks that are facilitating internet banking services. Also a good brand image builds relationships between banks and customers and enhances the customer loyalty toward the bank. He also concluded that those banks that are giving the internet banking services to their customers, loyalty of those customers are more towards the banks. He also suggested that if the brand image also plays a significant role between loyalty of the customers and internet banking. The role of brand image is positive in making a positive relationship between customers and internet banking.

Ramya T J (2016) in her study "A Study on Customer Satisfaction towards Private

Banks with special reference to South Indian banks" The banking industry has an incredible growth in Indian market. The doorway of new technology has made a lot of changes in Indian banking sector. Newly the Indian economy has seen the emergence of many banks in the private sector. The growth of private banks is not possible without achieving customer satisfaction. Customer satisfaction is a present-day come with in each to survive in the market

. Gauging of customer satisfaction is currently very central to gain self-assurance to build the market. The study indicates service and employee

commitment is very important for customer satisfaction

Sakthi K. and Eswaran R. (2016) examined the customer satisfaction towards service provided by state bank of India - with special reference to Erode district. The main objective of the study is to study the level of customer satisfaction towards services provided by SBI and to estimate the performance of SBI based on the service provided. For this purpose a sample of 80 was collected where convenience sampling was used to analyze the data with percentage analysis or frequency analysis and chi-square as tools. The researcher concluded that there is a need for SBI staff to have training in the areas of technology and interactive skills.

Vershinina O. (2017) studies that the customer satisfaction in the banking sector: a study of Russian bank Sberbank. The point of the theory is to quantify the level of consumer loyalty for Sberbank. The reason for the paper is to uncover the client's impression of the bank which would be imperative for the future development of the organization. Hypothetical structure of the exploration looks at the expression "consumer loyalty" and examines distinctive models that can quantify it.

CONCLUSION

In this chapter, the review of literature mainly focuses on financial performance, profitability and banking structure of Indian banks. The overall characteristics of banks do not differ. Since not much referral has been found regarding financial performance of South Indian banks, there is a sample scope for the study. In order to

evaluate the objectives of the present study, an attempt is made to comprehend the existing research study on the financial performance of South Indian banks.

CHAPTER 3
INDUSTRY AND COMPANY PROFILE

INDUSTRY AND COMPANY PROFILE

INTRODUCTION

This chapter includes the industry profile and company profile used in this study. Industry analysis means documents that evaluate an industry and companies involved in it. In this study, an analysis about the automotive or automobile industry has been discussed in the industry profile. Company profile is a professional summary of the business, history and its activities. In this study, the company profile of South Indian Bank Limited has been discussed.

INDUSTRY PROFILE

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalized and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well.

Indian banking industry has recently witnessed the rollout of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry. The digital payments system in India has evolved the most among 25 countries with India's Immediate Payment Service (IMPS) being the only system at level five in the Faster Payments Innovation Index (FPII).

INTRODUCTION TO BANKING IN INDIA

The banking section will navigate through all the aspects of the Banking System in India. It will discuss the matters with the birth of the banking concept in the country to new players adding their names in the industry in coming few years. The banker of all banks, Reserve Bank of India (RBI),

the Indian Banks Association (IBA) and top 20

Banks like IDBI, HSBC, ICICI, ABN AMRO, etc. has been well defined under three separate heads with one page dedicated to each bank. However, in the introduction part of the entire banking cosmos, the past has been well explained under three different heads namely:

- History of Banking in India
- Nationalization of Banks in India
- Scheduled Commercial Banks in India

HISTORY OF THE BANKING SECTOR

Banking in India originated in the last decades of the 18th century. The first banks were The General Bank of India which started in 1786, and the Bank of Hindustan, both of which are now defunct. The oldest bank in existence in India is the State Bank of India, which originated in the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal. This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, all three of which were established under charters from the British East India Company. For many years the Presidency banks acted as quasi-central banks, as did their successors. The three banks merged in 1921 to form the Imperial Bank of India, which, upon India's independence, became the State Bank of India.

Indian merchants in Calcutta established the Union Bank in 1839, but it failed in 1848 as a consequence of the economic crisis of 1848-49. The Allahabad Bank, established in 1865 and still functioning today, is the oldest Joint Stock bank in India. It was not the first though. That honor belongs to the Bank of Upper India, which was established in 1863, and which survived until 1913, when it failed, with some of its assets and liabilities being transferred to the Alliance Bank of Simla. Foreign banks too started to arrive, particularly in Calcutta, in the 1860s. The Comptoir d'Escompte de Paris opened a branch in Calcutta in 1860 and another in Bombay in 1862; branches in Madras and Pondicherry, then a French colony, followed. HSBC

Established itself in Bengal in 1869. Calcutta was the most active trading port in India, mainly due to the trade of the British Empire, and so became a banking center. The Bank of Bengal, which later became the State Bank of India.

COMPANY PROFILE

The South Indian Bank Limited (the Bank) provides retail and corporate banking, Para banking activities, such as debit card, third-party product distribution, in addition to Treasury and Foreign Exchange Business. The Bank's segments include Treasury, Corporate/Wholesale Banking, Retail banking and Other Banking Operations. The treasury services segment consists of interest earnings on investments portfolio of the Bank, gains or losses on investment operations and earnings from foreign exchange business. The Corporate/Wholesale Banking segment provides loans to the corporate segment. The Retail Banking segment provides loans to non-corporate customers. The Other Banking Operations segment includes income from Para banking activities, such as debit cards, third party product distribution and associated costs. The Bank has a network of approximately 830 branches, approximately 40 extension counters and approximately 1,290 automated teller machines (ATMs) in India.

COMMON PRACTICES FOLLOWED BY SOUTH INDIAN BANK BRANCHES

1. Display business hours.
2. Render courteous services.
3. Attend to all customers present in the banking hall at the close of business hours.
4. Provide separate 'Enquiry' or 'May I help you' counters at large branches.
5. Offer nomination facility to all deposit accounts (i.e. account opened in individual capacity) and all safe deposit locker hirers (i.e. individual hirers).
6. Display interest rates for various deposits from time to time.
7. Notify change in interest rates on advances.
8. Provide details of various deposit schemes/services of the Bank.
9. Issue Demand Drafts, Pay Orders, etc.
10. Display Time-Norms for various banking transactions.
11. Pay interest for delayed credit of outstation cheque, as advised by Reserve

Bank of India (RBI) from time to time.

12. Accord immediate credit in respect of outstation and local cheques up to a specified limit subject to certain conditions, as advised by RBI from time to time.

13. Provide complaint/suggestion box in the branch premises.

14. Display address of Regional/Zonal and Central Offices as well as Nodal Officer dealing with customer grievances/complaints.

WAYS FOR MAINTAINING RELATIONS WITH THE CUSTOMERS ADOPTED BY SOUTH INDIAN BANK

The ability of the banking industry to achieve the socio-economic objectives and in the process bringing more and more customers into its fold will ultimately depend on the satisfaction of the customers. We have a strong belief that a satisfied customer is the foremost factor in developing our business. A need was felt by us at SOUTH INDIAN BANK that in order to become more customers' friendly the Bank should come out with a Charter of its services

for the customers. Citizens' Charter concept was considered as a base instrument to fill this need and accordingly this document was prepared. This document was made in consultation with the users and highlights our Bank's commitments towards customer satisfaction, thus ensuring accountability and responsibility amongst its officials and staff. This Code for customers not only explains our commitment and responsibilities along with the redressed methods but also specifies the obligation on the part of customers for healthy practices in Customer-

Banker relationships. This is not a legal document creating rights and obligations. The Code has been prepared to promote fair banking practices and to give information in respect of various activities relating to customer service. We wish to acknowledge the initiative taken by the Ministry of Finance, Government of India and Ministry of Administrative Reforms and Public Grievances for encouraging us to bring out this Code. We maintain constant consultations with our clientele through various

Seminars, Customer Meets, etc. to evaluate, improve and widen the range of services to

customers. However, all our customers are requested to keep us informed of their experiences about the various services rendered by the Bank and feel free to comment on this Code. We intend to bring it out in many Regional Languages in subsequent years.

South Indian Bank Limited provides various banking products and services in India. The company offers personal banking products and services, which include saving accounts and term deposits; loans, such as personal, vehicle, home, gold, educational, and agriculture loans, as well as loans against property, loans for subscribing to IPO/public issue of a company, and loans against rent receivables; mutual funds; and life, health, and general insurance products and services. The company also provides business banking services, which include overdrafts, cash credits, and mercantile credits; working capital finance, long term finance, inland letters of credit, and bank guarantees. In addition, the company offers money transfer services; NRI banking services; and value added services, such as online trading, Demat services, ATM cum debit cards, credit cards, Internet banking, m-commerce, mobile banking, and cash management services. The company is based in Kerala.

PRODUCTS AND SERVICES

Personal Banking—Under this bank offers a wide range of personal banking products and services such as deposit, saving, loans, internet banking, mobile banking, demat services, credit card, debit card, etc.

The bank offers mutual funds products of various funds houses such as ICICI Prudential AMC, Franklin Templeton, TATA Mutual Fund, Sundaram BNP Paribas, UTI Mutual Funds, Reliance Mutual Funds, HSBC Investments, HDFC Mutual Fund, Fidelity Fund Management, Principal Mutual Funds, Fortis Investments, Birla Sun Life Asset Management Company and DSP Blackrock Mutual Funds.

In addition it launched the credit cards in association with one of the major players in Indian Credit Card industry M/s SBI cards co-branded credit cards. The bank can offer the SIB-SBI (South Indian Bank State Bank of India) Co-branded Credit card to customers who come under the selected/designated

branches across India. The SIB-SBI Co-branded Credit Cards are available in two variants – Simply SAVE Credit Card and Platinum Credit Card. The bank launched premium variant of Visa Card i.e. Visa Platinum near Field Communication (NFC) Card which is enabled with NFC technology which permits contactless transactions at NFC enabled POS terminals. In FY 2017 the bank introduced its new mobile banking application SIB Mirror+ to provide an next generation digital banking experience. The new app which is available to both Domestic and (Non-Resident Indian) NRI customers is packed with features such as Self Registration facility, E-statement Bill Payment module within bank NEFT (National Electronic Fund Transfer) & IMPS (Immediate Payment Services) 24x7 fund transfer - lock Mobile/DTH (Direct-to-home) Recharge Social Money etc. SIB opened 10 new outlets (4 Branches and 6 Extension Counters) 60 ATMs and 4 CRMs across the country during the financial year 2017 -

18. During the FY 2018 SIB tied up with Kodak Mahindra Life Insurance Ltd. and SBI Life Insurance Co. Ltd. In addition to its existing partner Life Insurance Corporation of India. As the second partner for General Insurance in addition to Bajaj Allianz General Insurance Co. Ltd. The bank tied-up with The New India Assurance Co. Ltd. The bank launched a new Online mutual fund platform 'SIBe-Invest' to facilitate online purchase & sale of mutual funds has been introduced for branches. During the FY 2018 -

19. The Bank introduced eight new loan products of which most of them were relaunched to give thrust to the MSME sector. In addition to the above the Bank has revamped 'Supply Chain Finance' which is supported by a robust Supply Chain Management Solution which could be accessed via URL by vendors, dealers and corporate along with the bank user for real time entry monitoring and disbursement of credits. SBI opened 18 new outlets (16 Branches and 2 Extension counters) 36 ATMs and 7 CRMs across the country during the financial year 2018-19. During the year 2019 the Bank had closed 18 ATMs 1 CRM and replaced 27 ATMs with CRMs.

**CHAPTER
4 DATA ANALYSIS AND
INTERPRETATION**

ANALYSIS AND INTERPRETATION

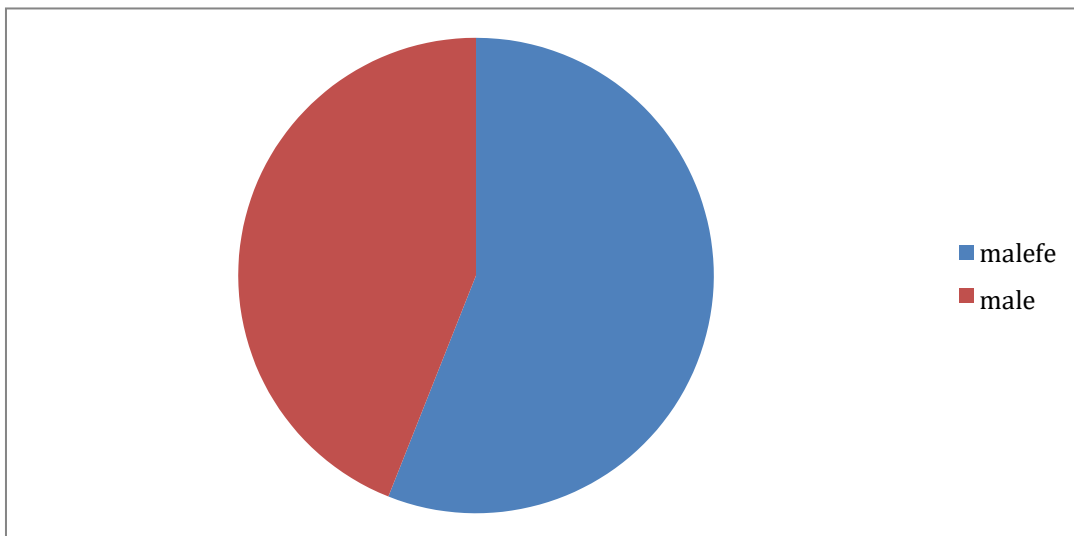
Table 4.1 showing the gender classification

Gender	No. of Persons	Percentage
Female	28	56%
Male	22	44%
Total	50	100%

(Source: Survey data)

Interpretation; The above table shows that among the respondents 56% of the respondents are female and 44% are male.

Figure 4.1 showing the gender classification



(Source: Survey data)

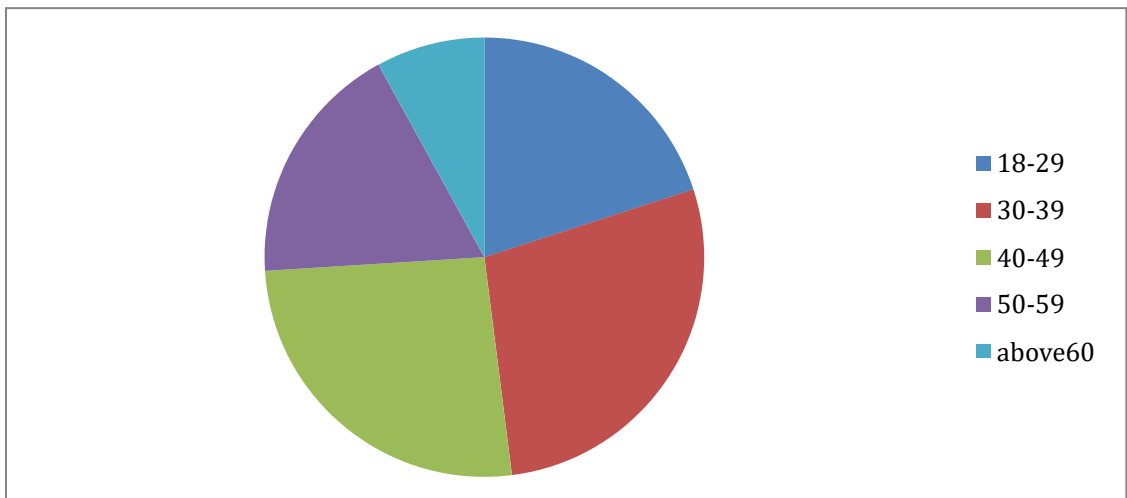
Table4.2 showing theageoftherespondents

Age	No.ofrespondents	Percentage
18-29	10	20%
30-39	14	28%
40-49	13	26%
50-59	9	18%
Above60	4	8%
Total	50	100

(Source:Surveydata)

Interpretation; The above table shows the age of the respondents, 20% were from the age group of 18 to 29 years old, 28% were from the age group of 30 to 39 years old, 26 % were from the age group of 40 to 49 years old, 18% were from the age group of 50 to 59 years old, 8% were above 60 years.

Figure4.2 showing theageoftherespondents



(Source:Surveydata)

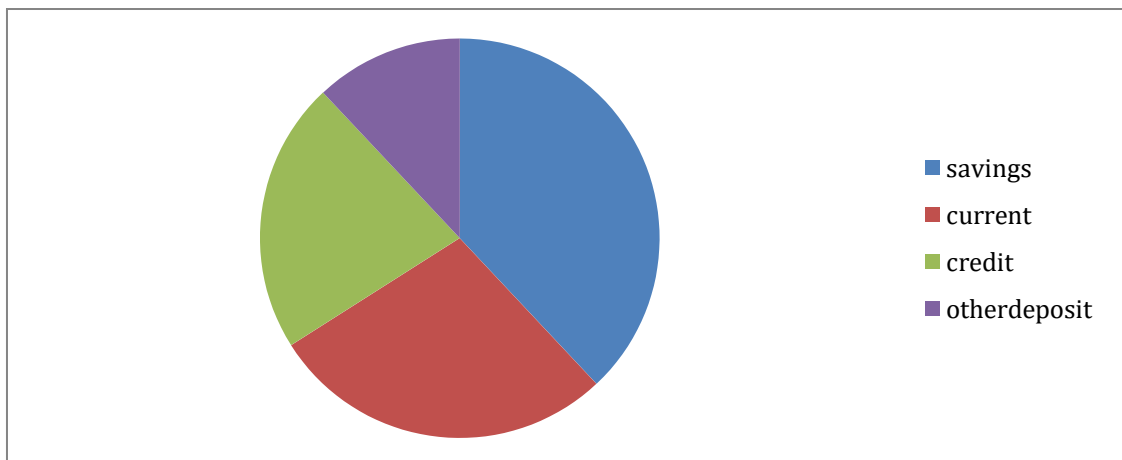
Table 4.3 showing types of account

Type of account	No. of persons	Percentage
Savings	19	38%
Current	14	28%
Credit	11	22%
Other deposits	6	12%
Total	50	100%

(Source: Survey

data) **Interpretation;** From the above table it is clear that 38% of customers are having savings accounts, 28% of customers are having current accounts, 22% of customers are having credit accounts, and 12% of customers are having other deposits.

Figure 4.3 showing types of account



(Source: Survey data)

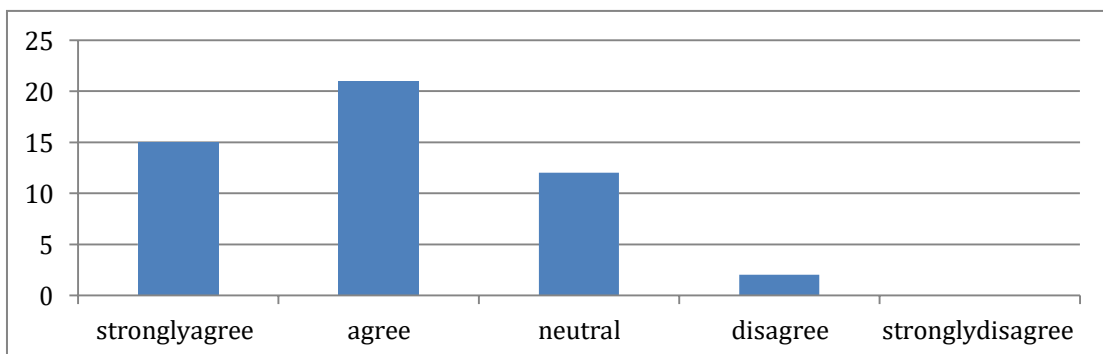
Table 4.4 showing satisfaction in the Brochures and Notice Boards of SIB

Response	No.ofpersons	Percentage
Strongly Agree	15	30%
Agree	21	42%
Neutral	12	24%
Disagree	2	4%
Strongly disagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation; From the above table we can understand that around 30% of respondents are satisfied in the in the accuracy of information provided in the Brochures and Notice Boards of SIB, 42% agree to the same, 24% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.

Figure 4.4 showing satisfaction in the Brochures and Notice Boards of SIB



(Source:Surveydata)

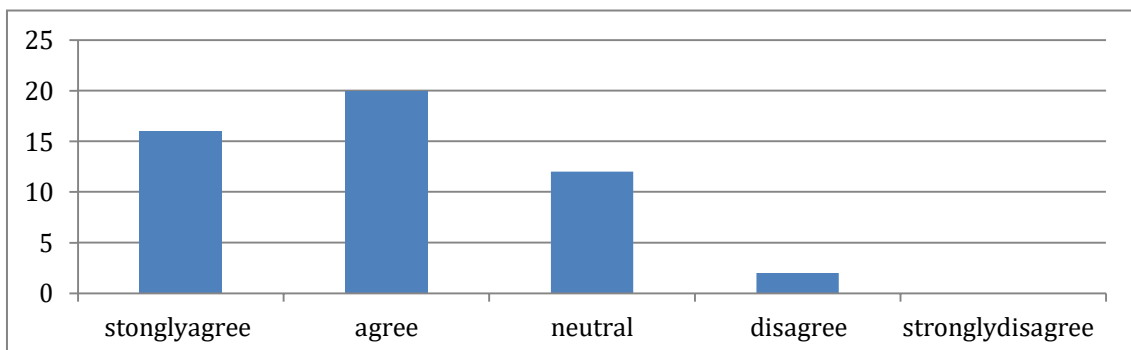
Table 4.5 Showing satisfaction in Passbook, Debit/ Credit cards,chequebook,etc of SIB

Response	No.ofpersons	Percentage
Strongly Agree	16	32%
Agree	20	40%
Neutral	12	24%
Disagree	2	4%
Strongly disagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 32% of respondents are satisfied in the like Passbook, Debit/ Credit cards, cheque book are visually appealing, 40% agree to the same, 24% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.

Figure 4.5 Showing satisfaction in Passbook, Debit/ Credit cards,chequebook,etc of SIB



(Source:Surveydata)

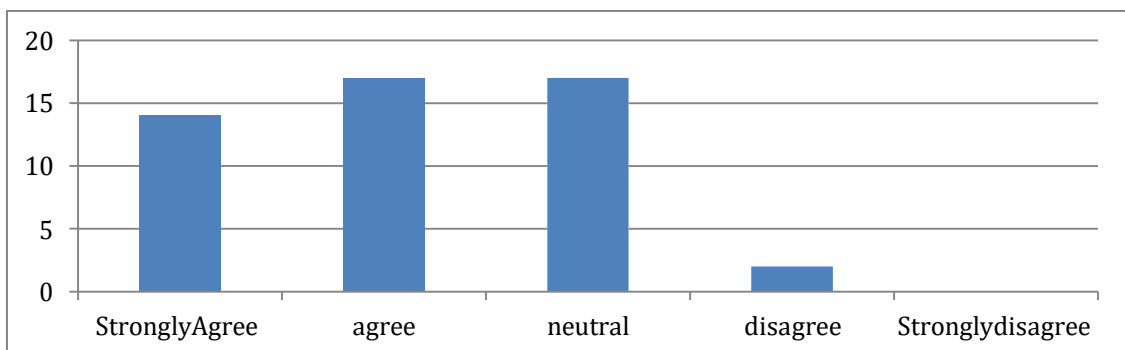
Table 4.6 Showing satisfaction in the accessibility of Operatingcounters

Response	No.ofpersons	Percentage
StronglyAgree	14	28%
Agree	17	34%
Neutral	17	34%
Disagree	2	4%
Stronglydisagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 28% ofrespondents are satisfied in the accessibility of Operating counters, 34% agree to the same, 34% ofrespondents gavea neutralresponse to the statement ,4%ofrespondents dissagreedtothisstatement.

Figure 4.6 Showing satisfaction in the accessibility of Operatingcounters



(Source:Surveydata)

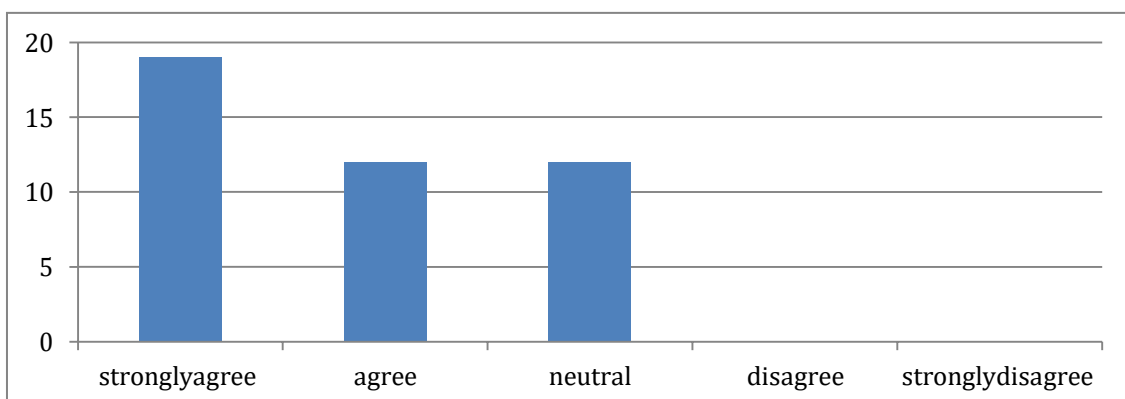
Table 4.7 Showing satisfaction in the modern-looking aspect of equipment and fixtures in SIB

Response	No. of persons	Percentage
Strongly Agree	19	38%
Agree	19	38%
Neutral	12	24%
Disagree	0	0%
Strongly disagree	0	0%
Total	50	100%

(Source: Survey data)

Interpretation: From the above table we can understand that around 38% of respondents feel that the equipment and fixtures of SIB are modern looking., 38% agree to the same, 24% of respondents gave a neutral response to the statement.

Figure 4.7 Showing satisfaction in the modern-looking aspect of equipment and fixtures in SIB



(Source: Survey data)

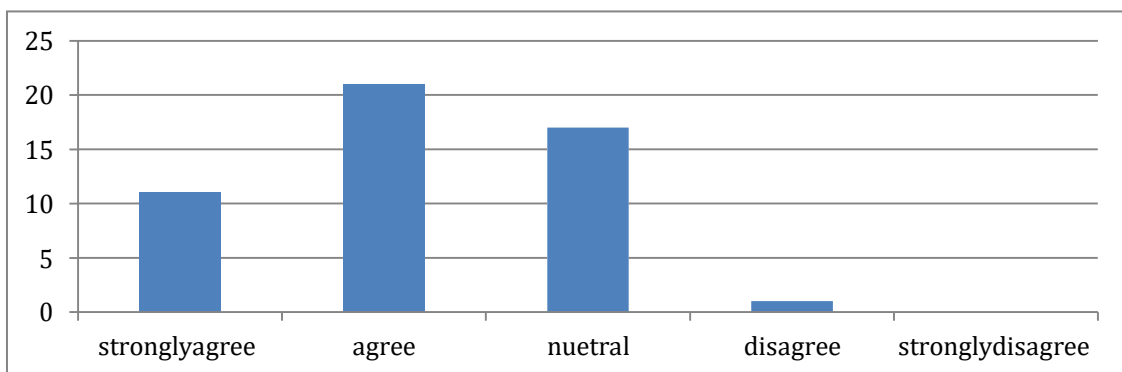
Table 4.8 Showing satisfaction in the confidence creating attitude of employees

Response	No. of persons	Percentage
Strongly Agree	11	22%
Agree	21	42%
Neutral	17	34%
Disagree	1	2%
Strongly disagree	0	0%
Total	50	100%

(Source: Survey data)

Interpretation: From the above table we can understand that around 22% of respondents feel that the employees of SIB are good enough to create satisfaction in the minds of the customers regarding the banking services. 42% agree to the same, 34% of respondents gave a neutral response to the statement, 2% of respondents disagreed to this statement.

Figure 4.8 Showing satisfaction in the confidence creating attitude of employees



(Source: Survey data)

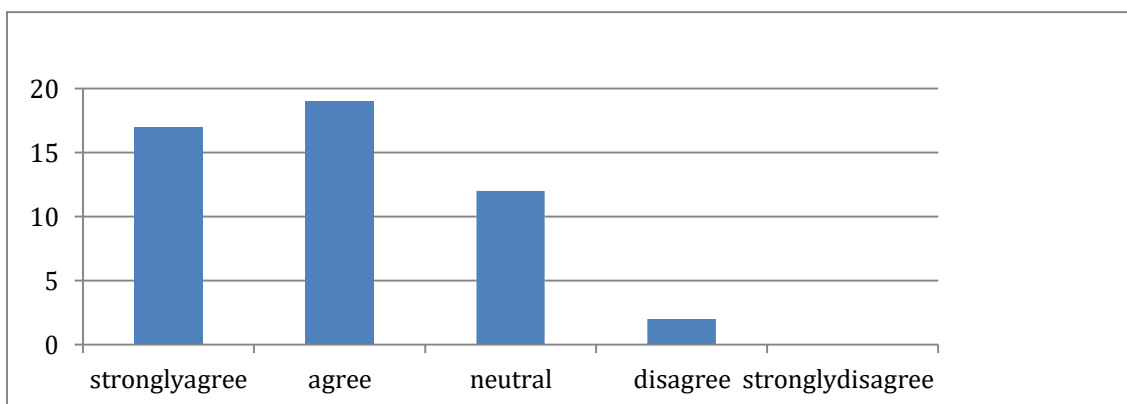
Table 4.9 Showing satisfaction in the convenience of Operating hours

Response	No. of persons	Percentage
Strongly Agree	17	34%
Agree	19	38%
Neutral	12	24%
Disagree	2	4%
Strongly disagree	0	0%
Total	50	100%

(Source: Survey data)

Interpretation: From the above table we can understand that around 34% of respondents are satisfied in the operating hours of SIB, 38% agree to the same, 24% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.

Figure 4.9 Showing satisfaction in the convenience of Operating hours



(Source: Survey data)

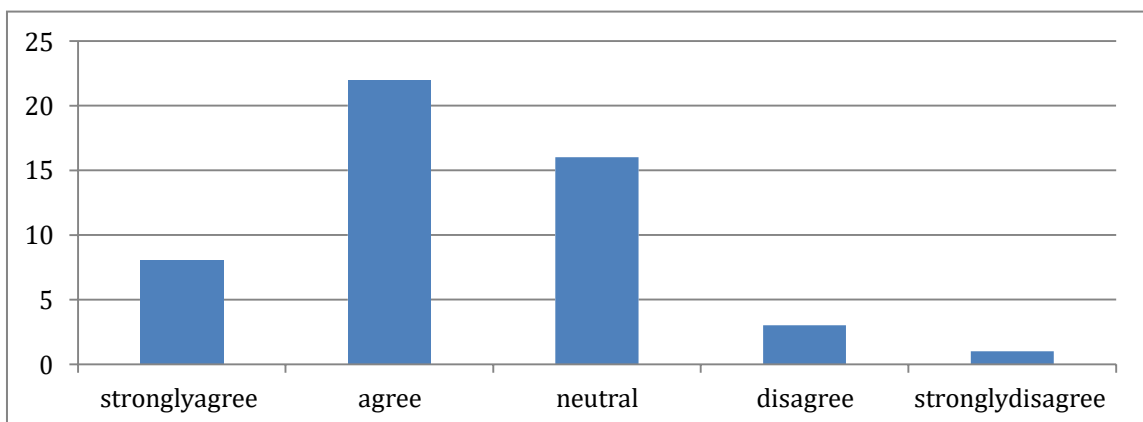
Table4.10 Showingsatisfactioninbankingprocedure

Response	No.ofpersons	Percentage
Strongly Agree	8	16%
Agree	22	44%
Neutral	16	32%
Disagree	3	6%
Strongly disagree	1	2%
Total	50	100%

(Source:Surveydata)

Interpretation : From the above table we can understand that around 16% of respondents are satisfied in the Banking procedure and feels that its hassle free,44% agree to the same, 32% of respondents gave a neutral response to the statement, 6% of respondents dissagreed to this statement and 2% stronglydissagreedtoit.

Figure4.10Showingsatisfactioninbankingprocedure



(Source:Surveydata)

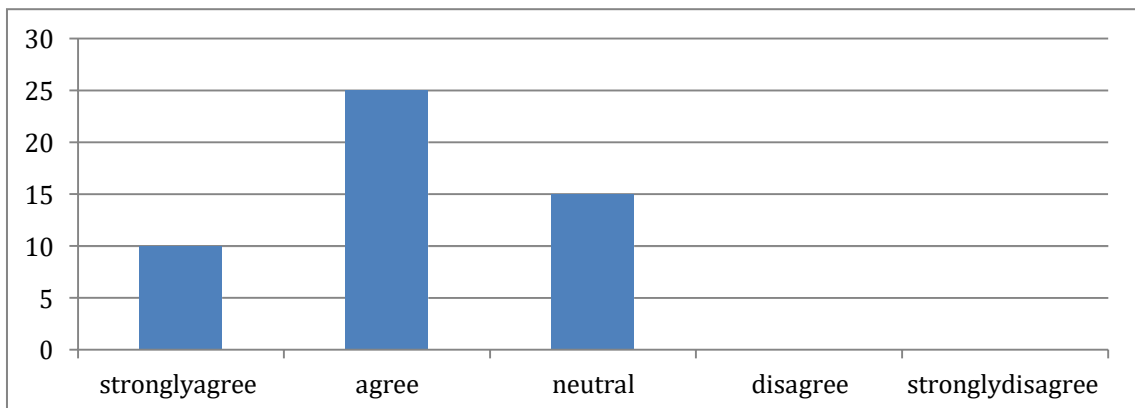
Table 4.11 Showing satisfaction in the timeliness of services provided by SIB

Response	No. of persons	Percentage
Strongly Agree	10	20%
Agree	25	50%
Neutral	15	30%
Disagree	0	0%
Strongly disagree	0	0%
Total	50	100%

(Source: Survey

data)**Interpretation:** From the above table we can understand that around 20% of respondents are satisfied in the timeliness of services offered by SIB, 50% agree to the same, 30% of respondents gave a neutral response to the statement.

Figure 4.11 Showing satisfaction in the timeliness of services provided by SIB



(Source: Survey data)

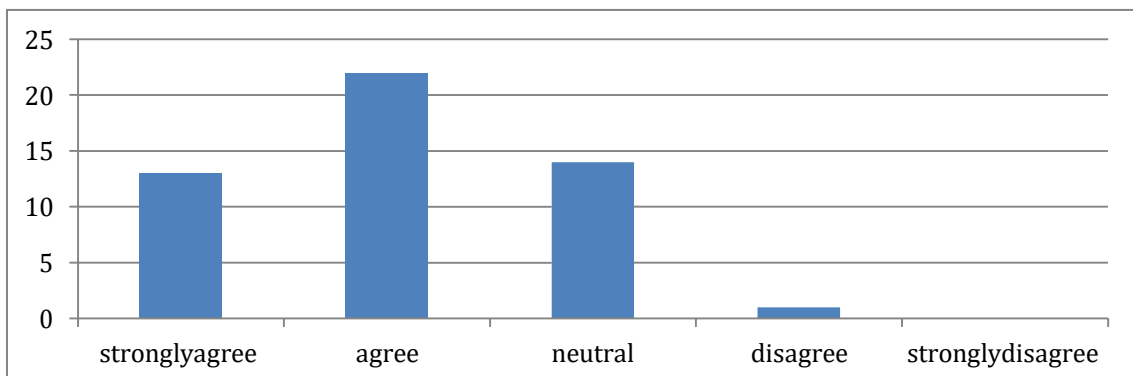
Table 4.12 Showing satisfaction level regarding the friendly and courteous of staff

Response	No.ofpersons	Percentage
Strongly Agree	13	26%
Agree	22	44%
Neutral	14	28%
Disagree	1	2%
Strongly disagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 26% of respondents are satisfied in staff being friendly and courteous, 44% agree to the same, 28% of respondents gave a neutral response to the statement, 2% of respondents disagreed to this statement.

Figure 4.12 Showing satisfaction level regarding the friendly and courteous of staff



(Source:Surveydata)

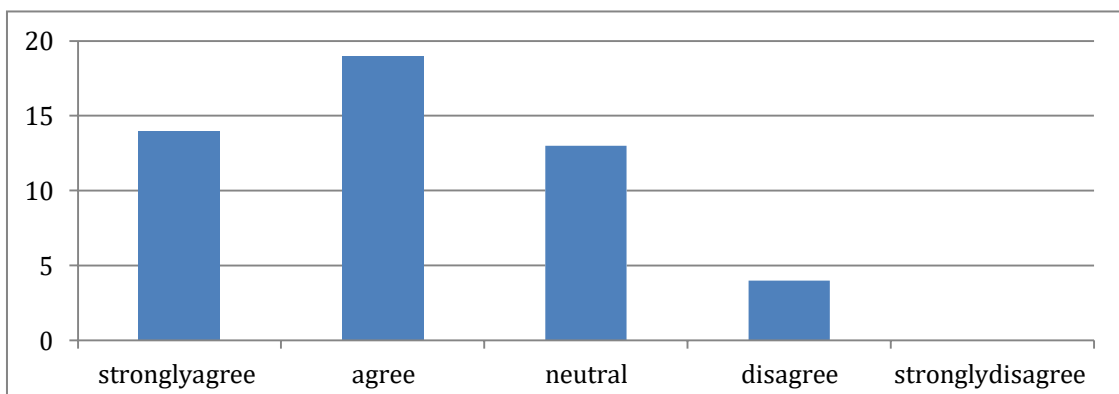
Table 4.13 Showing satisfaction level in ATM, Tele, Branch and E-banking facilities offered by SIB

Response	No.ofpersons	Percentage
Strongly Agree	14	28%
Agree	19	38%
Neutral	13	26%
Disagree	4	8%
Strongly disagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 28% of respondents are satisfied in the ATM, Tele, Branch and E- banking facilities offered by SIB, 38% agree to the same, 26% of respondents gave a neutral response to the statement, 8% of respondents disagreed to this statement.

Figure 4.13 Showing satisfaction level in ATM, Tele, Branch and E-banking facilities offered by SIB



(Source:Surveydata)

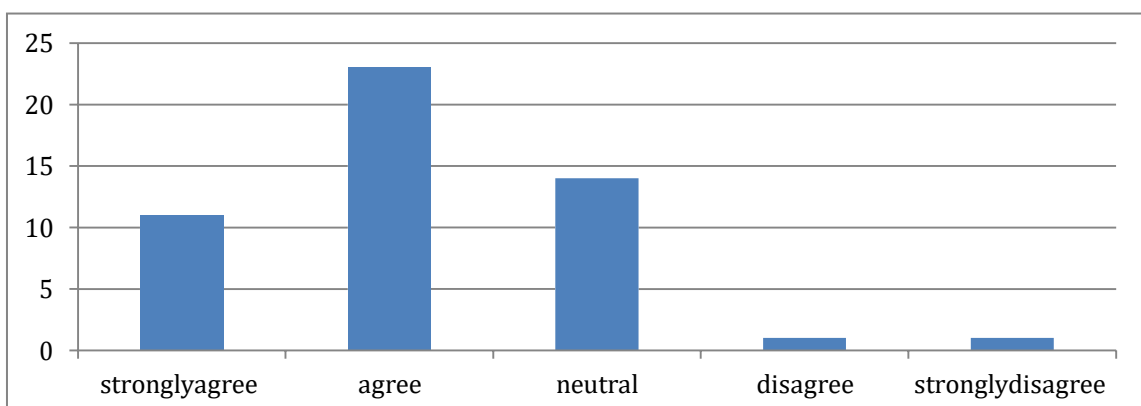
Table 4.14 Showing satisfaction level in services charges

Response	No. of persons	Percentage
Strongly Agree	11	22%
Agree	23	46%
Neutral	14	28%
Disagree	1	2%
Strongly disagree	1	2%
Total	50	100%

(Source: Survey data)

Interpretation : From the above table we can understand that around 22% of respondents are satisfied in the services charges of SIB, 46% agree to the same, 28% of respondents gave a neutral response to the statement, 2% of respondents disagreed to this statement and 2% strongly disagreed to it.

Figure 4.14 Showing satisfaction level in services charges



(Source: Survey data)

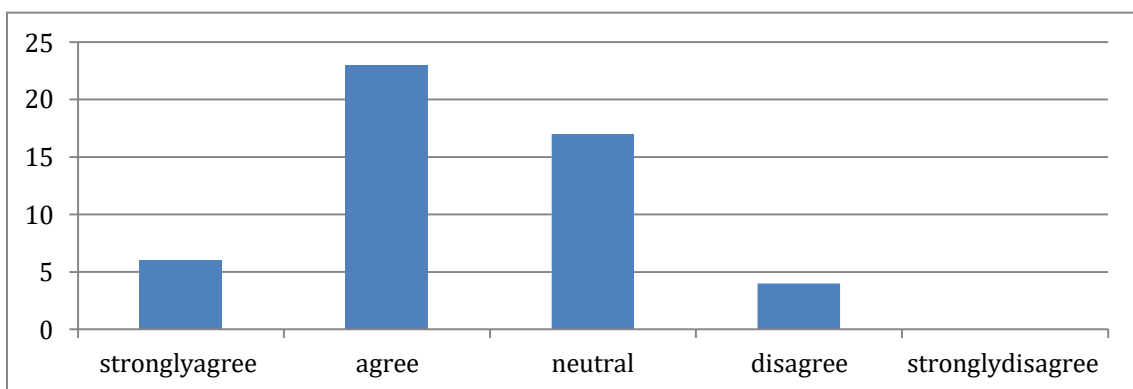
Table4.15 ShowingsatisfactionlevelinDepositsinterestrates

Response	No.ofpersons	Percentage
StronglyAgree	6	12%
Agree	23	46%
Neutral	17	34%
Disagree	4	8%
Stronglydisagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 12% of respondents are satisfied in the Deposits interest rates offered by SIB.46% of the respondents agree to the same, 34% expressed a neutral opinion and 8% disagreed to the same.

Figure4.15 ShowingsatisfactionlevelinDepositsinterestrates



(Source:Surveydata)

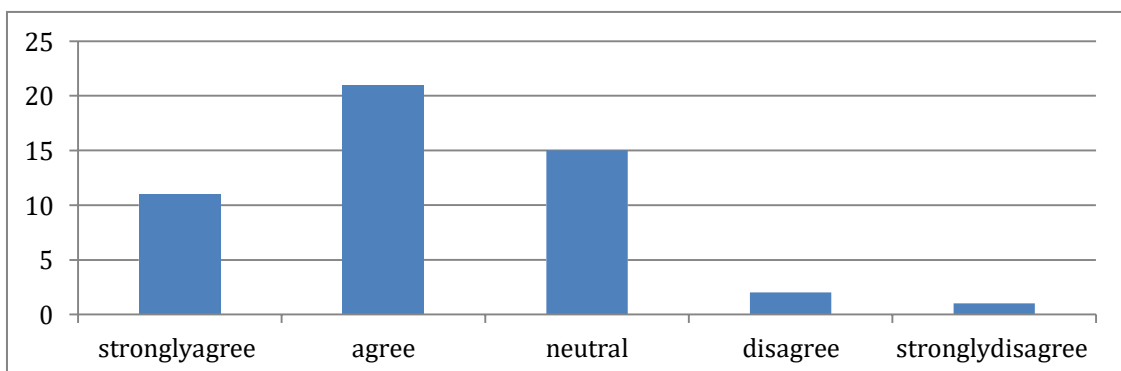
Table 4.16 showing satisfaction level in Credit facilities and its interest rate

Response	No.ofpersons	Percentage
Strongly Agree	11	22%
Agree	21	42%
Neutral	15	30%
Disagree	2	4%
Strongly disagree	1	2%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 22% of respondents are satisfied in the Credit facilities and they feel that it's reasonable and fair. ,42% agree to the same,30% of respondents gave a neutral response to the statement,6% of respondents disagree to this statement.

Figure 4.16 showing satisfaction level in Credit facilities and its interest rate



(Source:Surveydata)

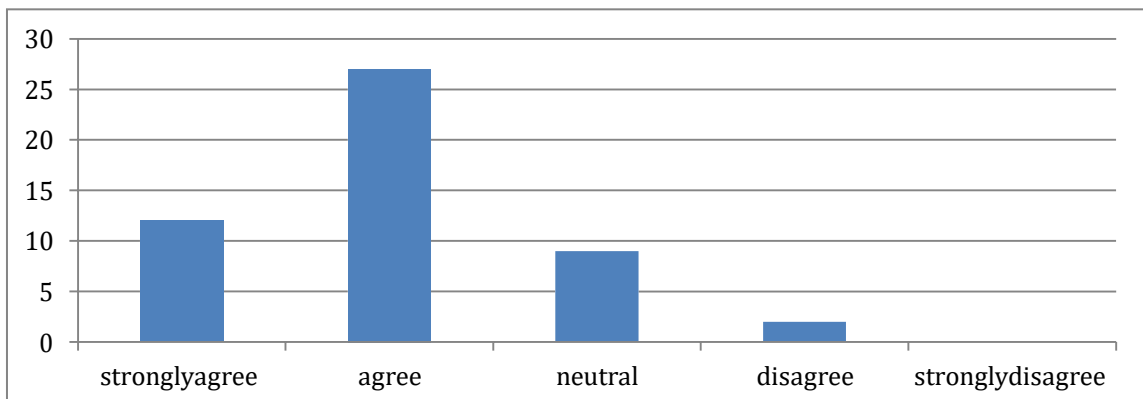
Table 4.17 Showing satisfaction level in Banking procedures and other formalities

Response	No.ofpersons	Percentage
Strongly Agree	12	24%
Agree	27	54%
Neutral	9	18%
Disagree	2	4%
Strongly disagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation: From the above table we can understand that around 24% of respondents are satisfied in the Banking procedures and other formalities, 54% agree to the same, 18% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.

Figure 4.17 Showing satisfaction level in Banking procedures and other formalities



(Source:Surveydata)

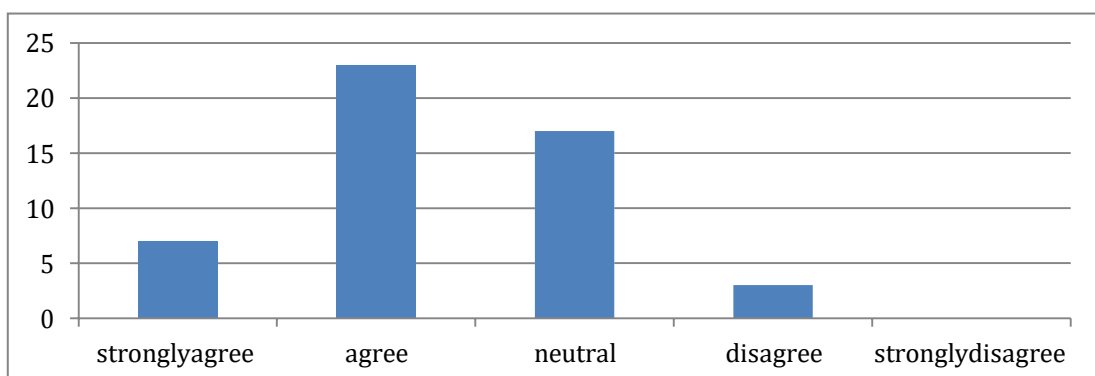
Table 4.18 Showing satisfaction level in the speediness of transaction/sanctioningofloanetc.

Response	No.ofpersons	Percentage
StronglyAgree	7	14%
Agree	23	46%
Neutral	17	34%
Disagree	3	6%
Stronglydisagree	0	0%
Total	50	100%

(Source:Surveydata)

Interpretation :From the above table we can understand that around 14% ofrespondents are satisfied in theTransaction/sanctioningofloan etc. and feelthat it is very fast, 46% agree to the same, 34% of respondents gave a neutralresponseto thestatement,6%ofrespondentsdisagreed tothis statement.

Figure4.18 Showing satisfaction level in the speediness of transaction/sanctioningofloanetc.



(Source:Surveydata)

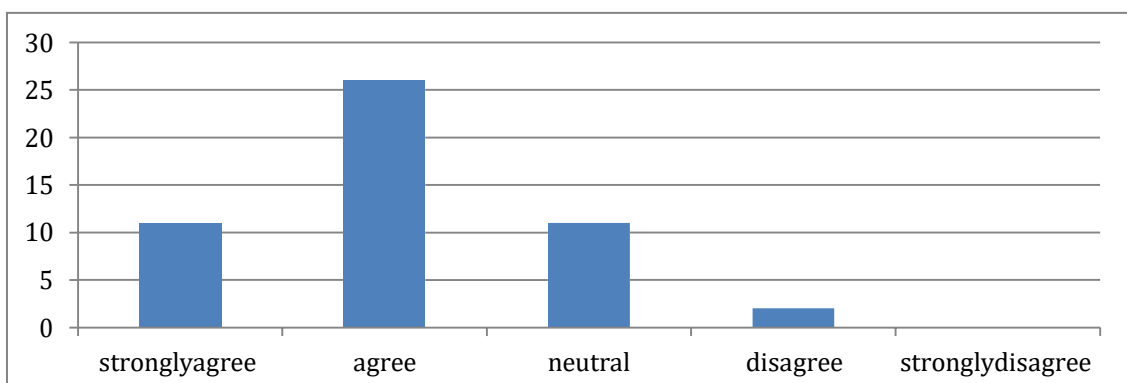
Table 4.19 Showing satisfaction in the accessibility and working condition of ATMs of SIB

Response	No. of persons	Percentage
Strongly Agree	11	22%
Agree	26	52%
Neutral	11	22%
Disagree	2	4%
Strongly disagree	0	0%
Total	50	100%

(Source: Survey data)

Interpretation: From the above table we can understand that around 22% of respondents are satisfied stating ATMs are easily available and in working condition mostly, 52% agree to the same, 22% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.

Figure 4.19 Showing satisfaction in the accessibility and working condition of ATMs of SIB



(Source: Survey data)

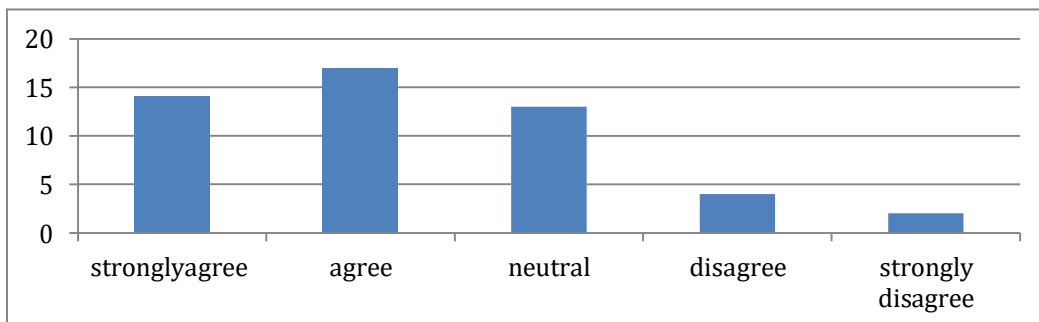
Table 4.24 showing satisfaction level regarding the banking facilities like Core/Net/Mobile banking

Response	No. of persons	Percentage
Strongly Agree	14	28%
Agree	17	34%
Neutral	13	26%
Disagree	4	8%
Strongly disagree	2	4%
Total	50	100%

(Source: Survey data)

Interpretation: From the above table we can understand that around 28% of respondents are satisfied in Core / Net / Mobile banking facilities and feel that they are user friendly, 34% agree to the same, 26% of respondents gave a neutral opinion to the statement, 8% of respondents disagreed to this statement and 4% strongly disagree to it.

Figure 4.24 showing satisfaction level regarding the banking facilities like Core/Net/Mobile banking



(Source: Survey data)

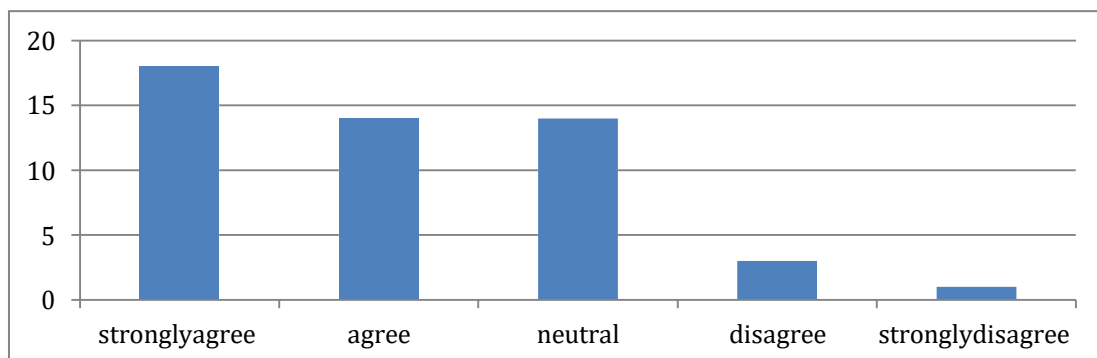
Table 4.21 Showing satisfaction level related to Money transfers facilities-RTGS,EFT,andEPS

Response	No.ofpersons	Percentage
Strongly Agree	18	36%
Agree	14	28%
Neutral	14	28%
Disagree	3	6%
Strongly disagree	1	2%
Total	50	100%

(Source:Surveydata)

Interpretation :From the above table we can understand that around 36% of respondents are satisfied in the Money transfers facilities- RTGS, EFT, andEPS,28% agree to the same, 28% of respondents gave a neutral response to the statement, 6% of respondents disagreed to this statement and 2% strongly disagree to it

Figure 4.21 Showing satisfaction level related to Money transfers facilities-RTGS,EFT,andEPS



(Source:Surveydata)

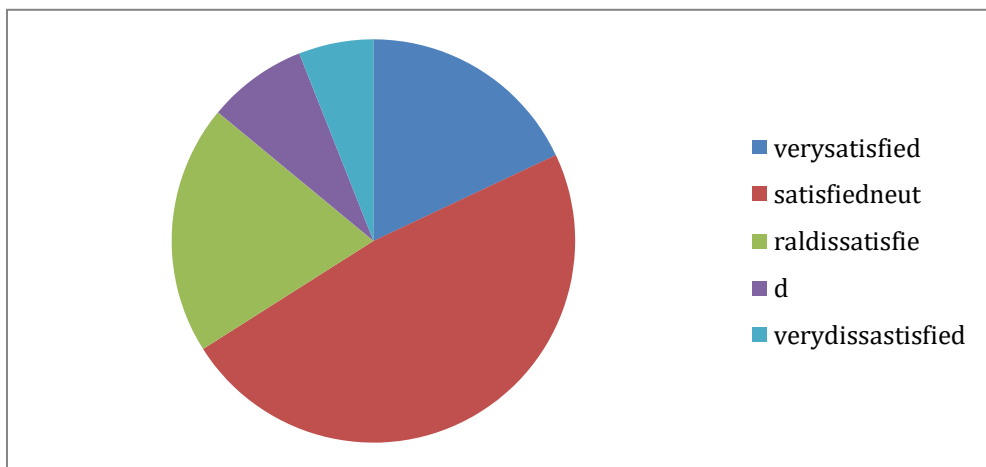
Table 4.22 showing the overall customer satisfaction level in banking services of SIB

Response	No. of persons	Percentage
Very satisfied	9	32%
Satisfied	24	48%
Neutral	10	20%
Dissatisfied	4	0%
Very dissatisfied	3	0%
Total	50	100%

(Source: Survey data)

Interpretation: From the above table we can understand that 32% of customers are very satisfied, 48% of customers are satisfied, 20% of customers are neutral and none of them are dissatisfied in the banking services provided by SIB.

4.22 Figure showing the overall customer satisfaction level in banking services of SIB



(Source: Survey data)

CHAPTER
5 FINDINGS, SUGGESTIONS AND
CONCLUSIONS

FINDINGS

1. Among the respondents 56% of the respondents are female and 44% are male.
2. It was found that among the respondents 20% were from the age group of 18 to 29 years old, 28% were from the age group of 30 to 39 years old, 26% were from the age group of 40 to 49 years old, 18% were from the age group of 50 to 59 years old, 8% were above 60 years.
3. Among the respondents around 38% of customers are having savings accounts, 28% of customers are having current accounts, 22% of customers are having credit accounts, and 12% of customers are having other deposits.
4. It was found that around 30% of respondents are satisfied in the accuracy of information provided in the Brochures and Notice Boards of SIB, 42% agree to the same, 24% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.
5. Majority of the customers are satisfied in the Passbook, Debit/ Credit cards, chequebook, etc provided by SIB. Only 4% of respondents showed dissatisfaction in the same.
6. It was found that around 28% of respondents are satisfied in the accessibility of Operating counters, 34% agree to the same, 34% of respondents gave a neutral response to the statement, 4% of respondents disagreed to this statement.
7. Among the respondents around 38% of respondents feel that the equipment and fixtures of SIB are modern looking., 38% agree to the same, 24% of respondents gave a neutral response to the statement.
8. It was found that majority of customers feel that the employees of SIB are capable to create a confidence in the minds of the customers regarding the banking services provided by them.
9. It was found that majority of customers feel that the operating hours of SIB is convenient to them.
10. Among the respondents around 16% of respondents are satisfied in the Banking procedure and feel that it is hassle free, 44% agree to the same, 32% of

respondents gave a neutral response to the statement, 6% of respondents disagreed to his statement and 2% strongly disagree to it.

11. among the respondents around majority are satisfied in the timeliness of services offered by SIB.

12. Majority of the respondents feels that the employees of SIB are the friendly and courteous.

13. It was found that among the respondents around 28% of respondents are satisfied in the ATM, Tele, Branch and E- banking facilities offered by SIB, 38% agree to the same, 26% of respondents gave a neutral response to the statement, 8% of respondents disagreed to this statement.

14. Around 22% of respondents are satisfied in the services charges of SIB, 46% agree to the same, 28% of respondents gave a neutral response to the statement, 2% of respondents disagreed to this statement and 2% strongly disagree to it.

15. It was found that around 12% of respondents are satisfied in the Deposits interest rates offered by SIB. 46% of the respondents agree to the same, 34% expressed a neutral opinion and 8% disagreed to the same.

16. It was found that around 22% of respondents are satisfied in the Credit facilities and they feel that it's reasonable and fair. 42% agree to the same, 30% of respondents gave a neutral response to the statement, 6% of respondents disagreed to this statement.

17. Majority of the respondents are satisfied in the Banking procedures and other formalities of SIB.

18. Most of the respondents are happy and satisfied in the speediness of transaction/sanctioning of loan etc.

19. Most of the respondents are happy and satisfied in the accessibility and working condition of ATMs of SIB

20. It was found that around 28% of respondents are satisfied in Core / Net / Mobile banking facilities and feel that they are user friendly, 34% agree to the same, 26% of respondents gave a neutral opinion to the statement, 8% of respondents disagreed to this statement and 4% strongly disagree to it.

21. It was found that around 36% of respondents are satisfied in the Moneytransfersfacilities-

RTGS,EFT,andEPS,28%agreetothesame,28%ofrespondentsgaveaneutralresponsetothestatement,6%ofrespondentsdisagreedtothisstatementand2%stronglydisagreeoit

22. Most of the respondents of this study are happy and satisfied in theoverallservicesprovidedbySIB.

SUGGESTIONS

1. It is advisable to South Indian bank to concentrate more on their technology part, since banking industry is becoming competitive day by day.
2. Bank can adopt new techniques of promotion to create awareness about plans to users.
3. The bank can come up with some attractive schemes to attract more customers

CONCLUSION

Bank's customers come from different strata of the society. They represent ultra rich, rich, upper middle class, lower middle class, poor, highly educated, educated, adequately educated, illiterate aged, grown-ups, youth, children, white collared, blue collared, daily wage earners, agriculturists, big corporate, small scale industrialists, professionals, self-employed persons, housewives, etc. These customers again come from different cultural and social background. Each customer has his attitudes and expectations influenced by his cultural and social background. So it is essential for all banks to keep their customers satisfied irrespective of the type.

This study investigated the customer satisfaction in banking services of south Indian bank. From the findings it can be concluded that the South Indian Bank is keeping their customers satisfied in different aspects like physical facilities, technology, banking formalities and procedures, interest rates, online banking facilities, etc. The overall satisfaction level of customers in SIB bank is fair enough, though bank need to focus more on the promotional and marketing area.

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APPENDIX

Survey Questionnaire: A study on customer satisfaction in banking services with special reference to south Indian bank.

Age

A, 18-29

B, 30-39

C, 40-49

D, 50-59

E, above 60

Gender A,

Male B, Female

male

Type of account A,

Savings account B,

Current account C,

Credit

account D, Other deposit

posit

How long you have been a customer of south Indian bank?

A, < 2

years B, 2-

4 years

C, 4 - 6

years D, > 6 years

ars

Would you recommend south Indian bank to your friends/relatives?

A,

yes B,

no

A, PHYSICAL FACILITIES

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
Brochures, Notice Board, provision of information					
Passbook, Debit/Credit cards, chequebook, aesthetically appealing					
Operating counters are easily accessible					
Bank has modern-looking equipment and fixtures					
Basic amenities					

facilities(Drinkingw ater& Toilets).					
--	--	--	--	--	--

B. SERVICEQUALITY

	StronglyAgre e	Agree	Neutral	Disagree	StronglyDisa gree
Theemploye esinstillingc onfidenceint heir customers					
Operatingho ursareconve nienttocusto mers					
Bankingpro cedureishass lefree					
Providingth eserviceatth etimetheser vicewas promised					

Employees who sincerely interest in solving customers' problems					
Bank staff is friendly and courteous					

C. SERVICE PRODUCT

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Easy ATM, Tele, Branch and E-banking.					
Fair services charges.					
Deposits interest rates are fair and competitive					
Credit facilities – available at reasonable interest rate					

D. SERVICE DELIVERY

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Banking procedures and formalities are easy.					
Transaction/sanctioning on a loan etc. are very fast					
On the spot Issuing demand draft and cheque clearance					
ATMs are easily available in working condition					
Bank staff's problem solving attitudes					

E. TECHNOLOGY

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ATM/ Creditcard/ Debitcards facilities are good					
Core/Net / Mobile banking facilities are easy					
Money transfer facilities- RTGS, EFT, and EPSa are accessible					
SMS/ email/call received instantly after any transaction					

How far are you satisfied with the current services of the bank?

A, Very satisfied B,

Satisfied

C, neutral

D, Dissatisfied

E, very Dissatisfied

**A FIELD PROJECT REPORT
ON
E-RECRUITMENT: A NEW VERSION OF HUMAN RESOURCE MANAGEMENT**

Submitted to department of management studies in partial fulfillment of
MASTER OF BUSINESS ADMINISTRATION

Submitted by

(J ANANTHA, SYED KARISHMA KAREEM, M ELINA, G RESHMA, T KEERTHI)

(221FC01095, 221FC01096, 221FC01097, 221FC01099, 221FC01100)

UNDER THE GUIDENCE OF

Dr. Y. Srinivasa Rao

Assistant Professor



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

VFSTR DEEMED TO BE UNIVERSITY

VADLAMUDI, GUNTUR DISTRICT

ANDHRA PRADESH INDIA- 521113

APRIL-2023



VIGNAN'S

Foundation for Science, Technology & Research

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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **A FIELD PROJECT REPORT ON E-RECRUITMENT: A NEW VERSION OF HUMAN RESOURCE MANAGEMENT** submitted by **J Anantha, Syed Karishma kareem, M Elina, G Reshma, T Keerthi** bearing the **Regd. No. 221FC01095, 221FC01096, 221FC01097, 221FC01099, 221FC01100** from the Department of Management Studies, Vignan's Foundation for Science Technology and Research deemed to be University and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

SIGNATURE OF THE GUIDE

HOD/MBA

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ABSTRACT

The first step of E-recruiting was the addition of online career option on corporate websites itself. It has now become an effective tool for organization to raise talented workforce and the development and the maintenance of HR data base. The process of finding and hiring the best-qualified candidate for a job opening in a timely and cost effective manner. Many organizations have already implemented E-recruitment process for posting jobs and accepting resumes on internet and corresponding with applicants through e-mails. For the purpose of this research of survey was taken by at least 70 respondents who are under the interest of E-recruitment process. The data will be gathered by through questionnaire. The primary data will be collected from and this data will be analyzed through simple average method and weighted average method and chi-square method.

Keywords: E-recruiting, perceptions, job seekers, online recruiters

CHAPTER 1

INTRODUCTION

E-recruitment, famously known as online enrollment, is the act of utilizing innovation and explicitly electronic assets for process associated with finding, pulling in, evaluating, meeting and acquiring new work force. The point of e-recruitment is to make the procedures included progressively proficient and powerful, just as more affordable. Online recruitment can arrive at a bigger arrangement of potential workers and encourage the determination procedure .E-recruitment has been an issue of enthusiasm in the course of recent years. Web is considered as the most recent method of employing. It is a sort of upheaval in the realm of recruitment. The term online recruitment, e-recruitment or web selecting, infer the formal sourcing of occupation data on the web. We can locate the underlying hints of E-recruitment showed up in articles of the mid-1980s. E-recruitment can be extensively isolated into two sorts: corporate site for enrollment and business employments sheets, (for example, monster.com, naukri.com and so on) for posting work ads. Presently a days, workers take help of private or open offices, to land their fantasy position and simultaneously it decreases the time and cost of the associations moreover. In any case, we should acknowledge the way that progression of advances made a lot simpler for the worldwide HR supervisors not exclusively to accept on organizations yet additionally they accept on Web. E-recruitment is utilizing data innovation for recruiting the representatives, to arrive at the majority and to spare time. E-recruitment falls under E-HRM. It's totally on the businesses that how to take the entire idea of e –recruitment further.

What is e-recruitment?

An online service for potential candidates to:

- Search for jobs
- View job details
- Apply for jobs
- Monitor progress of their application
- Arrange interviews
- Receive and accept offer
- On –boarding
- Give feedback

An online service for recruiters to:

- Build a vacancy
- Approve a vacancy
- Advertise a vacancy
- Links with job boards
- Facebook/ twitter etc
- Monitor applications
- Shortlisting
- Arranging interviews
- Making appointments
- On-boarding

Definition: The **E-Recruitment**, also called as **Online Recruitment**, is the process of hiring the potential candidates for the vacant job positions, using the electronic resources, particularly the internet.

Nowadays, companies make use of the internet to reach a large number of job seekers and hire the best talent for the company at a less cost, as compared to the physical recruitment process. E-Recruitment includes the entire process of finding the prospective candidates, assessing, interviewing and hiring them, as per the job requirement. Through this, the recruitment is done more effectively and efficiently.

Generally, the job vacancies are advertised on the World Wide Web (www), where the applicants attach their CV or resume, to get recognized by the potential recruiters or the employers.

The companies undertake their online promotional activities via their official websites, wherein the complete information about the corporation is enclosed. Through this information, the prospective candidate could decide whether to be a part of a firm or not. Thus, the firm's official website is considered to be an essential element of E-Recruitment.

Advantages of E-Recruitment

- a. Lower costs to the organization. Also, posting jobs online is cheaper than advertising in the newspapers.
- b. No intermediaries.
- c. Reduction in the time for recruitment (over 65 percent of the hiring time).
- d. Facilitates the recruitment of right type of people with the required skills.
- e. Improved efficiency of recruitment process.
- f. Gives a 24 X 7 access to an online collection of resumes.
- g. Online recruitment helps the organizations' to weed out the unqualified candidates in an automated way.
- h. Recruitment websites also provide valuable data and information regarding the compensation offered by the competitors etc. which helps the HR managers to take various HR decisions like promotions, salary trends in industry etc.

Disadvantages of E-Recruitment

- a. Screening and checking the skill mapping and authenticity of millions of resumes is a problem and time consuming exercise for organizations.
- b. There is low Internet penetration, no access and lack of awareness of internet in many locations across India.
- c. Organizations cannot depend solely on the online recruitment methods.
- d. In India, the employers and the employees still prefer a face-to-face interaction rather than sending e-mails.

Common recruiting challenges

1. Attracting the right candidates

If you've ever tried to discover the right candidate in a pool full of unqualified talent, you'll know that your options are limited. You'll choose the best person you can find at the time—not the best fit for the job. But it's not always about the number of candidates who apply; the best way to hire the right people is often from a smaller pipeline of more qualified talent.

Tip: Be clear about the requirements in your job ads and give a concise view of the role. Use an application form with 'knock-out' questions to directly address your key concerns. For example, need someone with a clean driving license? Include a yes/no question asking candidates if they have one. It's a fast way to screen out people who aren't right for the role.

2. Engaging qualified candidates

Good candidates are often contacted regularly by recruiters, making it harder for your own email to stand out. In addition, candidates with hard-to-find skills are often considering several job offers at the same time. You need to put extra effort into persuading passive candidates to choose your company over your competitors.

Tip: Before contacting a passive candidate, research what motivates them and what makes them happy in their job. With this knowledge, personalize your sourcing emails to describe what you can offer them instead of what they can do for your company.

3. Hiring fast

Hiring teams want to hire as fast as possible, because vacant positions cost money and delay operations. Yet, depending on your industry, making a hire can take several months putting pressure on recruiters and frustrating hiring teams. A long time to hire may be a byproduct of a shortage of qualified candidates. The hiring process may be too long or hiring teams might struggle to reach a consensus, resulting in the best candidates finding jobs elsewhere.

Tip 1: Look at your hiring process and ask yourself: are all the hiring stages really required? Are we looking in the right places to fill our candidate pipelines? Do we communicate quickly with candidates and with each other? All these questions can be answered with the help of recruiting metrics from your Applicant Tracking System (ATS).

Tip 2: Sometimes long time to hire is natural when you're hiring for hard-to-fill roles. Explain that to the hiring teams and set expectations early on. Let them know what a realistic timeline is and highlight the importance of hiring carefully for roles where a bad hire could cost a lot of money.

4. Using data-driven recruitment

Companies can use recruitment data and metrics to constantly improve their recruiting process and make more informed decisions. But collecting and processing data can be a hassle. Spreadsheets are one way to track hiring data but they require manual work, are prone to human error—and they're not compliant. This makes it hard to track data and trends accurately. Hiring teams need ways to compile and organize data in an efficient and streamlined way.

Tip: You can store data and export helpful reports using systems like an ATS, Google Analytics or recruitment marketing software. You don't need to track every recruiting metric there is. Have a conversation with senior management to settle on a few metrics that make sense to you and your company.

5. Building a strong employer brand

A good employer brand helps you attract and engage better candidates. Organizations that invest in employer branding are three times more likely to make a quality hire. Yet, it's a complex process that includes anything from ensuring a positive candidate experience to promoting your culture on social media. It's a continuous, collective effort that requires you to step out of your usual duties and secure buy-in from your coworkers.

Tip: Always reply (courteously) to online reviews – bad and good. Give your coworkers the means to tell their story about their work and what they like (for example, through blogs and videos). And above all, be a good employer and it'll show.

6. Ensuring a good candidate experience

Candidate experience isn't only important for employer branding, but it's also a factor when your best candidates are evaluating your job offers. The way you treat candidates during the hiring process mirrors the way you'll treat them after hiring. If they had a bad experience, they're less likely to accept. Conversely, positive candidate experiences can enhance your employer brand and encourage good candidates to apply and accept your job offers.

Tip 1: Set expectations for communication: tell candidates when they should expect to hear from you and, if you have an ATS, set reminders and use email templates to follow through with that promise. Don't leave them in the dark throughout the hiring process.

Tip 2: Coordinate well with candidates. If you're scheduling an in-person interview, give them all necessary information (like who to ask for and what to bring). Explain what they should expect from the interview and what the next steps are. Inform reception they're coming and don't let them wait in the lobby.

7. Recruiting fairly

Many companies struggle to attract and hire diverse candidates and unconscious biases are often the reason. Apart from your legal obligations to provide equal opportunities, hiring objectively is good for business because it helps you hire the best person for the job without stereotypes interfering. This will result in an inclusive workplace showing potential candidates that you're a meritocracy and allowing you to benefit from diversity's positive effects.

Tip: Implement objective hiring techniques like structured interviews and 'blind' hiring software like Gap Jumpers.

8. Creating an efficient recruiting process

Hiring teams need to communicate fast, evaluate candidates easily and know what's going on every step of the way. Recruiters are tasked with coordinating all this communication and it's not always a breeze. Especially if recruiters' relationship with hiring managers is strained. Also, administrative tasks (like scheduling interviews) often take away valuable time that recruiters could have used in coordinating the hiring process and ensuring good candidate experience.

Tip: Consider investing in an ATS that helps your team coordinate and see the status of the hiring process at a glance. This system will let your team leave evaluations and view each other's comments. And, it'll ease some of the administrative tasks via built-in email templates, calendar integrations and more.

The best recruitment methods to overcome common challenges

- **Build a talent pool**

Talent pipelines are groups of candidates you've already engaged who can fill future positions in your company. This can help you reduce time to hire and recruiting costs, because you'll already have qualified, pre-screened candidates in line when a role opens. To build talent pipelines:

Look into past hiring processes for candidates who advanced to the final stages or source new candidates. Past candidates are obviously qualified; while new ones will help you build a more comprehensive and diverse candidate database. You could also consider candidates who reached out to your company by sending their resumes. When candidates are EU residents, make sure you follow the data protection laws like GDPR.

Engage past and passive candidates. Your pipelines are stronger if candidates know you're considering them and if you're staying in touch. Let them determine how often you'll communicate with them, either via in-person meetings or by sending them useful content and information.

- **Train hiring teams**

Even experienced hiring managers and interviewers may need to level up their hiring skills. Combating biases is a common reason to train hiring teams, but coaching them on interview questions to ask or how to build rapport with candidates are also important. Here are a few ideas to train hiring teams:

Instruct interviewers on how to prepare for interviews. Giving them a checklist will be helpful.

Encourage them to take Harvard's Implicit Association Test to identify their hidden biases. Educating them on how biases work is also a good idea.

Arrange mock interviews. This will be especially useful for inexperienced interviewers.

Disseminate recruiting resources. Ask each hiring team member whether they'd be interested in receiving interesting articles or videos with hiring advice. Set expectations of the amount they'll need to read, for example, send an article once a month.

- **Diversify your recruiting strategies**

It's good to advertise on a job board that you know brings good candidates. But leaving it at that is a missed opportunity to create a truly powerful hiring process. Consider:

Using social media to post your jobs or promote your company.

Showcasing your culture, benefits and employee stories in your careers site to encourage more applicants.

Attending job fairs and host recruiting events whenever possible.

Using tools like People Search to source candidates based on location, skills and other job-related criteria.

- **Invest in an ATS**

An ATS can streamline your hiring process by making it possible for your hiring team to collaborate and keep all candidate data in one place. A good ATS also has:

Reporting capabilities, which can help you, extract useful insight from your past processes to improve the future ones.

Scheduling tools and calendar integrations, which can help you schedule phone screens and interviews fast and minimize back-and-forth communications.

Built-in templates, which help you post job ads and send emails to candidates fast, without writing the text from scratch every time.

Interview scorecards, which can make the shift towards structured interviews smoother.

Assessment integrations, which help you, evaluate candidates more objectively.

All these features (and more) power up your hiring and help you make faster and better hiring decisions.

Summary:

What are the key messages from our research? In examining the findings, the key message for recruiters is to acknowledge that the adoption of e-recruitment is about more than just technology. It is about the recruitment system being able to attract the right candidate, the selection process being based on sound and credible criteria, and the tracking process being able to integrate with existing systems. Perhaps most significantly, e-recruitment is about cultural and behavioural change, both within HR and at line management level. From our evidence, we suggest that for e-recruitment to deliver, it is about developing the capability of HR to facilitate the system and to view the staffing process as an end-to-end process, similar to that of a supply-chain.

The real strength and power of online recruitment, when done properly, lie in utilizing internet technology to not just attract candidates but to deal with them too. In this sense it is also about rationalizing the recruitment process -so busy HR departments can give a better recruitment service to their colleagues in finance, marketing, sales and manufacturing. E-Recruitment is present as well as a bright future of recruitment industry that will keep growing year after year. With lots of positive traits it has some limitations like problem in rural India, problem with less educated population, strong belief and trust towards face to face interview to name a few, but if we look at the bright side of the story these problems are very little and will surely be gone by the power of education.

CHAPTER 2

REVIEW OF LITERATURE

E-Recruitment formally refer to sourcing of jobs online (Ganalaki, 2002). E-Recruitment popularly known as online recruitment with the help of which the job seekers can send their CV's directly to the employer through electronic means and on the other end the employer will receive the CV of the job seekers and can filter it from the other respective candidate's CV's (Finn, 2000). By introducing the software like "active recruiting" it is now becoming much easier for the employer to trace the deserving candidate for a particular profile, it is now much easier. It has been a matter of argument that online recruitment cannot replace the traditional way of recruiting but a well implemented online recruitment can help the organization to make it much more easier (Caggiano, 1999 & Borck, 2000).

Hada and Gairola (2015) in their research clearly reported that Today's world is technology based world and we can feel its presence in each sphere of our lives. Concept of internet has changed our lives tremendously and it has also changed people's approach towards their work. Now the entire world is just a click away from us and we can connect with individuals in any part of the world.

Oswal and Narayanappa (2014), this research states that by online job opening, candidate have a better chance to go through company profile and understand the organizations vision and goals and analyses with their areas of interest. Online recruitment widens the scope and area of talent research for human resource department. Even with organization intranet, managers could go through existing employee's records for internal recruitment process. Even employees can go find out any job openings".

Dhamija (2012) in her paper she said that it is more important to get the best and most appropriate candidate in one's human capital rather than selecting the best among those who had applied for the job. From this we can understand that we must not completely rely on e- recruitment and it cannot be considered as the only source of recruitment, infact it should blend with traditional method of recruitment when and wherever required in order to get the best talent.

Kapse (2012) this article about E recruitment stated that online recruitment has lot of advantages to companies like low cost, less time, quick, wider reach, better match and with this they have pointed out some of the disadvantages of online recruitment like scrutinizing applications, lack of awareness regarding internet in India in some places and they said that employers want to have face to face interaction with candidates.

Caggiano (1999) & Borck (2000) it has been argued by them that internet-based recruiting will not replace traditional practices in recruiting but a well- implemented e-recruitment strategy can help the recruitment process become more successful .

Avinash S. Kapse, Vishal S. Patil, Nikhil V. Patil (2012) deliberated that E- Recruitment is the use of technology to assist the recruitment process. They advertise job vacancies through worldwide web. The job seekers send their applications or curriculum vitae i.e. CV through e mail using the Internet. Alternatively job seekers place their CV's in worldwide web, which can be drawn by prospective employees depending upon their requirements. This article also insists that Job Portals are the most popular and widely used tool by companies and recruitment teams to facilitate the smooth flow of recruitment process in the competitive world. Job Portals provide a platform for the employers to meet the prospective employees. This system will help for betterment of traditional recruitment with less time and cost and will act as platform for both job seeker to search the job

and corporate sector to hire appropriate candidates. Linda Barber (2006)[6] examined the benefits and challenges of Internet recruiting from Institute for Employment Studies (UK). He explained that organizations

currently focus most of their attention and efforts at the front end of the recruitment process and most of them use it to provide and promote information about the company, advertise positions and receive CV's electronically. This has explored key aspects of the recruitment journey for consideration by those who may be contemplating e-recruitment or those who are already further down the road and have already moved recruitment online. The article concludes that access to a wider pool of applicants and promotion of a company's reputation and brand are frequently mentioned by HR specialists who analyze the strengths of the e-recruiting.

Ashok Kumar and Priyanka (2014) conducted a study to understand the factors influencing the e-recruitment process. The study was conducted by administering questionnaire to a sample of 400 graduating students in different universities in Bahrain. The framework used to understand the acceptance of e-recruitment is Technology Acceptance Model (TAM) which has been used according to the goal of the research work. The sample for this study was the final year university students from the Kingdom of Bahrain. The sampling method selected was convenient sampling. The data from the respondents was collected using a questionnaire. Statistical tools like simple percentages, mean, standard deviation, multiple regressions, factor analysis and path analysis was used to analyze the data. The sample size was 400 and data collected through questionnaires distributed among students. The questionnaire was based on five-point Likert Scale. The study found a significant relationship between perceived usefulness (PU), Attitude towards usage (ATU) and behavioral intention (ITU) to use the e-recruitment System. This study is a step towards examining students' perceptions of usage of an e-recruitment system that informs their attitude towards usage and their behavioral intention to using the system.

Sylvia and Mol (2009) examined the perceptions of applicants towards web-based procedures. There were 1,360 respondents who were applicants for jobs in multinational financial services organizations in the United Kingdom, the Netherlands, and Belgium. With respect to the demographics, it was disclosed that external applicants (as opposed to the internal applicants), Belgian (as opposed to Dutch), and Internet savvy (as opposed to less savvy) candidates were more satisfied with the online application procedure. It was also revealed that the features of the website, perceived efficiency, and user friendliness were the most important determinants of applicant satisfaction.

Williams (2009) on E-recruitment showed dwindling recruitment spends focused on web-based recruitment at the expense of traditional methods. The author also reported that online methods proved far more popular, as two-thirds (66 per cent) of the HR professionals surveyed said that the jobs section of their own company's website was used as a recruitment tool for most jobs.

Dr. A J du Plessis(2012) This article focuses on the background of the 'conventional' or 'old' way of recruiting, it reviews different 'new' ways; e-recruiting and its effectiveness; advantages such as accessibility and disadvantages such as transgression of some legislation in e-recruiting and the impact it has on management.

Ms. D Shahila (2013) The study helps to analyse the overall trends in e-recruitment use and practice, e-recruitment methods, E-Recruitment Challenges and issues of ERecruitment and its increasing scope in the recruitment process of a company. And also discuss the main success factors of e-Recruitment are the value-added services provided by the job sites, cost effectiveness, speed, providing customised solutions, helping to establish relationships with HR managers and facilitate brand building of the companies.

CHAPTER 3

RESEARCH METHODOLOGY

Over view of research problem:

Exploratory and Qualitative research approach is selected for this research and various articles, research papers have been studied in this regard.

1. The corporate website: The corporate website of the organization is generally used for posting a job through a link for career options where the potential candidates can look for the current openings, eligibility criteria and other relevant details. On company's website, human resource department has a choice of posting the vacancies freely and indicate the career path expected after joining the organization. The corporate websites attracts only the interested candidates towards itself. For attracting other candidates, other channels can be used.

2. Commercial job portals or job boards: The company can use job portals (like www.nukari.com, www.timesjob.com, www.monsterindia.com, etc_) for posting the job advertisements and search for talented candidates . for candidates looking out for job it is easier to go through number of openings at one platform that is commercial job portals , whereas it is time consuming to visit individual websites of organizations and most of the times candidates did not get to know about the openings if not visited regularly. Job portals emerged as a solution to this problem.

3 . To test these hypotheses, an empirical study was carried out, using a questionnaire. The questionnaire used for this study of a close-ended type and includes 17 questions. Some responses are based on five value Likert scale to indicate attitudinal aspects of SME executives toward e-recruitment systems, and the remaining are simple multiple choice questions which have been organized into a seven page questionnaire. The responses of the sampled SME executives were evaluated using SPSS software and a set of variables were identified and evaluated to form a statistical picture of the responses to the questionnaire. For data collection method, In order to minimize the costs of data collection and also to cope with time constrains, it was decided to use an e-mail approach, as this seemed an effective, quick, and easy way to access SME executives. The sampling method in choosing the participants for this study was a simple random sample. In addition, in this study, a sample of 60 SMEs was selected across the three economic sectors examined agriculture services and manufacturing .

OBJECTIVES OF THE STUDY:

- Create a talent pool of candidates to enable the selection of best candidates for the organization.
- Increase the large number of job candidates at minimum cost .
- Recruit right people who will fit for organizations culture and contribute to the organization goal.
- Build positive impression of the recruitment process .
- Begin identifying and preparing .

Future Research Areas

Several areas can stem-out from the results generated from this study, such as:

- The potential future research areas in this domain can be an analysis of the public sector organizations .
- More importantly, a comprehensive study that discusses the possibility of implementing complete HR Management Information Systems in companies can also be conducted.
- Likewise, the impact of E-Recruitment on Effectiveness of HR Department could be compared between Private and Public sector or service industry and manufacturing industry or large and small industries.
- Further research on employer behavior towards technology adoption is also a very important area of research.
- This study can also be replicated with a bigger sample size .

Scope

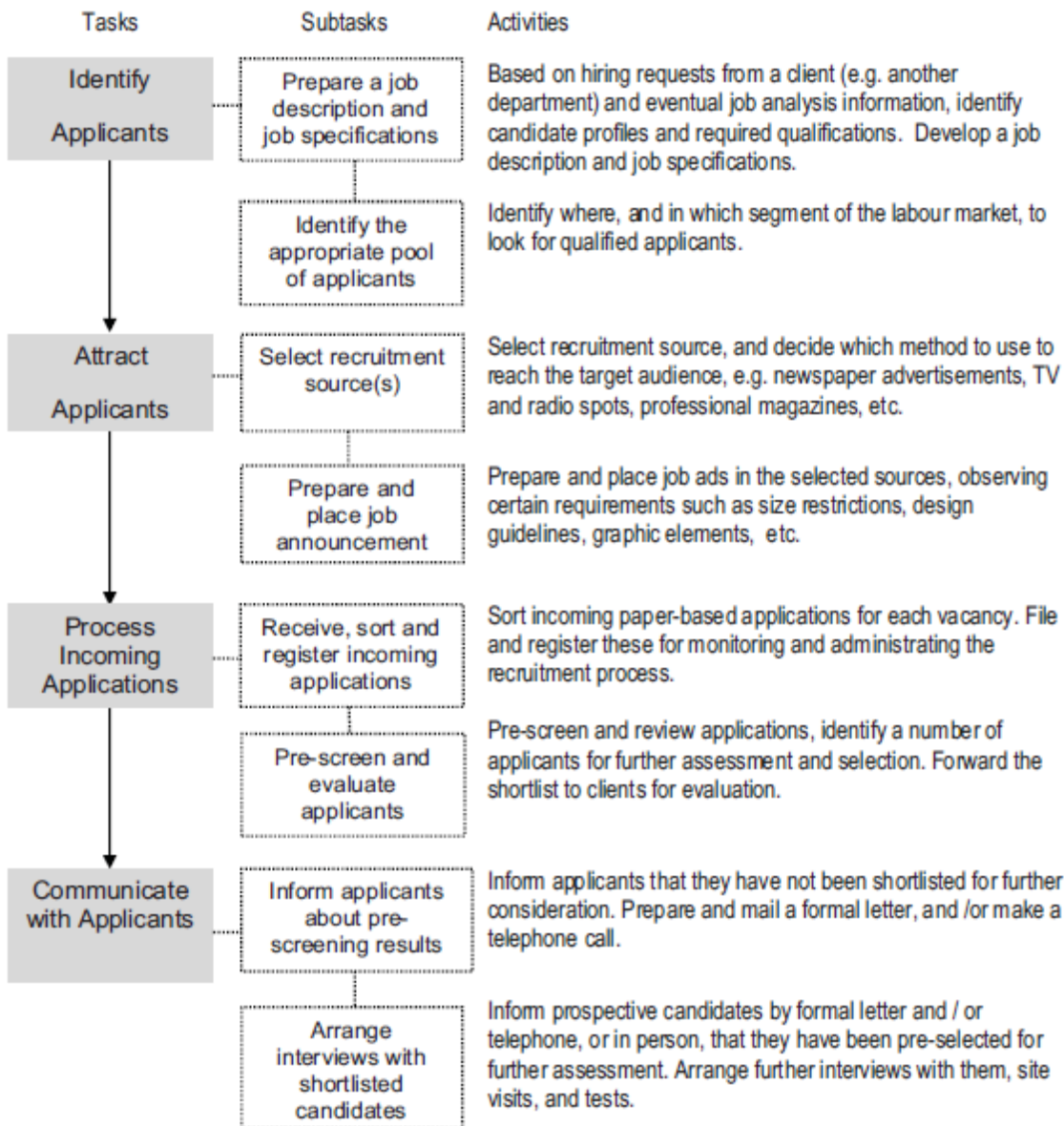
While you spend hours and lot of capital in traditional process of recruitment, all the steps are simplified after introduction of internet and development of various recruitment software's, portals, and sites makes the whole process perfectly balanced between quality and cost, you can approach thousands of professionals, advertise about your vacancy and attract the most talented and interested personnel who are fit for not only job but also for your organizational culture. You can save time and cost by advertising, reaching larger talent pools, conducting tests and recruitment process becomes more efficient and easy to record details of the applicant.

But few mistakes and incompetency can prove whole mode to be disaster like for instance, if the HR department isn't competent with the internet, or if they do not conduct the vetting process thoroughly. You might lose out on the most valuable and well-trained candidates for the job. This loss of human capital can present massive costs down the line, which will outweigh the initial savings in recruitment costs. As you've read, job boards and the traditional recruiting methods for finding great candidates aren't working anymore. But that's what we are here to do. We work solely for our clients to find them the best candidates for their positions, so they don't have to. We know that our clients are just as busy as we are, and they deserve to have experts pushing their companies forward while still filling their critical roles.

Sample design

For the purpose of this study the sample size is 138. The period of study from Jan 2020-May 2020.

Traditional Recruitment Process



CHAPTER 4

COMPANY AND INDUSTRY PROFILE

OVERVIEW:

ISUZU Motors, founded in 1916 in Japan, is one of the world's leading Automobile manufacturers with a dominant presence in commercial Vehicle, utility vehicle and diesel engine segments.

The company's commitment to safety, reliability, engine durability and efficiency, along with the ability to develop market specific products makes it a global role model. This tradition continues in its Indian operations. The ISUZU brand is also getting future-ready with renewed focus on product innovation, engineering excellence and customer support.

ISUZU Motors India Private Limited, a subsidiary of ISUZU Motors Limited, Japan, was established in 2012. Continuing with its 100-year-old tradition of needs-based approach to product development and excellence, the company conducted an in-depth, nationwide study of Indian customers and their requirements that lead to the development of world class pick-ups and utility vehicles

ISUZU Motors India inaugurated a new state-of-the-art manufacturing plant in Sri City, Andhra Pradesh in April 2016. The facility, spread over 107 acres, is a testimony to ISUZU's commitment to India and currently rolls out the new range of ISUZU D-MAX pick-ups.

This plant also brings to India ISUZU's global manufacturing standards that ensure that the vehicles made here are of the same quality and reliability as anywhere in the world. In future, it will roll out newer products that will catapult Indian customers into a new era of Adventure and enterprise, while also becoming the manufacturing hub for emerging markets.

Corporate Vision – 'Isuzu will always mean the best'

A leader in transportation, commercial vehicles and diesel engines, supporting our customers and respecting the environment.

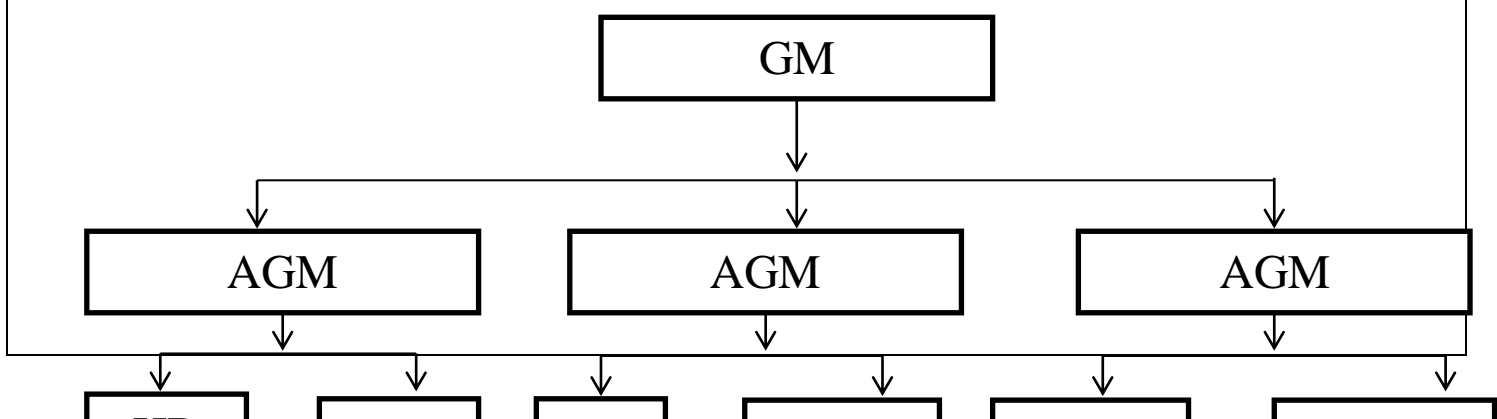
Corporate Mission – 'Trust, Action, Excellence'

A global team delivering inspired products and services committed to exceeding expectations.

Products of Isuzu Motors India



STRUCTURE OF THE PLANT ADMIN



IMI- ISUZU Manufacturing Car Models In India Factory			
S.No	Model Number	Vehicle Type	Model Name
1	RT64	4x2(Regular)	Cab Chassis /Flat truck
2		4x2(Crew)	D-Max
3		4x4(Crew)	V-Cross
4	RF 24	4x2	MUX
5		4x4	MUX
6	RF32	MUX	MUX- Face Lift

Milestones in India

- 2013 – Acquired 107 acres of land.
- March 2013 – MOU signed with the State of Andhra Pradesh.
- December 2013 – Launched MU-7 & Line-off Ceremony.
- January 2014 27 &28 – Ground Breaking ceremony at Hyderabad.
- 28 January – ‘Boomi Pooja’
- 05 Feb2014 – Unveiled D-Max Space- cab at an Auto Expo – Delhi
- 13 May 2014 – Launched D-Max
- April 2016 - First Vehicle roll out.
- May 2017 - ISUZU D-MAX V-CROSS, India’s first Adventure Utility Vehicle and a globally renowned ISUZU Pick-up launched in India.

- Jan 2018 - ISUZU D-MAX V-CROSS, India's first Adventure Utility Vehicle and a globally renowned ISUZU Pick-up launched in India.

Isuzu Motors India

Isuzu Motors India Private Limited is a subsidiary of Isuzu Motors Limited, Japan was established in August 2012 in India having its headquarters in Chennai. Isuzu Motors India currently sells its range of ISUZU D-MAX pick-up trucks that includes variants like Regular Cab Flat Deck and S-CAB.^[1] Isuzu also sells the mu-X, a large sized Sports Utility Vehicle (SUV) in automatic transmission in India. Both vehicle models are available through Isuzu's exclusive dealer outlets.

Isuzu Motors India unveiled the ISUZU D-MAX V-Cross India's first adventure utility vehicle at the Auto Expo 2016. The V-Cross has been positioned as a lifestyle pick-up and can be registered as a personal vehicle. ISUZU mu-X was launched in India on May 11, 2017 and has been positioned as a family SUV.

The company has so far established its network with 28 dealer outlets in the country including Delhi, Jaipur, Gurugram, Mumbai, Chennai, Bengaluru, Hyderabad, Coimbatore, Madurai, Visakhapatnam, Tirupati, Cochin, Calicut, Ahmedabad Rajkot, Ludhiana, Lucknow, Indore, Vadodara, Kolkata Jalandhar, Jodhpur, Mohali, Nagpur, Vijayawada, Rajahmundry, Faridabad and Pune. The current products are sold through these dedicated Isuzu outlets to cater to the market demand for pick-up trucks. Isuzu Motors India has plans to increase its dealer outlets significantly in future.

Isuzu Motors India signed a MoU with the Andhra Pradesh Government to facilitate investments by its nominated supplier partners in the state. The auto component companies signed the MoU to the tune of 900 crores to explore possibilities of appropriate investments in the state and to cater to the requirements of the OEMs having their manufacturing facilities in the state.

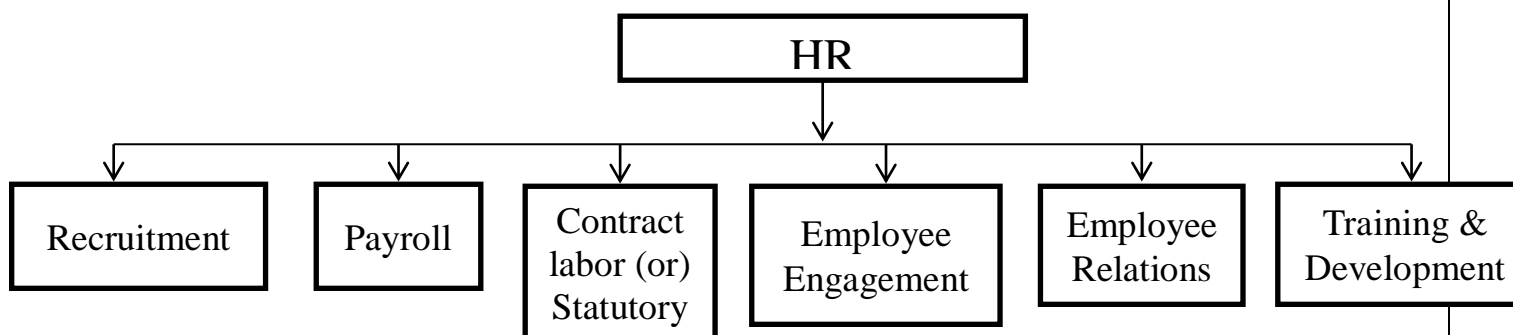
Isuzu Motors Limited, Japan - headquartered in Tokyo, is a global manufacturer of light, medium and heavy commercial vehicles, utility vehicles and diesel engines. The company has operations in 25 countries, selling in more than 100 countries worldwide. The company has significant market share in pickups and pickup based derivatives in many markets. The company manufactures and sells over 6 lakh vehicles annually across the world. Isuzu has had a good name in the diesel engine field for long time and had built over 23 million diesels since its predecessor developed Japan's first air-cooled automotive diesel engine in 1936.

Manufacturing Facility

Isuzu Motors India inaugurated its state-of-the-art manufacturing plant at Sri City, Andhra Pradesh which is located 55 km north of Chennai on April 27, 2016. The 107 Acre facility was inaugurated by Shri. N Chandrababu Naidu, Hon'ble Chief Minister of Andhra Pradesh, along with His Excellency, Mr. Kenji Hiramatsu, Ambassador of Japan to India and Mr. Masanori Katayama, President of Isuzu Motors Limited, Japan. The manufacturing plant will have an initial production capacity of 50,000 units and can be scaled up to 120,000 units. The new facility will follow the globally acclaimed ISUZU Manufacturing Management (IMM) principles and set a standard in Indian manufacturing operations. The Chief Minister rolled out the first locally made ISUZU D-MAX V-Cross from the assembly lines on the day of the inauguration.



HR FUNCTIONS



Compensation management

Compensation expense is typically the second largest business expense next to raw materials or purchased goods. Competing for talent on the basis of wages alone is no longer cost-effective, and HR leaders must determine the right mix of base pay, variable pay and benefits that motivates and retains high performers, and aligning the salary program (as well as incentive programs) to performance markers for the Company, teams and individuals.

Benefits evaluation and administration

Managing and controlling the increasing costs of employee benefits while balancing the needs of the employees has become a very sensitive issue, especially with respect to health insurance. There are basic questions to answer, such as whether to offer multiple benefit options, how funding for the plans should be split between employer and employee contributions, and how much of the benefit plan administration should be handled internally.

Recruitment/talent acquisition

Declining interest in the manufacturing sector among the younger generations is partly due to the perception that manufacturing is not as cutting edge as other industries. The need to balance a permanent “core” full-time work force with temporary workers required to meet seasonal or periodic spikes in demand also makes manufacturing jobs look less secure to young people.

These are industry-wide challenges and it will take an imaginative, well-connected, persuasive HR leader to give your company an advantage. The ability to effectively recruit talent at all levels of the organization in a cost-effective and timely manner is critical.

Training and development

The degree to which employees are “engaged” (that is truly committed to an organization’s success vs. “doing a job”) has a direct impact on profitability. HR leaders need to effectively manage all areas of training and development, whether by mentoring, contracting for off-the-shelf programs and study courses, hiring outside consultants, or leveraging train-the-trainer programs offered by suppliers.

Performance appraisal and management

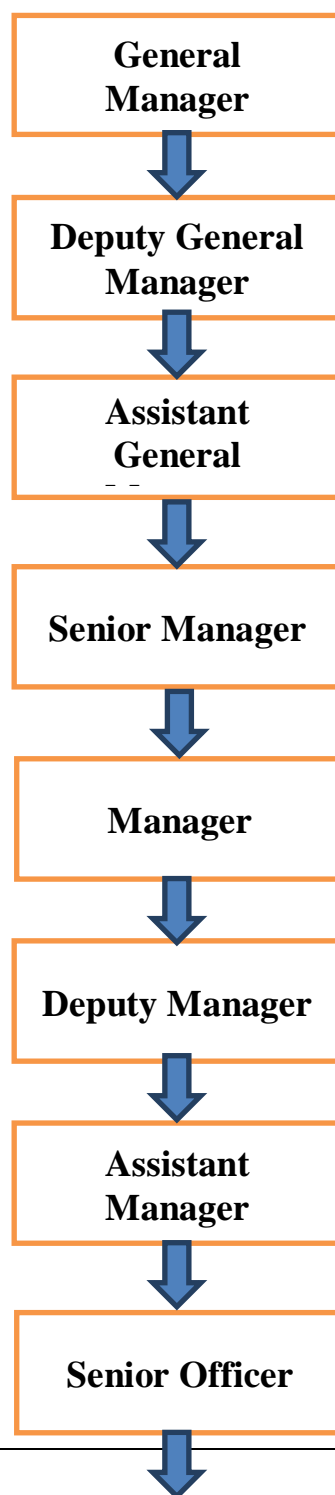
HR can design and implement the formal employee appraisal programs internally or use outside consultants to assist with the process to ensure that the process and tool are aligned with the organization’s goals and draw upon current best practices. In addition, HR can provide line managers with the support and skills they need to effectively engage in these processes so the organization can achieve the desired results.

Effective performance management supports employee engagement; in turn, an engaged workforce is positively correlated to company financial performance.

Employee and labour relations

HR leadership in employee and labour relations is especially important in manufacturing companies. If the company is non-union, it typically takes much time and effort to sustain this status. If unionized, labour negotiations and on-going relations with the union have a key impact on company financials as many budget items are items for negotiation (benefits, merit, lay-off provisions, etc.). Company management should evaluate how well their HR function is prepared to deal with such circumstances.

Hierarchy of HR Department



Roles and Responsibilities of HR :

- Monitoring and controlling on attendance
- Liasoning
- Payroll
- Employee engagement and welfare
- Training and development (Internal and External)
- Exit interview
- Recruitment
- Grievances handling works
- Statutory compliances filing on time bound
- Contractors Labourers Management

CSR PROJECTS

- Road Safety Awareness programes
- Provide the walky talky for local police.
- Uniforms for students .
- Plantation in sricity
- Provide the isuzu car engine for ITI college in Tripathi .

CHAPTER 5

DATA ANALYSIS AND FINDINGS:

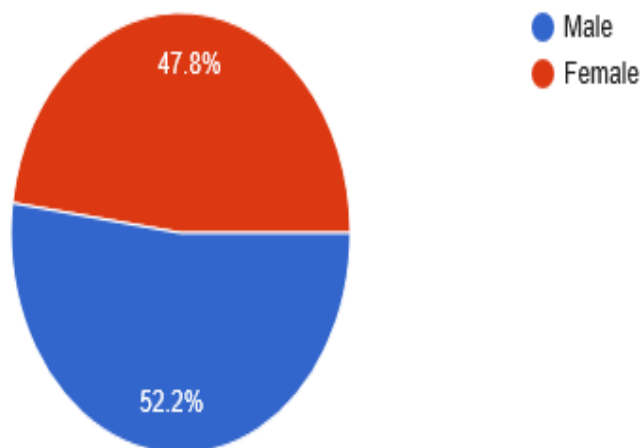
Table 1 : - Classification based on gender

Particulars	No of respondents	Percentage
Female	66	47.8
Male	71	52.2

Source: Primary data (Question No: 3)

Inference: From the above table it is clear that more than 50 percent of them are Males and 45 percent of them are females.

Chart 1: Classification based on Gender.

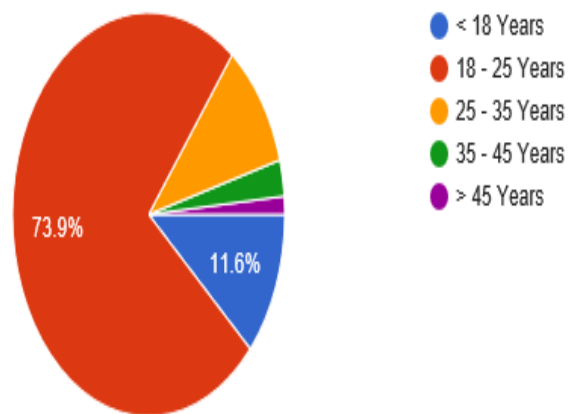


Particulars	No of respondents	Percentage
< 18 yrs	16	11.6
18 - 25 yrs	101	73.9
25 - 35 yrs	4	12.5
>45 yrs	2	2

Source: Primary data (Question No: 4)

Inference: From the above table it is clear that more than 73 percent of persons are under 18- 25 yrs and 12 percent of them are 25-35 yrs and 11 percent of them are <18 yrs .

Chart 2: Classification of employees based on their age



particulars	No of respondents	Percentage
married	8	5.8
Un married	129	94.2

Source: Primary Data (Question No: 5)

Inference: From the above data it is clearly mentioned that more than 90 percent of persons are un married and married persons are 5 percent .

Chart 3: Classification based on Marital status

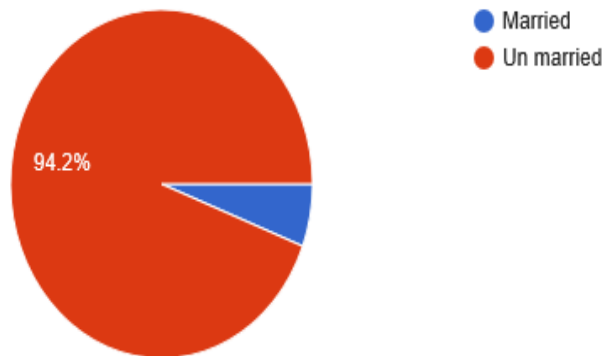


Table 4: Classification based on Qualification

particulars	No of respondents	percentage
<SSC	2	2
Intermediate/diploma	18	13
graduation	44	32
Post graduation	73	53

Source: Primary Data (Question No: 6)

Inference: From the above data it is clearly mentioned that more than 50 percent of persons are post graduation and above 30 percent is graduation and the remaining intermediate is 13 percent and <ssc is 2 percent .

Chart 4 : Classification based on Qualification

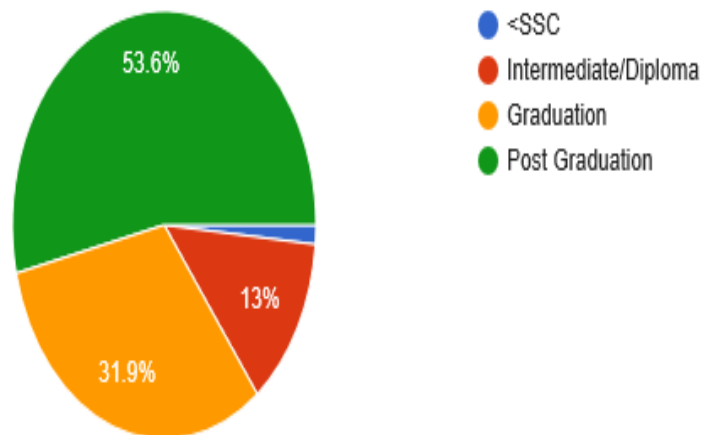


Table 5 : Classification based on Income

particulars	No of respondents	Percentage
<10000	74	53
10000-20000	34	25
20000-30000	9	6
30000-40000	10	8
>40000	10	8

Source: Primary Data (Question No: 7)

Inference: From the above data it is clearly mentioned that more than 50 percent less than 10000 and above 20 percent 10000-20000 and the remaining is very less when compared to above income levels .

Chart 5 : Classification based on Income

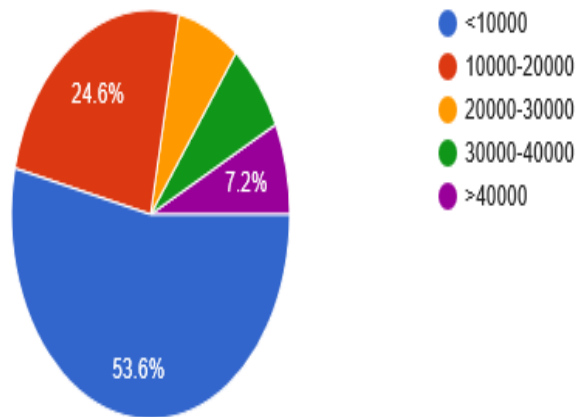


Table 6 : Classification based on Occupation

particulars	No of respondents	Percentage
Students	101	73
Professionals	20	15
businessmans	-	-
others	16	12

Source: Primary Data (Question No: 8)

Inference: From the above data it is clearly mentioned that more than 70 percent students are 101 and remaining professionals and others are 15 and 12 percent .

Chart 6 : Classification based on Occupation

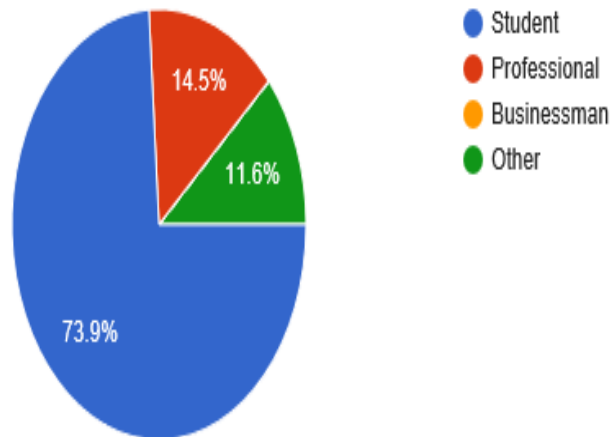


Table 7: Classification based on Experience

particulars	No of respondents	Percentage
0-1 y	109	80
1-2 y	10	6
2-3 y	2	2
3-4 y	4	3
4 y above	12	9

Source: Primary Data (Question No: 9)

Inference: From the above data it is clearly mentioned that more than 75 percent 0-1 yr experience and the remaining are below 10 percent experience .

Chart 7 : Classification based on Experience

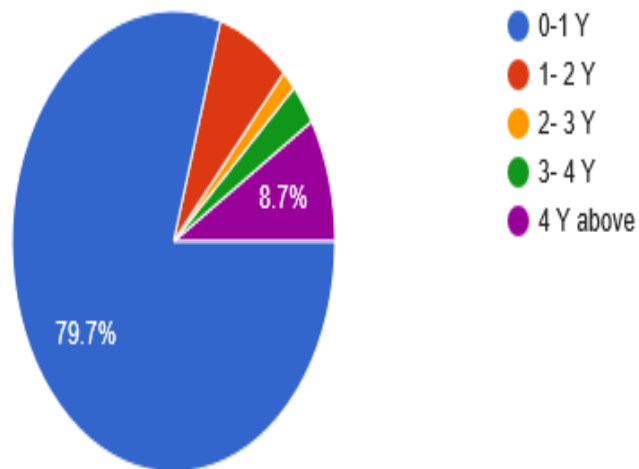


Table 8 : Classification based on cost effective and time saving

particulars	No of respondents	Percentage
Traditional recruitment system	18	13
E recruitment system	66	48
both	53	39

Source: Primary Data (Question No: 10)

Inference: From the above data it is clearly mentioned that more than 40 percent are e recruitment and above 35 percent are both the traditional recruitment system and e recruitment and 13 percent are traditional recruitment system .

Chart 8 : Classification based on cost effective and time saving

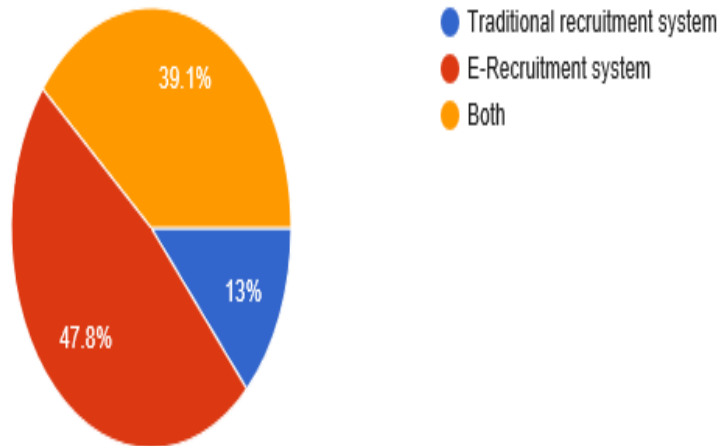


Table 9 : Classification based on different recruitment channels

particulars	No of respondents	percentage
yes	113	83
no	24	17

Source: Primary Data (Question No: 11)

Inference: From the above data it is clearly mentioned that more than 80 percent is accepted yes and less 20 percent is no .

Chart 9 : Classification based on different recruitment channels

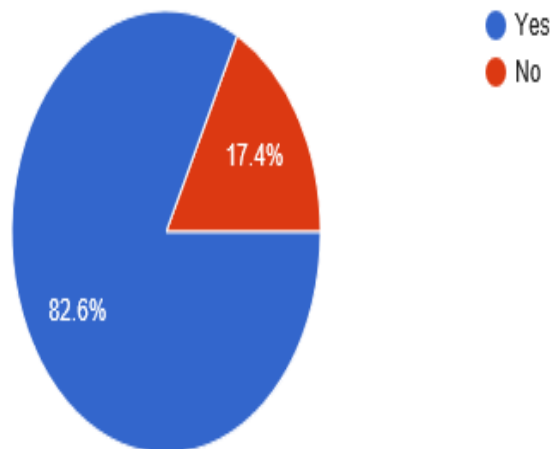


Table 10 : Classification based on use for recruitment process of channel

particulars	No of respondents	Percentage
Ads in specialist newspaper	8	5
Ads in general newspapers	14	13
Employment Agencies	18	13
Employee referral	4	2
E-recruitment	51	38
Word of mouth	32	22
Links with educational institutions	10	7

Source: Primary Data (Question No: 12)

Inference: From the above data it is clearly mentioned that e recruitment is 38 percent and word of mouth is 22 percent and the remaining are average responses .

Chart 10 : Classification based on use for recruitment process of channel

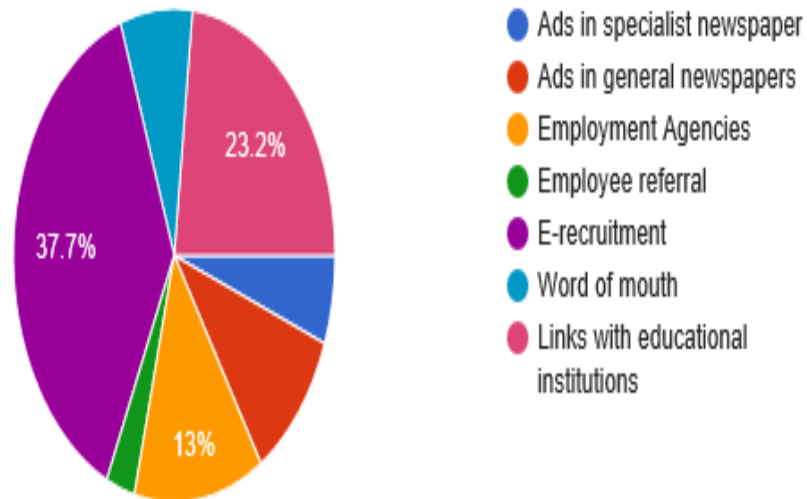


Table 11 : Classification based on E-recruitment is important

particulars	No of respondents	Percentage
yes	131	96
No	6	4

Primary Data (Question No: 13)

Inference: From the above data it is clearly mentioned that more than 95 percent is yes and remaining 5 percent no .

Chart 11 : Classification based on E-recruitment is important

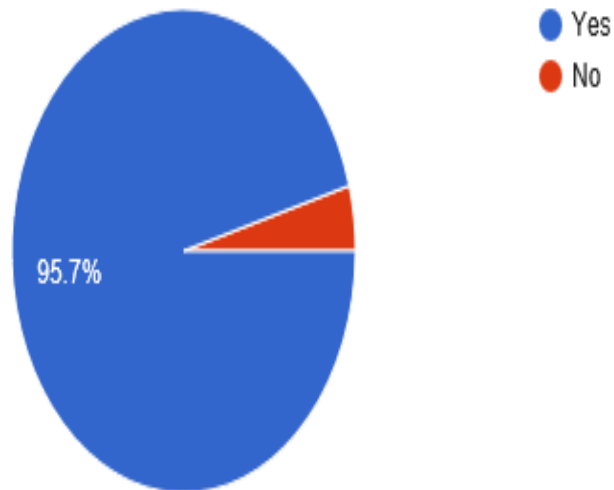


Table 12 : Classification based on E-recruitment channel as on of the tool

particulars	No of respondents	Percentage
yes	123	90
No	14	10

Primary Data (Question No: 14)

Inference: From the above data it is clearly mentioned that 90 percent is yes and remaining 10 percent no .

Chart 12 : Classification based on E-recruitment channel as on of the tool

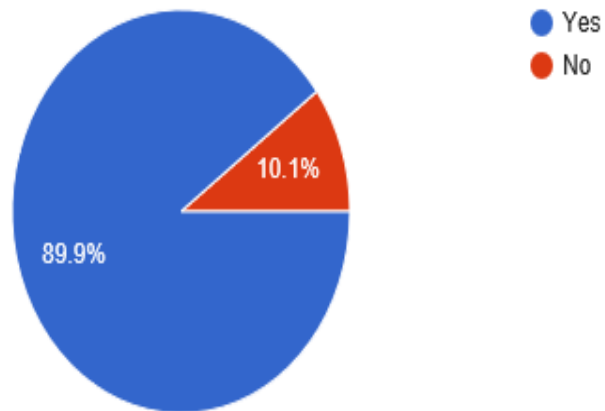


Table 13 : Classification based on E-recruitment System replace Traditional Approach

particulars	No of respondents	percentage
yes	103	75
No	34	25

Primary Data (Question No: 15)

Inference: From the above data it is clearly mentioned that 75 percent is yes and remaining 25 percent no .

Chart 13 : Classification based on E-recruitment System replace Traditional Approach

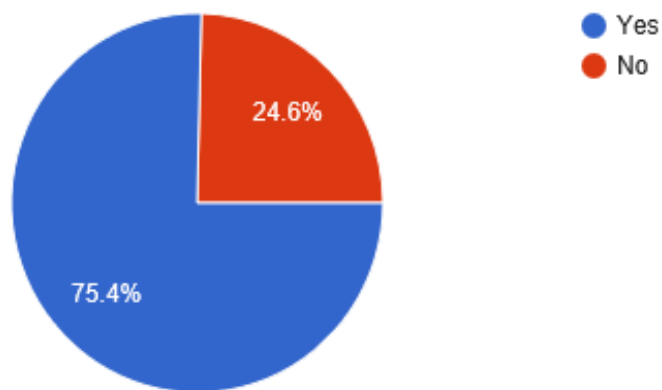


Table 13 : Classification based on more reliable as well as cost-effective & time-saving

Particulars	No of respondents	percentage
Ads in specialist newspaper	12	9
Ads in general newspapers	12	8
Employment Agencies	20	15
Employee referral	10	7
E-recruitment	57	42
Links with educational institutions	26	19

Source: Primary Data (Question No: 16)

Inference: From the above data it is clearly mentioned that e recruitment is 42 percent and is Links with educational institutions 19 percent and employment agencies are 15 percent the remaining are average responses .

Chart 13 : Classification based on more reliable as well as cost-effective & time-saving

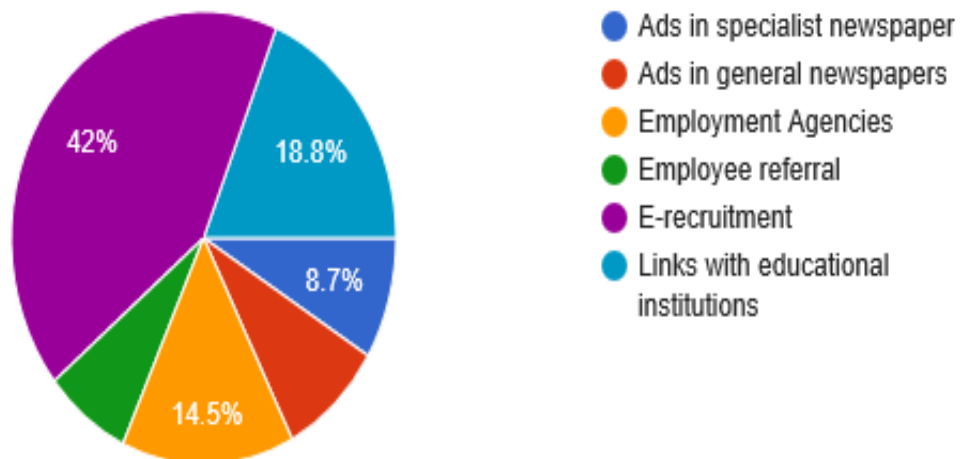


Table 14 : Classification based on E-recruitment service do you use

Particulars	No of respondents	percentage
Job Portal	76	55
Own website	16	12
Social Networking websites	45	33

Source: Primary Data (Question No: 17)

Inference: From the above data it is clearly mentioned that more than 50 percent are accepted job portals and 33 percent accepted social networking websites and the remaining 12 is own websites .

Chart 14 : Classification based on E-recruitment service do you use

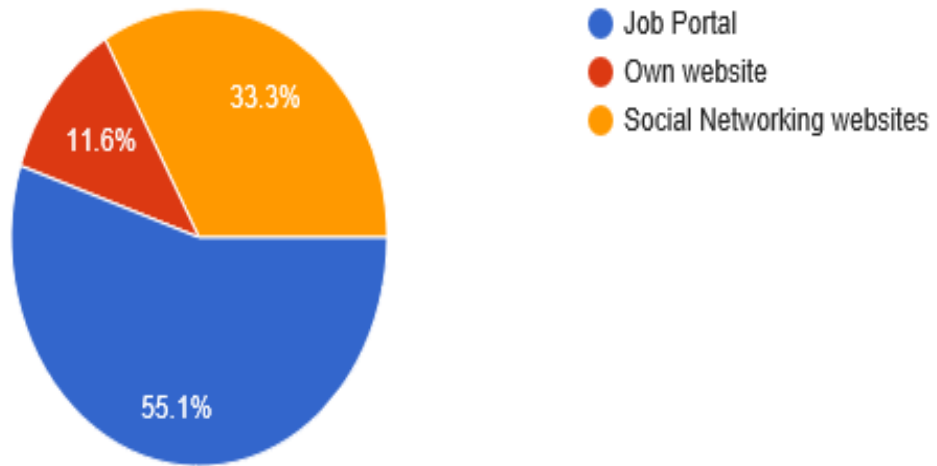


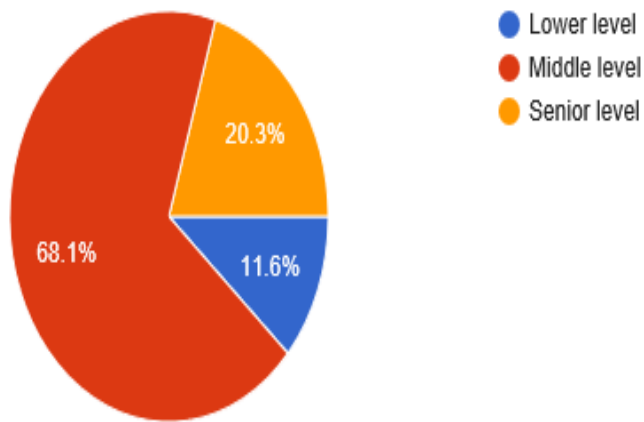
Table 15 : Classification based on level of e-Recruitment most effective

particulars	No of respondents	percentage
Lower level	16	12
Middle level	94	20
Senior level	27	68

Source: Primary Data (Question No: 18)

Inference: From the above data it is clearly mentioned that more than 60 percent are senior level and 20 percent are middle level and 12 percent are lower level .

Chart 15 : Classification based on level of e-Recruitment most effective



FINDINGS

- More than 60% are female who obey e – recruitment is better .
- It is clear that most of the respondents are unmarried .
- Most preferably e - recruitment is useful for the welfare of students .
- Majority of the respondents has chosen e – recruitment is the best recruitment practice .
- It is observed that many of them has told e – recruitment is more beneficial than others .
- From the paper it is found that than using own websites , creation of job portals is good for recruiting .

CHAPTER 6

SUGGESTIONS AND CONCLUSION

- Organizations need to shape E-recruitment as a part of their operational component of their HR strategy in this fast changing business world.
- Application of E-recruitment system needs to be established for improved results within other organization like universities, industrial recruitment, social developmental projects, security establishment organizations, colleges, media and entertainment. The application of E-recruitment system in such organizations will promote easiness with fastness.
- To ensure the maintenance of secure and reliable database free from hacking organization should concentrate on the presence of fire wall at operating level. Timely updated antivirus software based supportive system are valuable for E-recruitment oriented organizations.
- To promote this procedure up to the desired outcome it is required to establish user friendly software or procedures to attract competent candidates conveniently and make the organization good from workforce perspectives.
- Besides, strong networking system should be ensured to promote employee leasing program, transferring, and outsourcing.

CONCLUSION

The real strength and power of online recruitment, when done properly, lie in utilizing internet technology to not just attract candidates but to deal with them too. In this sense it is also about rationalizing the recruitment process -so busy HR departments can give a better recruitment service to their colleagues in finance, marketing, sales and manufacturing. E-Recruitment is present as well as a bright future of recruitment industry that will keep growing year after year. With lots of positive traits it has some limitations like problem in rural India, problem with less educated population, strong belief and trust towards face to face interview to name a few, but if we look at the bright side of the story these problems are very little and will surely be gone by the power of education. Electronic recruitment has changed the way jobs are applied for and has become so simple that anyone can do it. The credit goes to the programmers, software, computers and the Internet. The whole world has become “smaller” with the use of the Internet and everything is made easier for better application. The Internet and e-recruitment therefore face a very bright future. The future generations who are growing up with computers are not likely to use the traditional methods of recruitment; they will probably primarily rely only on the e-recruitment method. Companies in the future will see e-recruitment as their main business tool; a tool with which they can control the job market. It will most likely also give them the competitive advantage in the tough labour market. Simplicity, stability and speed will be the three key features of e-recruitment in the future (Taylor, 2001).

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APPENDICES

I am from 2nd year M.B.A from Vignan's University. As a part of my Research Program I am conducting survey for this purpose. I have prepared set of questionnaire, so please give your appropriate responses.

*** Required**

1. E-mail *

2. Name Of The Respondent *

3 Gender *

- Male
- Female

4 Age *

- < 18 Years
- 18 - 25 Years
- 25 - 35 Years
- 35 - 45 Years
- 45 Years

5 Marital Status *

- Married
- Un married

6 Qualification *

- <SSC
- Intermediate/Diploma
- Graduation
- Post Graduation

7 Income *

- <10000
- 10000-20000
- 20000-30000
- 30000-40000
- >40000

8 Occupation *

- Student
- Professional
- Businessman
- Other

9 Exeperience *

- 2Y

- 3Y
 - 4Y
 - 5Y
 - 5 Y above
- 10 The recruitment method that you find cost effective and time saving is
- Traditional recruitment system
 - E-Recruitment system
 - Both
- 11 Do you think it is necessary to have a different recruitment channels? *
- Yes
 - No
- 12 Which recruitment channel do you use for recruitment process *
- Ads in specialist newspaper
 - Ads in general newspapers
 - Employment Agencies
 - Employee referral
 - E-recruitment
 - Word of mouth
 - Links with educational institutions
- 13 Do you think E-recruitment is important? *
- Yes
 - No
- 14 Do you use E-recruitment channel as one of the tool? *
- Yes
 - No
- 15 Should E-recruitment System replace Traditional Approach? *
- Yes
 - No
- 16 Which recruitment channel is more reliable as well as cost-effective & time-saving? *
- Ads in specialist newspaper
 - Ads in general newspapers
 - Employment Agencies
 - Employee referral
 - E-recruitment
 - Links with educational institutions
- 17 Which of the following E-recruitment service do you use? *
- Job Portal
 - Own website
 - Social Networking websites
- 18 For which level you find e-Recruitment most effective? *
- Lower level
 - Middle level
 - Senior level

**A FIELD PROJECT REPORT
ON
CUSTOMER SATISFACTION ON E-COMMERCE SITES**

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR

BACHELOR OF BUSINESS ADMINISTRATION

TO

**KASIBOINA SHIVA SHANKAR(221FC01103)
SHAIK AKHILA (221FC01104)
BATCHU SAI KUMAR (221FC01105)
NUTHALAPATI KALYAN(221FC01106)
VOLETI VENKATA PHANI KUMAR (221FC01108)**

**UNDER THE GUIDANCE OF DR. Y. SRINIVASA RAO
ASSISTANT PROFESSOR**



Vignan's Foundation for science, Technology and Research (VFSTR)

Vadlamudi, Guntur District-522213, A.P, India ,phone :0863-25344646

APRIL 2023



VIGNAN'S
Foundation for Science, Technology & Research
(Deemed to be University)
-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the field project entitled Customer Satisfaction On E Commerce sites Submitted by KASIBOINA SHIVA SHANKAR, SHAIK AKHILA, BATCHU SAI KUMAR, NUTHALAPATI KALYAN, VOLETI VENKATA PHANI KUMAR bearing the Regd. No. 221FC01103, 221FC01104, 211FC01105, 211FC01106, 211FC01108 from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

SIGNATURE OF THE GUIDE

HOD/MBA

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CHAPTER 1	Introduction
CHAPTER 2	Literature Review
CHAPTER 3	Methodology and Objectives
CHAPTER 4	Industry and company profile
CHAPTER 5	Data Analysis and Interpretation
CHAPTER 6	Findings, Suggestions and Conclusion
CHAPTER 7	Bibliography
CHAPTER 8	Appendix

DECLARATION

I do hereby declare that this project work entitled “**CUSTOMER SATISFACTION ON E-COMMERCE SITES**” submitted by me for partial fulfillment of the requirement for the award of Masters of Business Administration (MBA) is a record of my own research work. The report embodies the findings based on my study and observation and has been submitted earlier for the award of any degree or diploma to any institute or university.

By:

KASIBOINA SHIVA SHANKAR(221FC01103)
SHAIK AKHILA (221FC01104)
BATCHU SAI KUMAR (221FC01105)
NUTHALAPATI KALYAN(221FC01106)
VOLETI VENKATA PHANI KUMAR (221FC01108)

1. INTRODUCTION:

What is commerce?

- Commerce is a basic economic activity involving trading or buying and selling of goods.
- Commerce is based on the specialization of skills. Instead of performing all services and producing all goods independently, people rely on each other for the goods and services they need.

1.1 E-COMMERCE INTRODUCTION:

The term "Electronic commerce" (or e-Commerce) refers to the use of an electronic medium to carry out commercial transactions. Most of the time, it refers to the sale of products via Internet, but the term e-Commerce also covers purchasing mechanisms via Internet (for BTo-B).

A client who purchases on the Internet is called a cyber-consumer. E-Commerce is not only limited to online sales, but also covers:

- Preparation of estimates online
- Consulting of users
- Provision of an electronic catalogue
- Access plan to point of sales
- Real-time management of product availability (stock)
- Online payment
- Delivery tracking
- After-sales service

In certain cases, electronic commerce makes it possible to highly customize products, in particular when the electronic commerce site is linked with the production system of the enterprise (e.g. business cards, customized items such as T-shirts, cups, caps, etc.)

Finally, insofar as electronic services and products are concerned (MP3files, software programs, e-books, etc.), electronic commerce makes it possible to receive the purchase in a very short time, if not immediately.

Online stores

Most electronic commerce sites are online stores which have at least the following elements at the front-office level:

- An online electronic catalogue listing all products for sale, their price and sometimes their availability (product in stock or number of days before delivery);
- A search engine which makes it possible to easily locate a product via search criteria (brand, price range, key word, etc.)
- A virtual caddy system (sometimes called virtual cart): This is the heart of the ecommerce system. The virtual caddy makes it possible to trace the purchases of the client along the way and modify the quantities for each reference;
- Secure online payment (accounting) is often ensured by a trusted third party (a bank) via a secure transaction;
- An order tracking system, which allows tracking of order processing and sometimes, provides information on pickup of the package by the shipper.

A back office system allows the online dealer to organize its offerings online, modify prices, add or remove product references as well as manage and handle client orders.

Although the general public has become familiar with e-commerce only in the last decade or so, e-commerce has actually been around for over 30 years. There are two basic types of ecommerce: business-to-business (B2B) and business-to consumer (B2C). In B2B, companies conduct business with their suppliers, distributors, and other partners through electronic networks. In B2C, companies sell products and services to consumers. Although B2C is the better known to the general public, B2B is the form that actually dominates e-commerce in terms of revenue. The concept of e-commerce is related to notions of Internet economy and digital economy. All these concepts relate to the use of new information and communication technologies for economic activities, but with different focuses. Internet economy refers to the economic activities that generate revenue from the Internet or Internet-related products or services (Costa, 2001). Therefore, pre-Internet e-commerce, as will be detailed in the

following section, cannot be called Internet economy. On the other hand, some activities, such as building Internet connections for commercial purposes, are a part of Internet economy, but they are not necessarily e-commerce. Digital economy is based on digital technologies such as computer, software, and digital networks. In most cases, digital economy is the same as e-commerce. However, not all activities in the digital economy are e-commerce activities. For example, purchasing computer gear from a storefront retailer is not an activity of e-commerce, although it certainly is a key component of the digital economy. Hence, e-commerce, Internet economy, and digital economy are closely related but have different concepts. E-commerce has been perhaps one of the most prevalent terms in this digital era. Although e-commerce was once looked upon simply as an expressway to wealth, it has actually transformed the way people conduct business. An historical analysis of e-commerce will provide insights into the evolution of the application of information and communication technologies in the commercial arena. Furthermore, an analysis of the evolution of e-commerce in the past as well as its present state will enable us to project future trends in e-commerce

1.1.1 HISTORY OF E-COMMERCE:

History and evolution of e-commerce:

- 1979: Michael Aldrich invented online shopping.
- 1981: Thomson Holidays, UK is first B2B online shopping.
- 1982: Minitel was introduced nationwide in France by France Telecom and used for online ordering.
- 1984: Gateshead SIS/Tesco is first B2C online shopping and Mrs. Snowball, 72, is the first online home shopper
- 1985: Nissan UK sells cars and finance with credit checking to customers online from dealers' lots.
- 1987: Swreg begins to provide software and shareware authors means to sell their products online through an electronic Merchant account.
- 1990: Tim Berners-Lee writes the first web browser, WorldWideWeb, using a NeXT computer.

- 1994: Netscape releases the Navigator browser in October under the code name Mozilla. Pizza Hut offers online ordering on its Web page. The first online bank opens. Attempts to offer flower delivery and magazine subscriptions online. Adult materials also become commercially available, as do cars and bikes. Netscape 1.0 is introduced in late 1994 SSL encryption that made transactions secure.
 - 1995: Jeff Bezos launches Amazon.com and the first commercial-free 24 hour, internet-only radio stations, Radio HK and NetRadio start broadcasting. Dell and Cisco begin to aggressively use Internet for commercial transactions. eBay is founded by computer programmer Pierre Omidyar as AuctionWeb.
 - 1998: Electronic postal stamps can be purchased and downloaded for printing from the Web.
 - 1999: Business.com sold for US \$7.5 million to eCompanies, which was purchased in 1997 for US \$149,000. The peer-to-peer filesharing software Napster launches. ATG Stores launches to sell decorative items for the home online.
 - 2000: The dot-com bust.
 - 2002: eBay acquires PayPal for \$1.5 billion [11]. Niche retail companies CSN Stores and NetShops are founded with the concept of selling products through several targeted domains, rather than a central portal.
 - 2003: Amazon.com posts first yearly profit.
 - 2007: Business.com acquired by R.H. Donnelley for \$345 million.
 - 2009: Zappos.com acquired by Amazon.com for \$928 million.[13] Retail Convergence, operator of private sale website RueLaLa.com, acquired by GSI Commerce for \$180 million, plus up to \$170 million in earn-out payments based on performance through 2012.
 - 2010: Groupon reportedly rejects a \$6 billion offer from Google. Instead, the group buying websites plans to go ahead with an IPO in mid-2011.
 - 2011: US e-Commerce and Online Retail sales projected to reach \$197 billion, an increase of 12 percent over 2010. Quidsi.com, parent company of Diapers.com, acquired by Amazon.com for \$500 million in cash and plus \$45 million in debt and other obligations.
- Mohsen Khoshnampour and Masoud Nosrati (2011)*

1.1.2 E-COMMERCE IN INDIA AND IN OTHER LEADING COUNTRIES:

E-COMMERCE IN INDIA:

India's e-commerce market was worth about \$3.8 billion in 2009, it went up to \$12.6 billion in 2013. In 2013, the e-retail segment was worth US\$2.3 billion. About 70% of India's ecommerce market is travel related. According to Google India, there were 35 million online shoppers in India in 2014 Q1 and is expected to cross 100 million mark by end of year 2016. CAGR vis-à-vis a global growth rate of 8–10%. Electronics and Apparel are the biggest categories in terms of sales.

Key drivers in Indian e-commerce are:

- Large percentage of population subscribed to broadband Internet, burgeoning 3G internet users, and a recent introduction of 4G across the country.
- Explosive growth of Smartphone users, soon to be world's second largest smartphone user base.
- Rising standards of living as result of fast decline in poverty rate.
- Availability of much wider product range (including long tail and Direct Imports) compared to what is available at brick and mortar retailers.
- Competitive prices compared to brick and mortar retail driven by disintermediation and reduced inventory and real estate costs.
- Increased usage of online classified sites, with more consumer buying and selling second-hand goods
- Evolution of Million-Dollar start-ups like Jabong.com, Saavn, Makemytrip, Bookmyshow, Zomato Flipkart, Snapdeal Etc.

India's most visited and popular websites are:

✓ Flipkart:

Flipkart is an e-commerce company founded in 2007 operates exclusively in India. It offers products in various categories including movies, music, games, mobiles, cameras, computers, healthcare and personal care

✓ Snapdeal:

Snapdeal is an online marketplace headquartered in New Delhi; it is India's Largest Online Shopping marketplace great range of products, best prices and free shipping.

✓ Myntra:

The online shopping Store in India for Branded Shoes, Clothing accessories for Men and Women of fashion and casual lifestyle products, headquartered in Bangalore.

✓ Jabong:

The Indian fashion and lifestyle e-commerce portal, selling apparel, footwear, accessories, beauty products, fragrances, home accessories Online shopping in India for men, women & kids.

✓ Shimpley:

Shimpley.com is India's Largest Online Shopping Marketplace for online shopping in India, offering unique products and categories as well as best prices. It also offers shopping discount coupons, great deals and offers.

✓ HomeShop18:

HomeShop18 is India's leading digital commerce platform – present on TV, web and mobile and ranked as 5 most trafficked Ecommerce portals in India.

It was launched on 9 April 2008 as India's first 24-hour Home Shopping TV channel and on-air retail and distribution venture of Network 18 Group.

✓ Yebhi:

Indian Online shopping E-commerce portal for Home, Lifestyle & Fashion retailer, launched in the year 2009 and offers prices you Love across shoes, apparels, bags, watches, mobiles and home accessories.

✓ Infibeam:

Infibeam is one of the leading online shopping portals in India, Started in 2007 and has grown across the length and breadth of India. Headquartered in Ahmedabad and has one of the largest online retailer and a premier technology provider.

- ✓ Shopclues:
ShopClues is an online retail website, headquartered in Gurgaon; it is among the fastest growing E-Commerce destinations in India, Founded in July 2011 in Silicon Valley.
- ✓ Trendin:
Trendin.com is an initiative of Madura Fashion & Lifestyle, India's largest and fastest growing branded apparel companies and a premium lifestyle player in the retail sector.
- ✓ Foreign e-commerce giants includes Ebay and Amazon India
- ✓ Best Online Shopping Website in India also includes Shopping.Rediff, online shopping and gifting store and part of rediff.com, India's largest news and entertainment service online and Shopping.Indiatimes the ecommerce division of the The Times Group, India's largest media conglomerate.

1.1.3 E-commerce in world scenario:

E-commerce is has already spread like virus in world. While the statistics showing that ecommerce world is mainly dominating by three countries namely China leading country, then followed by India which in 2015 crossed US to become 2nd largest e-commerce market, and 3rd US. US-based Amazon has expanded itself to 188 countries, dominating the Indian market but after a rather shameful Chinese debacle. Alibaba is slowly expanding its reach having even entered US in 2014, although without much success as it had to bow out in 2015. Flipkart has been expanding at a steady rate, but this is evidently not enough as Amazon India recently claimed to be the largest e-commerce website in India. This is quite remarkable given the fact that it entered India only three years ago. With revenue of more than six times of that of Flipkart and Alibaba put together, Amazon is surely dominating the market worldwide.

E COMMERCE IN CHINA

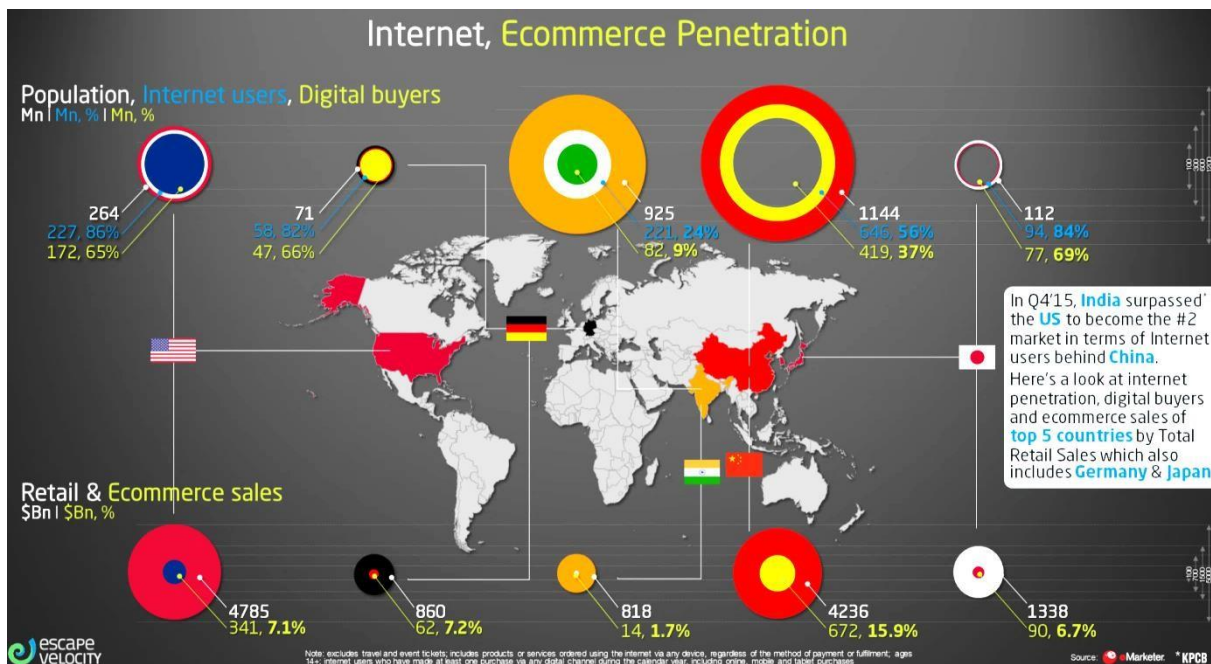
China's e-commerce market is dominated by domestic companies such as Alibaba group and Weibo. Alibaba operates TaoBao marketplace, China's largest online shopping destination, and Tmall, China's largest third party platform for brands and retailers (both are the largest in terms of gross merchandise volume within their respective category).

E-COMMERCE IN U.S

The North American e-commerce market has been constantly evolving over the past decade. Retail e-commerce sales in the U.S. are forecast to grow at a fast pace in the coming years, going from 396.7 billion U.S. dollars in 2016 to just over 684 billion US dollars in 2020. By far, Amazon is the most popular e-retailer in the U.S. In July 2016, Amazon Sites registered 183 million unique visitors in the U.S. alone. Amazon also has the most popular mobile shopping apps in the country in terms of reach and monthly users. Other successful online retailers include eBay – which was ranked as the most popular online marketplace by online sellers in the U.S. – Wal-Mart, Apple Sites and Target.

Customer satisfaction with online retail in the U.S. is relatively high. However, online sales still represent only a small share of all retail sales in the U.S. – about 8.4 percent as of the third quarter of 2016. Nonetheless, an estimate of 77 percent of internet users in the United States, representing 67 percent of the entire population, had purchased products online in 2016. In the same year, 42 percent of internet users in the U.S. stated purchasing items via internet at least once a month, and nearly a quarter said they shopped online once or twice per week. American customers often prefer buying books and electronics online. Amazon or other third-party online retailers and the brand’s website are also common channels used by internet users in the U.S. to shop for clothing and apparel items.

Here are the metrics of the e-commerce and internet penetration as per the Kleiner Perkins Caufield & Byers report of 2015



In Q4'15, India surpassed the US to become the #2 market in terms of Internet users behind China. Here's a look at internet penetration, digital buyers and ecommerce sales of top 5 countries by Total Retail Sales which also includes Germany & Japan

1.1.4 FUTURE OF E-COMMERCE:

E-commerce is still booming. In the 3rd quarter of 2016, online retail sales grew from 7.4% to 8.4% during the same period in 2015 according to data from the U.S. Department of Commerce. Ecommerce sales are expected to touch the \$100 billion mark by the end of the year, an improvement from \$97.3 billion in online sales recorded at the end of Q2.

Though the annual growth rate of the ecommerce sector has slowed down from the 20% per year recorded a decade ago (to about 15% annually), pundits project that ecommerce revenues will hit the \$4 trillion mark by 2020, which will be equivalent to about 15% of total retail sales.

So what will drive this growth? These trends provide insight into the evolution of the sector and help paint the future of E-Commerce.

Mobile Will Be the Key to Growth:

Smartphones accounted for 29.9% of total U.S. e-commerce traffic in 2014, but only 11.2% of total revenue. Comparatively, desktop e-commerce traffic accounted for 55.7% of total traffic and brought in 75.1% of total e-commerce revenue. This might indicate users are more comfortable checking out items on their phones on the go and then completing sales on their desktops.

Smaller screens and poor mobile checkout experiences are among the key reasons for the sales disparity between mobile and desktop ecommerce revenues. However, with

smartphones getting bigger every other day and the adoption of responsive web designs, mobile will play a pivotal role in the growth of e-commerce.

More Sales Categories, Better Product Differentiation:

The ecommerce space is currently dominated by computers, consumer electronics, toys, books, and other hobby items that have almost saturated the online market. Categories such as food and beverage that were previously not as popular offer a ripe opportunity for any business that goes into this space.

Hello Fresh and Amazon Fresh are some of the major ecommerce entities taking advantage of the gap in the market.

Cross-Channel Marketing:

Digital media is unlike anything we've ever seen before. Compared with traditional print media, digital media opens up a new world of possibilities for retailers that improve message delivery and marketing efficiency.

One of the main keys to the growth of ecommerce will be the utilization of more than one form of digital media to get the message out. Users will be shopping for products and services on their smartphones, tablets, and desktops, so businesses with a presence across these channels will benefit massively going into the future.

Business Potential in Emerging Markets:

The penetration of technology in areas such as the Asia-Pacific region has meant more business opportunities for online retailers. In 2014, the Asia-Pacific online retail market surpassed North America in terms of ecommerce sales, with just over \$525 billion compared to North America's \$482.6 billion in sales.

The region is projected to hit the \$1 trillion mark in online retail sales by the end of 2018, which shows massive potential for growth in previously unexplored markets.

Disruptive Technologies:

Amazon made its first commercial drone delivery to a customer in the UK – within a baffling 13 minutes. With faster, cheaper, and efficient delivery, the Amazon Prime Air drone delivery service is undoubtedly a game-changer for ecommerce.

Technologies such as NFC and augmented reality will also have a profound effect on the online buying experience within the coming years. Imagine trying on a pair of sunglasses virtually without actually wearing them physically. Such disruptive technologies will have a huge impact on e-commerce going forward.

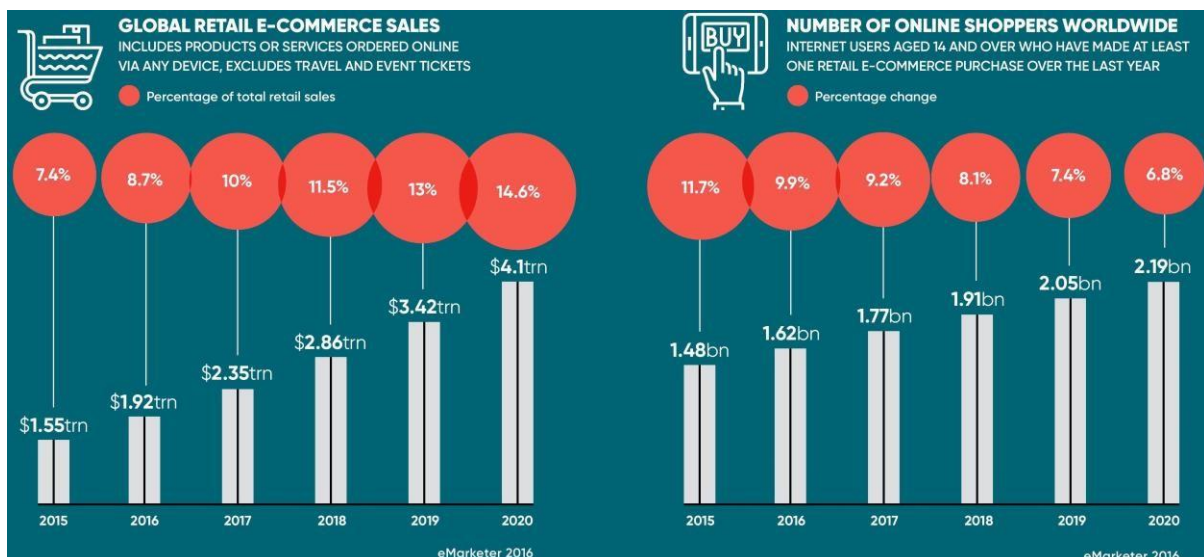
Modern, Effective Marketing Techniques:

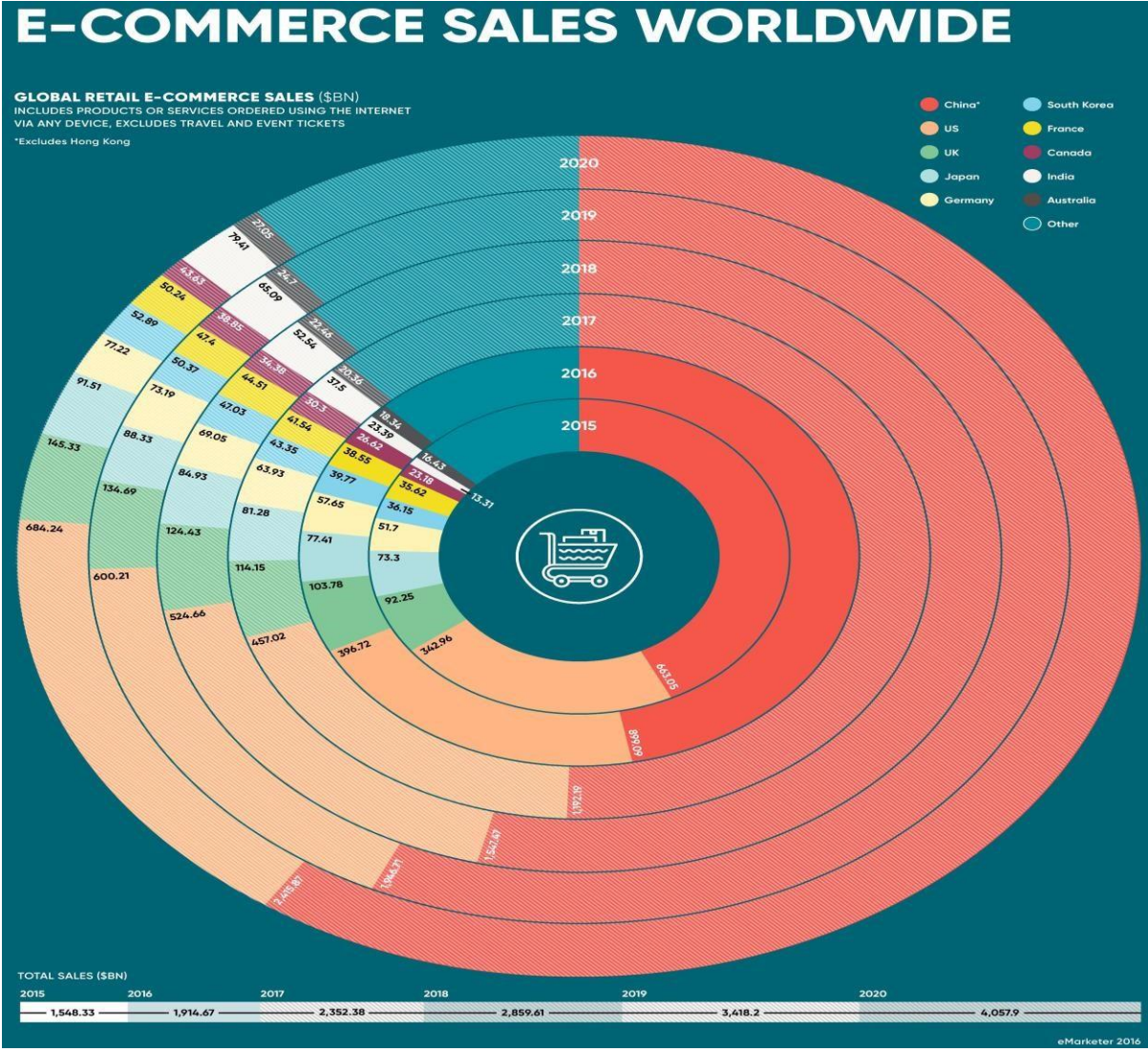
Businesses that implement modern content marketing techniques often see improvements in ROI and cost-efficiency. Companies that implement content marketing strategies save an average of \$14 on customer acquisition costs for each customer.

It's not simply about content. It's about great content. Great content converts readers into customers and is one of the most effective tools for helping ecommerce websites double conversation rates and build a solid social media following.

As modern, more effective content marketing techniques become widespread, consumers will be more likely to make purchases online, therefore helping shape the e-commerce platform.

Here is the info-graphic images regarding e-commerce in metrics





Another study shows that Ecommerce market is expected to be at \$ 5055 billion by 2021 from the current \$ 68 billion, according to a recent report. The report by Retailers Association of India and Boston Consulting Group revealed that on decoding the digital opportunity sectors that could see maximum ecommerce penetration would be consumer electronics, apparel, homeware and furniture, luxury, health, FMCG and food and grocery.

By 2025, consumer electronics would see maximum penetration of ecommerce between 3842 per cent compared to 1315 per cent currently, while food and grocery could see the least growth with 13 per cent of e-commerce penetration from under 1 per cent currently, the report noted.

1.2 Significance of problem:

It is well recognized though that the web represents a fundamentally different shopping environment than a traditional shopping channel (Hoffman and Novak, 1996). As such, classical marketing paradigms, theories, and activities as well as consumer attitudes and behaviors need to be re-evaluated in this new context, as several researchers have called upon (e.g. Cox and Dale, 2001; Menon and Kahn, 2002; Parasuraman and Grewal, 2000; Reichheld and Scheffer, 2000; Zeithaml et al., 2002).

E-companies must deliver superior service experiences to their customers, if they want to earn their businesses, their repeat patronage, and eventually their loyalty. After all, poor service quality has been shown to account for 80 percent customer complaints about e-tailers (Dobie et al., 2001).

Much of the research is done in banking sectors and very less work is done with respect to online shopping. From the literature it is understood that the customers behavioural intentions like Word of mouth, Site revisit, and Re-purchase where to gather not explored in Indian context online shopping.

1.2.1 Research statement:

To gain a better understanding of service quality impact on customer satisfaction and customer behavioural intentions considering word of mouth, site revisit, and Re-purchase with respect to online shopping in India.

1.3 Chapter orientation:

2. REVIEW OF LITERATURE:

2.1 REVIEW OF LITERATURE ON CUSTOMER SATISFACTION:

Satisfaction is the feeling that surfaces from an evaluating process, when the consumer evaluates the performance of the product/service in way that what is received and what is expected and Whether it reaches to expectations or not (Kotler et al. 2009).

CC Lin et al. (2011) studied the customer"s behaviours and satisfaction levels and came to a conclusion that the most influencing factors for e-satisfaction are information quality, system quality, service quality, product quality, delivery quality, and perceived price.

The following criteria are laid down by Liu et al. (2008) for measuring the satisfaction level of customers regarding purchase and subsequent consumptions of goods or services The purpose of this study is to identify factors that may influence Chinese customers' online shopping satisfaction. The authors test the hypotheses through multiple regression analysis based on a survey of 1,001 online customers.

- ✓ Satisfaction: The perception developed by the customers that the goods or services are acceptable or tolerable.
- ✓ Content: The features of goods or services and the underlying benefits gives customer a positive consumption experience.

- ✓ Relieved: The alleviation of the negative state of customers mind of by the goods/services provided.
- ✓ Novelty: The goods or services bring freshness and excitement in customers.
- ✓ Surprise: The amazement and unexpected pleasure brought to people by goods/ services consumed.

Ravid&Gronroos (1996) emphasizes that studying the different phases of the customer relationship life-cycle highlights important issues and helps to depict the level of customer satisfaction at each phase. And it also helps to emphasize on specific customer needs and expectations at each stage of relationship.

Churchill and Surprenant (1982) studied a path model for customer satisfaction. Study was done on the people in shopping mall in respected city and age between 19-35 who are living within 5 mile radius residences of corresponding city. This model was investigated by experimental procedures. Three levels of expectations and three levels of performance were manipulated for two different products, each in 3x3 factorial designs. In that they have described that satisfaction will be evaluated by the buyers in a way that the outcome from purchase and use resulting from comparison of the rewards and costs of the purchase in relation to the anticipated consequences. They concluded that satisfaction is could be increased only by increasing the performance of the product/ service offered not by minimising negative disconfirmation.

Kim et al. (2008) studied the background process of online loyalty development from the 182 usable data obtained; hypotheses are tested using structural equation modelling. And they hypothesized that for building and increasing e-retentions & repurchase behaviours e-satisfaction, e-tail quality, and e-trust pay will plays important roles.

Oliver (1993) stated a concept on customer satisfaction depending upon the transaction-specific perspective that explains satisfaction is viewed as a post-choice evaluative judgment of a specific purchase occasion.

According to Johnson and Fornell (1991), cumulative customer satisfaction is based on the consumption experience and purchase behaviours with a good/service over a period of time. Transaction-specific will mostly provide specific distinctive information about a particular product/service encounter, and whereas cumulative satisfaction is fundamental indicator of the firms past, present, and future performances

Cronin et al. (2000) studied the service environment consumer purchase intentions and the effect of quality, value and customer satisfaction on it. However, evaluation of past literature shows a myriad of conflicting results on the relative influence of these variables in the end results.

Roger Hallowell (1996) claims that customer satisfaction is the result of customer's perceived value, where value equals perceived service quality relative to price. Szymanski et al. (2000) studied the different factors involving in the e-retail that customer satisfaction is the results of perception of online convenience, site design, merchandising and financial security.

In any business customer satisfaction plays a vital role in a business success and growth as it enhances the customer trust (Fuentes and Blasco et al. 2010), acts as cue for word of mouth spreading, and ensures repeat purchases (Kim and Prabhakar, 2000). According to Geyskens et al. (1996) customer satisfaction is directly related to interpersonal trust. It also appears to be initial element to build trust (Grambeta, 2000: Sonja et al. 2008). Dina et al. (2004) argued that customer satisfaction is expected to have a positive effect on trust in the online business contexts.

Hang Thi Nguyen (2014) did a research on a total of 407 sets of electronic questionnaires were collected and the data analyzed using the Pearson Correlation Coefficient to test. And concluded that customer satisfaction and trust having positive relationship with value in terms of product offerings and price and service quality in terms of ease of use, website design, responsiveness, customization and assurance.

Lee and Lin (2005) through their research envisaged that website design positively influences overall customer satisfaction as ease in handling and accessing things in a particular e commerce websites increase the satisfaction level in customer. Cyr (2008) his research work stated that website designs, ease in accessing websites, and ease in navigation of products in website have positive influence on customer satisfaction.

Franzak et al. (2001) stated that accurate information about products/services on websites, websites to provide secure payment methods, and maintain privacy of online communication will also shows positive influence on the customer satisfaction.

E.B.Khedkar (2015) identified the important factors that have positive impact on customer satisfaction are website design, payment security, ease of shopping, accurate product information, price and delivery services.

Oliver (1980) proposed a theory called Expectation-Confirmation theory (ECT) this theory is subjected to study customer satisfaction and repurchase behaviour. The ECT states that firstly form an initial expectation prior to purchase and then builds perceptions about performance of the product/service after a period of time. Next customers will decide on their level of satisfaction based on expectation of performance and actual performance. Consequently satisfied customers will intend to repurchase the product/service. Mustafa I. Eid (

Mostaghel, R. (2006). studied Consumer Satisfaction: Service Quality in Online Purchasing In Iran. They have conducted a survey of 500 respondents with the help of Questionnaire. They have studied the most dimensions of service quality that affects consumer satisfaction in online purchasing in Iran. They found that the most important factor in service quality is fast access followed by design of website and 24*7*365 user accessibility and brand image of service provider

Szymanski, D., Hise, R. (n.d.). studied e-Satisfaction: An Initial Examination from Texas A&M University. The objective of the study was to find the determinants of e-satisfaction. They have examined the role of online convenience, merchandising, site design and transaction security in consumer e-satisfaction. For the study they have identified 2108 online shoppers and e-mailed the survey and received 1007 responses. They found that out of all four factors the most important factor were in consumer e-satisfaction assessments are site design and convenience followed by online security play an important role in e-satisfaction. Good site design includes having fast, uncluttered, and easy-to-navigate sites. Convenience includes saving time and making browsing easy.

Wang, M. (2003). has done a study on Assessment of E-Service Quality via E-Satisfaction in E-Commerce Globalization. His primary focus was on to access e-service quality via customer's e-satisfaction. He used three e-satisfaction methods which were text comment (writing comments related to e-retail store from where customers purchases), categorized rating (filling a questionnaire) and overall rating. He found that high quality e-service is the key to success for e-retailers doing business in competitive global e-commerce environment.

Along with that, it is necessary for e-retailer to build trust among the customers by satisfying customers

Linkage between customer satisfaction and loyalty:

(Colgate & Stewart, 1998; Hocutt, 1998; Patterson & Spreng, 1997) explained that there is a significant positive relationship between customer satisfaction and customer loyalty. Firstly, satisfaction would be created when the performances of products or services were achieved customers' expectation. And then the customer loyalty comes out. Therefore it can be told that when satisfaction reaches a certain level, loyalty will increase dramatically. At the meanwhile, when satisfaction declines to a certain level, loyalty will drop equally dramatically (Oliva et al., 1992).

2.1.2 REVIEW OF LITERATURE ON E-SERQUAL AND E-WEBQUAL:

Article	Scale	Information related	System related	Service related
Zeithaml et al.,2000	E-SQ		Access, ease of navigation, flexibility, reliability, price knowledge, aesthetics, efficiency, personalization, privacy,	Responsiveness, assurance
Yoo and Donthu,2001	EQUAL		Ease of use, design, speed, security	
Francis and White,2002	PIRQUAL	Product attribute	Functionality, ownership conditions, security	Delivery, customer service
Loiacono et al.,2002	WEBQUAL	(1) Informational fit to task, ease of understanding, completeness	Appeal, response time, flow, image, operations, better than alternatives, innovativeness, interactivity, trust	
Barnes and Vidgen,2002	WEBQUAL	(2) Information	Usability, design	Empathy, trust
Wolfenbarger and Gilly (2003)	e-TailQ		Web site design, privacy	Fulfillment/reliability, customer service
Parasuraman et al.,2005	E-S-Qual		Efficiency, availability, privacy	Fulfillment
Parasuraman et al.,2005	E-Res-QUAL		Responsiveness	Compensation, contact
Bauer et al. (2006)	eTransQual		Reliability, process, functionality/design	Responsiveness, enjoyment

2.1.3 REVIEW OF LITERATURE ON RE-PURCHASE INTENTIONS:

Hellier et al. (2003) defined that Repurchase intention is an individual's willingness to make or buy another purchase from the same company, based on his/her previous experiences.

Seiders et al., (2005) stated that online repurchase intentions represent the customer's self-reported likelihood of engaging in further repurchase behaviour.

Chao-Min Chiu et al. (2009) studied the customer repurchase intentions in china and data collected from 360 PC Home online shopping customers. PLS (partial least squares, PLS-Graph version 3.0) is used to analyse the measurement and structural models. This study results indicates that trust, perceived ease of use, perceived usefulness and enjoyment are significant positive predictors of customers repurchase intentions.

Safa, N.S. & Von Solms, R (2016) studied the customer's re-purchase intention formations in the e-commerce from South Africa; they have used IBM SPSS as a tool. And the result shows that convenience, customer benefit and enjoyment affect customer satisfaction in e-commerce. In other words, when customers do business activities easily with enjoyment and take benefit, they are satisfied and they will purchase again in future.

Boonlertvanich (2011) described that repurchase intention is simply refers to the likelihood of using a brand product/ service again in the future.

Cronin et al. (2000) insist that it is preferable to concentrate on keeping the current customer to encourage a repurchase rather than to intensively concentrating on offensive marketing strategies.

Mathias Dharmawirya and Bintang A. Smith (2012) studied the customer repurchase intentions in Indonesia and the data was obtained though random survey method from 100 users of online shopping and data was analysed through SPSS. They concluded that Performance Expectancy and Facilitating Conditions to be the two most important factors that will influence the repurchase intention of customers.

Anderson and Weitz (1989); Burnham et al. (2003) stated that the Marketing research has highlighted the importance of repurchase intention, and referring to the intention it is repeatedly purchasing a particular product/service, and maintain the longterm and trust worthy relationship with the retailer.

Brynjolfsson and Smith (2000) & Oliver (1999) Studies shows that in traditional marketing report, repurchase reflect customers' positive perception on the retailer that affects their loyalty and word-of-mouth.

Zeki Atıl BULUT (2015) studied the repurchase intentions of Turkish online shoppers on the basis of e-satisfaction, e-loyalty and e-trust. Author collected data through questionnaire survey and total of 389 respondents are used for research for this study author used tools like confirmatory factor analysis (CFA), and test of structural model. And concluded that e-satisfaction, E-trust and e-loyalty have positive influences on intentions to repurchase in online stores. In addition, it was found that trust in an online store is the key determinant of online repurchase intention followed by satisfied digital customers and e-loyalty.

Ibrahim Elbeltagi Gomaa Agag, (2016) studied 310 online shoppers in Egypt to develop a new framework that explains impact of e-retailing ethics customer satisfaction and repurchasing intention and data was analysed by Partial least squares approach. And the result was shown that the factors Security, Privacy, non-deception, fulfilment/reliability, and service recovery are strongly predict the customer satisfaction and repurchase intention.

Zeithaml, (2000) stated that by increasing customers' satisfaction, firms achieve higher retention rate, positive, word of mouth and increased profits.

Hsu et al. (2006) described that satisfaction will have positive influence on customers' intention to repeat their online purchases. And Prior studies have also provided empirical support for the effects of experience on the relationship among customers' satisfaction and intention to repurchase (Khalifa and Liu, 2007).

Selim et al. (2013) examined 300 Turkish students who have e-shopped before and developed theoretical model the results shows that the factors perceived ease of use, perceived usefulness, trust and enjoyment having positive impact on the customer satisfaction and repurchase intention where the enjoyment is having medium effect.

Chechen et al. (2016) examined 268 customers data from an online store by partial least squares analysis and results shows that confirmation of expectation, search effort, and alternative attractiveness are predictors of regret, which in turn influences satisfaction

and repurchase intention. Addition to this prior loyalty negatively moderates the relationship between the customer satisfaction and repurchase intentions.

Hong et al. (2010) studied the 448 online consumers through survey in 2007 and data was analysed using structural equation method and proposed a model for alternative explanations of online repurchase behaviours it shows that power of customized information lies in its ability to influence consumer satisfaction and perceived interactivity that are proximate to repurchase intentions.

Linkage between e-loyalty and repurchase intentions:

(Mellens, Dekimpe and Steenkamp, 1996) Loyalty is a biased response towards a brand or product expressed over a period of time and is defined by the purchase pattern of a decision making unit which may be an individual, a household or a firm.

(Jacoby and Keyner, 1973) explained an approach regarding customer loyalty. He conducted 2x2 factorial experiments (n 20 per cell) which are considered of two levels of the number of brands available (1 vs. 2) and two levels of the expression of brand selection as the independent variables on total of 97 subjects. According to the approach based on behaviour, loyalty is the behavioural reaction based on prejudice as the function of psychological processes by the decision maker in the existence of one or more alternative in time. According to the second approach dealt as the combination of attitude and behaviour brand loyalty “is a form of repeat purchasing behaviour reflecting a conscious decision to continue buying the same brand, for brand loyalty to exist, a pattern of repeat purchase must be accompanied by an underlying positive attitude towards the brand (Solomon et al., 2006).

According to (Wong and Zhou, 2006), customer realizes that loyalty in time through repeated consumption of any good or service when the customer has a positive attitude toward the good/service or company providing the good/service.

There are three measures of customer loyalty that could be devised by loyalty (Anders, 2000):

- Customer's primary behaviour – recent effects, frequency and sum of purchase;
- Customer's secondary behaviour - customer recommendations, endorsements and spreading in the word

Customer's purpose to repurchase – that is means the customer ready to repurchase products or services in the future.

Srinivasan et al. (2002) asserted that e-loyalty is widely defined as customer's favourable attitude and their commitment towards the e-retailer that results in repurchase attitudes.

2.1.4 REVIEW OF LITERATURE ON WORD OF MOUTH:

Hennig-Thurau (2000) averred that statements (positive or negative) made by customers (potential, actual or former) about a company or product, when made available to many people over the internet e-WOM takes place. Papadopoulou et al. (2001) have revealed through their research that electronic word of mouth through social networking sites had a direct positive effect on both consumer's product perceptions and purchase intentions. They have discussed that eWOM affects consumers' behavior is an emerging theory, since it has only been discussed over the past few years, and researchers have different views of eWOM and its impact. Viral marketing is one of the e-WOM technique that companies use in order to attract customers by creating "buzz" on the product. E-WOM spreads via SNS are persuasive, because they come from highly trusted and unbiased sources. WOM acquired customers also generate further WOM and bring in twice as many new customers.

Abedniya et al. (2011) have examined the motivational characters of social network websites that contributing the intention to use and diffuse content of viral marketing. They inferred that social networking websites with a high level of community driven are predicted to be more likely to share and diffuse viral content. Social network websites' characters can potentially have a stronger effect on user to look users' viral content. The social networking site is based on connecting one another, which increases the possibility that a message will reach the right people. Consumers are and will continue to share their opinions on brands and products with or without company interaction.

Cha (2013) found that users' familiarity with a particular medium, based on their frequency of use, is positively associated with how favorably users feel toward that medium.

Chuang (2009) studied to evaluate the perceived interactivity and perceived hedonic value on the relationships among social gain, electronic word of mouth referral likelihood and attitude towards the website. He proved the significant positive influence of perceived interactivity

and perceived hedonic value on social gain, electronic word of mouth referral likelihood and attitude towards the website.

Ebermann et al., (2011) found that SNS users who are sensitive to implicit recommendations seem to regard SNSs as an appropriate e-WOM channel and thus also use it for making explicit recommendations.

Leivadiotou, E. & Markopoulos, D (2010) suggested that Facebook can be used by managers for advertising their brands by e-WOM.

Poyry E et al. (2013) concluded that E-WOM usefulness and utilization of e-WOM relate positively with each other, valuable and informative e-WOM messages influence consumer purchasing decision. Fang H.Y. (2014) studied to evaluate the content of eWOM, consumer self-confidence and perceived risk on the interrelationships among brand trust, brand affect and behavioural intentions, its moderating effect on WOM attitude model was studied besides. He found strong evidence to prove the relationship among perceived credibility and brand trust a brand affect and behavioural intentions. The moderating effects of consumer self-confidence and perceived risk have significant impacts on the relationships between the effects of eWOM and perceived credibility and brand trust/affect. Chevalier, J. A. & Mayzlin, D., (2006) proved that customer WOM affects consumer purchasing behavior at online book stores.

Karlivcek, M., Tomek, I. & Kvrivzek, M. (2010) concluded that usually just two or three people are involved in the intimate activity of brand conversations. WOM typically occurs between people from existing personal networks. It could be either from parents, older siblings, and peers at college or at work place. The impact of WOM on brands is very strong.

Reigner (2007) have reiterated that many researchers have acknowledged that eWOM has a significant impact on consumers, and also asserted that online buyers are more likely to be influenced by comments from other consumers.

Senecal & Nantel J (2004) reported that product recommendations online has a huge influence on the receivers' product selections. They confirmed that those consumers who were confronted with a product recommendation online were more likely to purchase that product than those who were not.

Shintaro& Maria (2008) confirmed that e-WOM intention actually improves perceived brand value in terms of brand favourability, availability and uniqueness. Smith (2013) concluded that consumers who had many contacts in their networks were more likely to be influenced by others and follow their advice about products.

2.1.5 REVIEW OF LITERATURE ON SITE REVISIT:

Huizingh& Hoekstra, (2003) had explored the study on the e-shopping and studied many factors that determine why customers return to a store or web-site. The study found that It has been shown that longer lengths of time spent online by consumers increases the likelihood of consumers revisiting a website or becoming customers by buying a product As such, designing a website in such a way as to retain customer attention and satisfaction, increases the likelihood of creating repeat customers.

Samadi and Ali (2010) compared the perceived risk level between internet and store shopping, and revisit the relationships among past positive experience, perceived risk level, and future purchase intention within the internet shopping environment.

The decision to revisit a site resembles customer service switching behaviour (Keaveney, 1995), where a customer keeps on using the online service category but switches from one service provider to another. In general, consumers tend to use their past retail service experience as decision making heuristics in order to formulate strategies for repeat behaviour.

Bitner (1990) advocates the effects of time, access to information, money constraints, and lack of credible alternatives, which may affect service loyalty.

In addition, Zeithaml et al. (1996) concluded that service quality is associated negatively with propensity to leave. In addition, Keaveney (1995) proposed several factors for switching services, some of them (e.g. core service failures, failed service encounters, poor service recoveries) associated with feelings of dissatisfaction.

Athanassopoulos et al. (2001) substantiated this basic suggestion with empirical results, which indicated that customer dissatisfaction leads to switching behavior.

Keaveney and Parthasarathy's (2001) results indicated that Internet switchers had significantly lower online usage of a particular service.

Rice (1999) found that the factors that drive a consumer to return to an internet site are content, enjoyment, layout, and uniqueness. Hence, a consumer's motivation to return to a particular site is based upon his/her interaction with the site (Smith and Sivakumar, 2002). The more positive the consumer is and feels about a particular site after an interaction, the more likely the consumer is to return to that site.

2.2 RESEARCH GAP:

Service Quality impact on Customer Satisfaction, behavioural intentions namely Repurchase intentions, Word of Mouth, and Site resivist.

Mubbsher Munawar Khan, MariasmFasih, 2014, made a study to determine the satisfaction level of banking customers regarding quality of different services provided by their bank and their loyalty with the respective bank. This study was made to find out which service quality dimensions may enhance customer satisfaction and customer loyalty in a better way. Descriptive statistics, one sample t-test, correlation and regression are used to analyze the data. The results indicate that service quality and all its dimensions have significant and positive association with customer satisfaction and customer loyalty. The same study can be replicated with online shopping. These days internet is playing a key role in peoples life and as well as for business. The number of users when compared around the world Asia ranks the first with 50.2% internet users, Europe with 17.1%, Latin America with 10.3%, Africa with 9.3%, the remaining percentage is shared by North America, Middle East and Australia (Internet World stats, Mar 31, 2017). In Asia, India shares half billion of internet users. Rababah et al (2011), claim that the success of e-commerce is not just because of web site,

low price but also because of the delivery and quality of the web site; if these factors are good, customers are willing to pay more for the product or service. This represents that quality plays a crucial role in attracting and retaining customers and to the success of the company on the internet. This study makes an attempt to fulfil the gap in e-commerce and give evidence in Indian scenario.

With the gap identified the following objective is formulated.

To examine the Service quality dimensions influence on customer satisfaction, and behavioural intentions mainly Re-purchase intentions

The way we precede in solving the objective is as follows: First, it examines the notion of e-service quality will be done. Second, it studies the topic of e-satisfaction and Behavioural intentions. Third, the study explores the unexamined customer repurchase intentions. Fourth, this research investigates which variables lead directly and indirectly to repurchase intentions.

3. RESEARCH METHODOLOGY AND APPROACH:

Survey method will be used for this study using questionnaire as data collection instrument.

The questionnaire is adapted from scales already used for previous studies in the literature.

The factors of Customer satisfaction are System quality, Information quality, Service quality, Product quality, and Delivery services taken from T. Ahn et al. (2004), and Irwin Brown and Ruwanga Jayakody (2008), Hult, Boyer, and Ketchen (2007), and Spiros Gounaris, Sergios Dimitriadis, Vlassis Stathakopoulos, (2010). Primary data of e-SQ, e-satisfaction and e-loyalty will be gathered by questionnaires of customers who have already made an online purchase in India especially in South India. A total of 255 responses collected through questionnaire which is distributed by E-mails and Social apps.

Next factor analysis will be done to come up with the necessary factors to be considered for measurement. The reliability of the questionnaires will be evaluated by assessing the internal consistency of the items representing each construct e-satisfaction factors and Behavioural intentions by using IBM SPSS Statistics 21.

The relation between the each factor of customer satisfaction, behavioural intentions and their dimensions will be checked through the Confirmatory factor analysis and model fit values by using AMOS 21.

After that, checking the entire predicted model construct will be tested CFA; model fit values by using AMOS 21.

3.1 OBJECTIVES:

This literature reviews indicates that the most effective factors in e-commerce industry on the basis of customer satisfaction factors (E-service quality means not only service quality but also product information, Delivery system, security, Website quality, Information system) that leads to positive effect or change on the behavioural intentions of the customers. Even the research gap also shows that there is an open area to do research between customer satisfactions and e-tailers in Indian context. We used Questionnaire as a main instrument.

So our objectives of the study are

Obj1: To find the most influencing factors that affect customer satisfaction in online shopping?

Obj2: To examine effect of behavioural intentions (Word of mouth, Site Revisit, Re-purchase intentions) on online shopping?

Obj4: To Study the linkage between factors that affect customer satisfactions and behavioural intentions?

Obj5: To develop and propose a model for e-service factors and behavioural intentions?

3.3 HYPOTHESIS FORMULATION:

Hypothesis 1: There is significant relation between customer satisfaction factors and Repurchase intentions.

Hypothesis 1a: There is significant relationship between Service quality and Repurchase intentions.

Hypothesis 1b: There is significant relationship between Product information and Repurchase intentions.

Hypothesis 1c: There is significant relationship between Security and Re-purchase intentions.

Hypothesis 1d: There is significant relationship between Delivery system and Repurchase intentions.

Hypothesis 2: There is significant relationship between customer satisfaction factors and Word of Mouth.

Hypothesis 2a: There is significant relationship between Service quality and Word of Mouth.

Hypothesis 2b: There is significant relationship between Product information and Word of Mouth.

Hypothesis 2c: There is significant relationship between Security and Word of Mouth.

Hypothesis 2d: There is significant relationship between Delivery system and Word of Mouth.

Hypothesis 3: There is significant relation between customer satisfaction factors and Site-Revisit.

Hypothesis 3a: There is significant relationship between Service quality and Site-Revisit.

Hypothesis 3b: There is significant relationship between product information and Site- Revisit.

Hypothesis 3c: There is significant relationship between Security and Site- Revisit.

Hypothesis 3d: There is significant relationship between Delivery system and Site-Revisit.

Hypothesis 4: There is significant positive relationship between Repurchase intentions and Site- Revisit.

4. ANALYSIS AND INTERPRETATIONS:

4.1 Analysis of Demographics and their characteristics:

From the collected data, Most of the online users are Males with 162 numbers. And in that 78% are in age between 18 to 29 years old, most of them are residing in urban area and Metro-city, majority of the males candidates were Students and private job holders, Their family income was mostly lies in between 1 to 9 lakhs, and spending's on monthly shopping was lies in between 1 to 5 lakhs. Most of the male candidates are done shopping in Electronic goods and Clothing segments, total 143 candidates are done online shopping 1-8 times in a month but total 119 members are visiting 1-9 times online store in a month, and most of the candidates were using mobile app for online shopping.

And Metrics of the female is, Female respondents are 92, and in that numbers 83% of the members are of age between 18 to 29 years old, half of the female respondents are residing in urban area, half of the respondents are Students and 32% are doing Private Job, majority of

the respondent's family income is between 1-4 & 4-9 lakhs and their monthly spending's in online shopping is between 1 to 5 lakhs, majority of the respondents are doing online shopping in Clothing segment, electronic goods, and fashion and apparel. Number of times on online shopping in a month and Visiting a store in a week is nearly same as male respondents. In these female candidates 36% are using both desktop and Mobile app, where 37% are using Mobile app.

4.2 Analysis of Proposed model:

Coming to the Analysis of the Factors that are in the Questionnaire is done by using tool IBM SPSS.

1st we have taken the all the respondents data and then entered into SPSS. After that we to prove the factors taken from the previous study were falling into same category or not, if not which variable will fall into another factor. So for all the data except demographics and Q1Q4 (General questions) is gone into factor analysis. Results of the factor analysis are shown the KMO and Bartlett's Test adequacy value, Chi-square value, Degrees of freedom, and Significant value. And Pattern matrix will come which contains the factors with promax values and those Variables will fall into different components of same type.

The results are

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.875
Bartlett's Test of Sphericity	Approx. Chi-Square	3753.491
	df	741
	Sig.	0.000

So here if KMO value is .875, so if the value is in between .8-.9 then survey has collected a sample that is adequate level. So we can proceed for the factor analysis.

Pattern matrix is

Pattern Matrix ^a							
	Factor						
	1	2	3	4	5	6	7
W3	.775						
W4	.744						
W2	.683						
W1	.680						
W6	.579						
W5	.561						
p.q		.755					
t.info		.597					
b.p		.596					
p.p		.580					
p.v		.518					
c.info		.459					
des		.458					
a.info		.264					
r.info			.994				

f.serv			.584				
resness			.410				
comp			.398				
nav			.382				
emp			.355				
p.a			.311				
R1				.639			
R3				.615			
R4				.490			
s.s					.648		
Fun					.623		
r.del					.357		
Eft					.338		
d- d.delv						.918	
p.safety						.469	
S3							.456
S2							.924
S1							.560
conf			.648				
relia			.312				
t.del						.684	
resp.t			.330				

So as in above table all the variables are fall into different kinds of components. Now these components are gone for reliability analysis. The results of the reliability analysis are

C-1	Word of mouth	
W3		
W4		
W2		Cronbach's Alpha
W1		.833
W6		
W5		

C-2	Product Information	
Product quality		
Timely information		
Brand Product		
Product competitive prices		Cronbach's Alpha
Product variety		.806
Complete information		
Design		
Product availability		

C-3	Service quality	
Reliable information		
Follow-up service		
Responsiveness		
Competence		Cronbach's Alpha
Navigation		.792
Empathy		
Response time		
Confidence		
Reliability		

C-4	Re-purchase intentions	
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R1		
R3		Cronbach's Alpha
R4		.707

C-5	Security	
System security		
Functionality		Cronbach's Alpha
Reliable deliver		.647
Error free transaction		

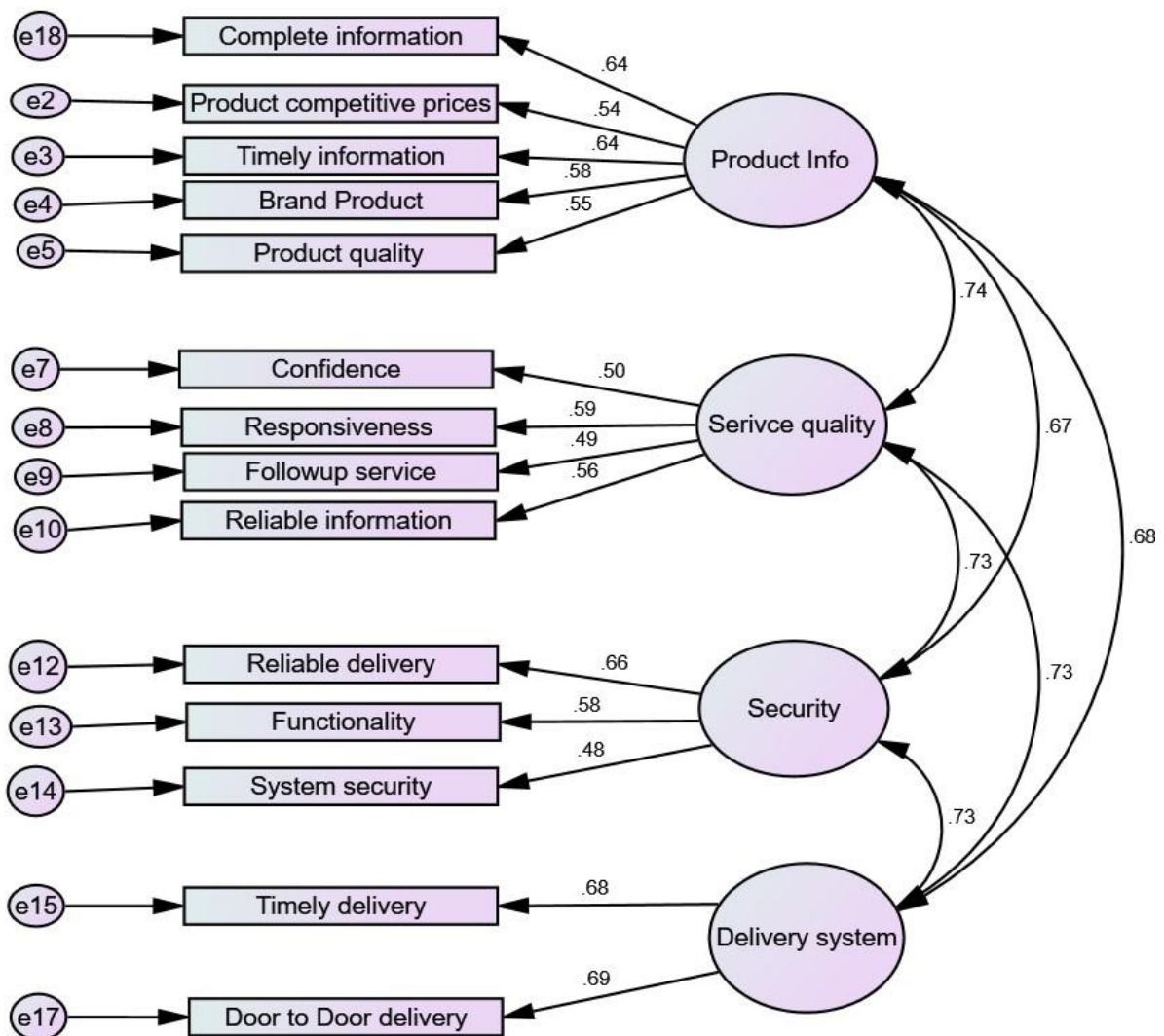
C-6	Delivery system	
Door to Door delivery		
package safety		Cronbach's Alpha
Timely delivery		.693

C-7	Site revisit	Cronbach's Alpha
S2		
S1		.775
S3		

These all components have reliability analysis (Cronbach's alpha) value is more than .6 then internal consistency is good in between all the variables in the mixed up components. So these variables in those components are best fit to each one.

After Reliability analysis total data will go into Structural equation modelling using AMOS 21 version. And the model constructed was tested by using Confirmatory factor analysis (CFA).

1st the factors that are affecting the e-satisfaction were undergone CFA in between them, results were as follows



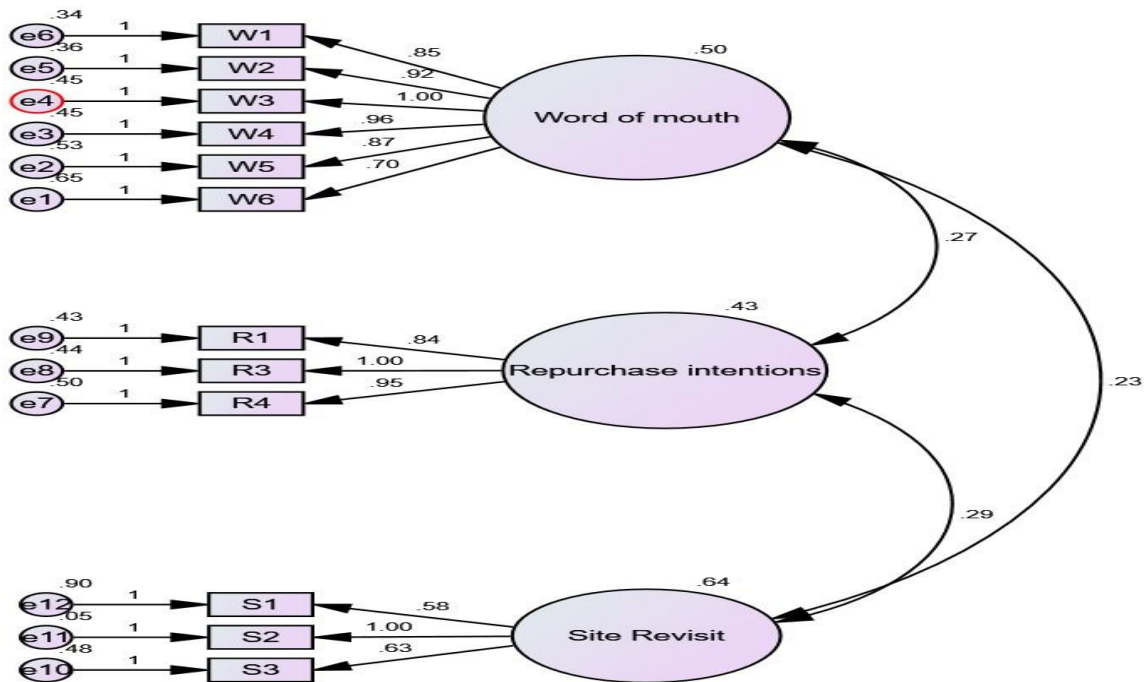
And the values for measuring the model is correct or not are

Model	RMR	GFI	AGFI	PGFI	CFI	RMSEA
Default model	0.04	0.919	0.88	0.622	0.895	0.067

If $RMR < .10$ generally considered adequate, $RMSEA \leq .05$ "close approximate fit. And GFI, AGFI are nearer to 1 then model fit was very good. So here all the values are showing that the model was very fit and can be considered adequate. CFI was important for any model

to say that it is best fit or not. When it is .9 - .97 then it absolutely best fit, when it is .8 - .9 then it is a very good fit. So our CFI lies in between .8 - .9, it was best fit model.

And now we have done same analysis to Behavioural intentions. Results were

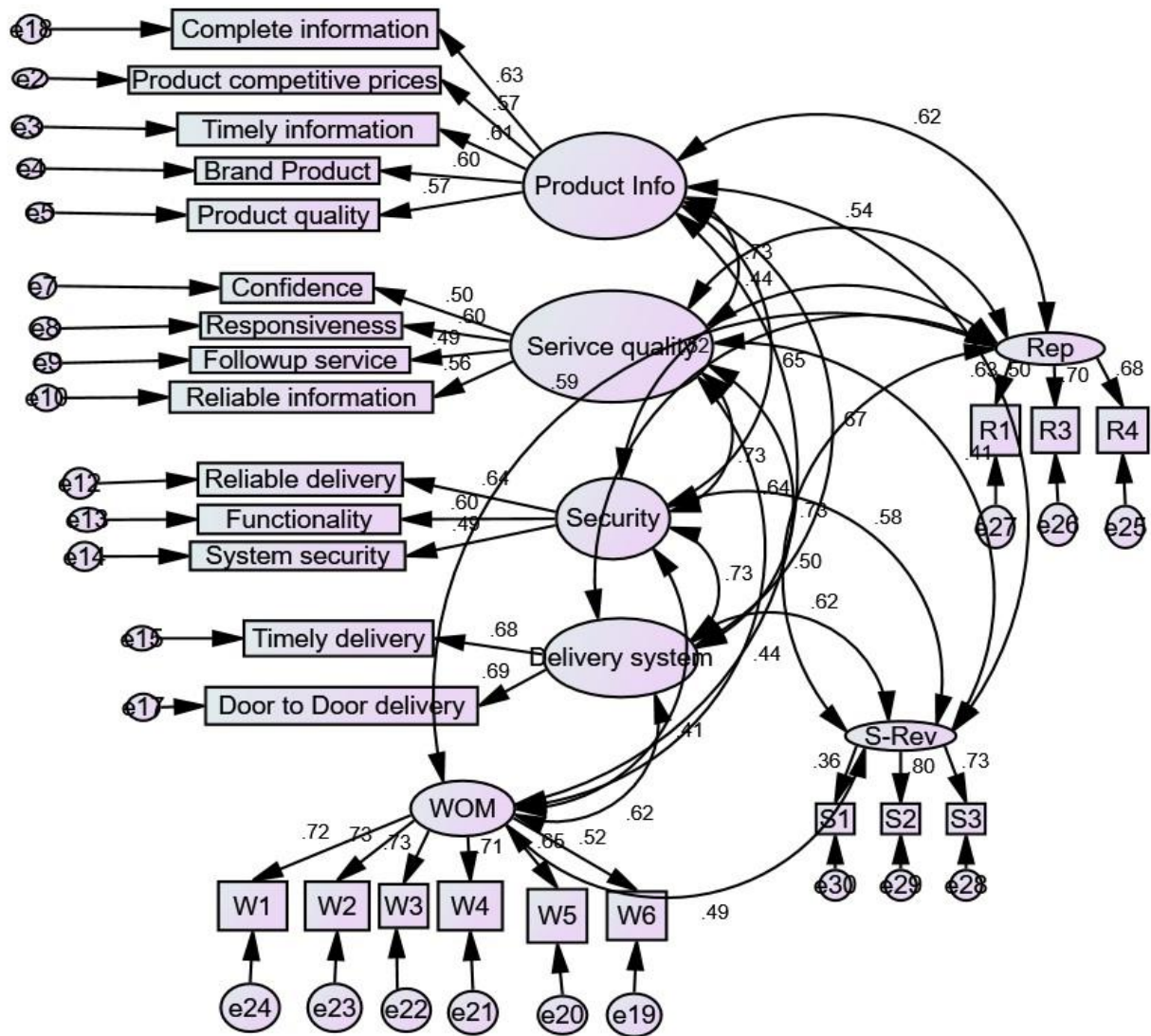


And values for evaluating model best fit are

Model	RMR	GFI	AGFI	PGFI	CFI	RMSEA
Default model	0.055	0.937	0.904	0.613	0.937	0.068

So these values are also close to best fit solution to the model. Here CFI lies in between .9 - .97, so it was absolutely best fit model.

And now the total model which is to be proposed will draw in AMOS and results came as

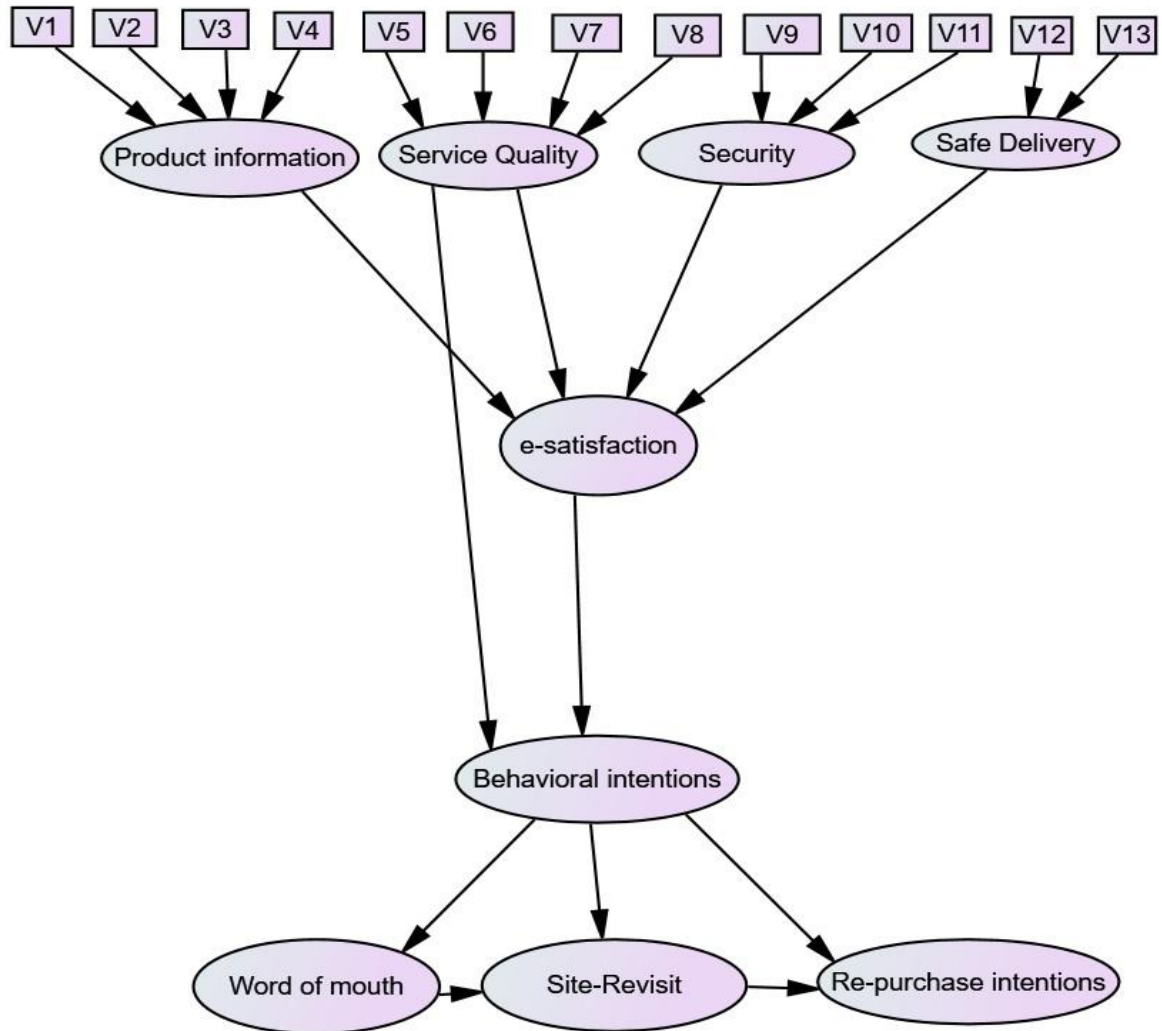


And the model fit values are

Model	RMR	GFI	AGFI	PGFI	CFI	RMSEA
Default model	0.047	0.859	0.822	0.681	0.858	0.063

So these are also very nearer to best fit solution to the model.

So the model and linkage between the factors and variables was proven. As a result model constructed was came into existence and mathematically proved was



4.3 Analysis of formulated Hypotheses:

Hypothesis-1 results are in the given table

Hypotheses	Estimate	S.E.	C.R.	P	Result
1a. There is significant positive relationship between Service quality and Re-purchase intentions.	0.173	0.037	4.686	***	Supported

1b. There is significant positive relationship between Product information and Re-purchase intentions	0.205	0.038	5.436	***	Supported
1c. There is significant positive relationship between Security and Re-purchase intentions.	0.152	0.037	4.097	***	Supported
1d. There is significant positive relationship between Delivery system and Re-purchase intentions.	0.205	0.043	4.783	***	Supported

Hypothesis-2 results

Hypotheses	Estimate	S.E.	C.R.	P	Result
2a. There is significant relationship between Service quality and Word of Mouth.	0.127	0.027	4.634	***	Supported
2b. There is significant relationship between Product information and Word of Mouth.	0.108	0.027	4.041	***	Supported
2c. There is significant relationship between Security and Word of Mouth.	0.108	0.028	3.89	***	Supported
2d. There is significant relationship between Delivery system and Word of Mouth	0.189	0.037	5.142	***	Supported

Hypothesis 3 results

Hypotheses	Estimate	S.E.	C.R.	P	Result
3a. There is significant relationship between Service quality and Site- Revisit.	0.13	0.033	3.961	***	Supported
3b. There is significant relationship between product information and Site- Revisit.	0.161	0.033	4.851	***	Supported
3c. There is significant relationship between Security and Site- Revisit.	0.196	0.038	5.118	***	Supported
3d. There is significant relationship between Delivery system and Site- Revisit.	0.241	0.043	5.551	***	Supported

Hypothesis 4 results

Hypotheses	Estimate	S.E.	C.R.	P	Result
There is significant positive relationship between Repurchase intentions and Site-Revisit.	0.253	0.044	5.714	***	Supported

Note: The table shows Estimate means covariance estimate between the taken relationship factors, S.E. (standard error), C.R. (critical ratio), and P (probability value), *** - Significant relationship.

If the value of $CR > 1.96$, the factor covariance is significant. And if the value of $P < 0.05$ then the statement will be highly significant and approximately correct. *** indicates that P value is less than .001.

So if we observe these entire Hypothesis table, values Estimate, Standard error, Critical ratio, and probability value all are proving and crossing the standard values which will indicate significant levels of the statements. So by this analysis the entire Hypothesis were proven.

None of the hypothesis was rejected.

5. CONCLUSION:

Factors that are affecting satisfaction levels more are Product information, Service quality, Security, Delivery system. So the online stores have to concentrate more on these factors rather than concentrating on service quality only.

Relationship between e-service factors that affect customer satisfactions and re-purchase intentions is highly significant.

In addition, the findings of the present study showed that word-of-mouth, a powerful mean to create awareness, positive image and thus to attract new customers, was also a strong consequence of e-quality and satisfaction. This is important news for managers since satisfied customers do become, in the online markets, advocates of the company. As they are a very credible communication source to other customers, their recommendation will have a strong effect on bringing more visitors to the site.

Finally and Most importantly, findings suggest that Product quality, Reliable information and confidence about product/service, System security, Functionality, Door to Door delivery, and Timely delivery are having high impact on customer satisfactions and directly and indirectly effects the Re-purchase intentions, Site revisit, and Word of mouth.

5.1 FUTURE SCOPE:

Finally, the observed relationships have to be tested more extensively accounting for the moderating role of context variables, such as maturity of the e-market, the type of product, and personal characteristics of e-shoppers. For instance, it could be expected that innovativeness, degree of familiarity with the e-commerce, degree and nature of previous experience with the company will impact both perception of e-quality and e-satisfaction, as well as their consequences. Future research should try to replicate this study in other national and cultural contexts, in order to be able to generalize its results.

5.2 SUGGESTIONS AND RECOMMENDATIONS:

- There is ambiguity in providing accurate information about product/service in online stores. So there is a need of providing accurate information of product/service.
- Availability of the products at the time of customers visiting the store should be there. If not this may lead to customers will shift to buy in other online stores. After „out of stock“ of the products as per the viewing of customers on same product, company should immediately put stock on the store.

- As online stores are maintaining larger data bases or cloud storages where they are storing customers viewed products, but they are failing in understanding the customer needs and keeping their needs into products for buying.
- Online store should keep the Product varieties, product lines to attract customers and leaving them in a condition to choose which the best choice is.
- After the effect of demonetisation in India, everything regarding transactions become digital. So there are more number of transaction will done through by digitally it will affect the payment of online store because of too many transactions at a time. So online store should have transaction facilities securely and easily for having the name „Error free transaction“ attribute.
- Customers will order product/service by visually seeing them on online not by touching them. So the delivery must be brand oriented and deliver what ever mentioned in the product specification and description. And also in customers mind there should be plot that it is delivered right product which was ordered.
- Online store should respond to the complaints, queries, and doubts very quickly. This will improve customer satisfaction very lot. Time should be quick in responding to the customers.
- Online store should highly concentrate on
 - Follow up services
 - Timely delivery
 - Navigation of the web or app
 - Responsiveness of service personnel
 - Response time of the system (Web or App).

- Our study showing that online customers are using both Mobile and Desktop for eshopping. But now every online store is concentrating on adding features, providing offers, and giving promo codes in Mobile app. But metrics show that there is high rate using both. So the online store can develop different pricing, promotional strategies in Desktop also after login credentials same as App login credential.
- Start putting Testimonials of Loyal customers or previous customers in a way that they are suggesting to do in this online store, and also I was recommended by my

friend or relative and I'm very happy with purchase and in future I'm going to repurchase in this online store. (e-WOM)

•

Questionnaire

1. For how many years you are using e-commerce ?
 - (A) Less than one year
 - (B) One year but < five year
 - (C) More than five year
 - (D) Do not know/cannot say
2. For what purpose do you use e-commerce?
 - (A) For personal use
 - (B) For business use
 - (C) For both personal and business use
3. From the various types of e-commerce what according to you has the largest market share?
 - (A) B2B commerce
 - (B) B2B commerce
 - (C) B2B commerce
 - (D) other
4. According to you how is e-commerce helpful to the consumer in the e-business domain?
 - (A) Broadens consumer choice
 - (B) Encourages price transparency
 - (C) Fastens business process
 - (D) Do not know/cannot say
5. According to you how e-commerce is helpful for the business discourse?
 - (A) Effectively caters to customers demands
 - (B) Smoothens business by creating customer and business man network
 - (C) Ensures guarantee of payment
 - (D) Do not know /cannot say
6. Do you think that the application of e-commerce has increased over the year in India?
 - (A) YES
 - (B) NO
 - (C) Do not know/can not say
7. Do you agree that e-commerce as commercial means has its advantages over the traditional commercial methods?
 - (A) Agree
 - (B) Disagree
 - (C) Do not know / can not say
8. Do you agree that e-commerce can provide an alternative marketing channel by eliminating middleman?
 - (A) Agree
 - (B) No

- (C)Do not know/ cannot say
9. Which is the most prominent domain in which e-commerce is used in India?
- (A) Matrimony
 - (B) Real estate
 - (C) Stocks & shares
 - (D) Travel and tourism
 - (E) Banking others
10. What are the challenges to the implementation of e-commerce in India?
- (A) slow penetration of internet
 - (B) Security concerns
 - (C) Lack of trust
 - (D) Consumers awareness level is low
 - (E) Other factors
11. DO you think that the govt. Of India is doing its enough to promote e-commerce in India?
- (A) Yes
 - (B) NO
 - (C) Do not know /cannot say
12. What measure would you recommend for promotion of e-commerce in India?
- (A) Promotion of internet
 - (B) To increase the awareness level of people
 - (C) An integrated promotional approach
 - (D) Other measures
13. What according to you is the future of e-commerce in India?
- (A) very good
 - (B) good
 - (C) Not so good
 - (D) Do not have a future in india
 - (E) Do not know/can not say

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A FIELD REPORT ON TRENDS IN CONSUMPTION OF MILLETS IN INDIA

– AN EMPRICAL STUDY

Submitted by

NADIKUDITI PRAVEEN (221FC01109)

NARAHARI MAHALAKSHMI SAI (221FC01110)

BEJJANKI SAI PRASANTH (221FC01111)

DIDUGU HARSHAVARDHAN (221FC01112)

ABHISHEK RAJ (221FC01113)

UNDER THE GUIDANCE OF

DR. SK. MAHABOOB SYED

ASSISTANT PROFESSOR



VIGNAN'S
Foundation for Science, Technology & Research
(Deemed to be **UNIVERSITY**)
-Estd. u/s 3 of UGC Act 1956

Department of Management Studies

VFSTR Deemed to be University

Vadlamudi, Guntur District, Andhra Pradesh, India-522213

APRIL 2023



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **Trends in consumption of millets in INDIA** submitted by **SK Akhila, K Shiva Shankar, B Sai Kumar, N Kalyan, V Venkata Phani kumar** bearing the **Regd. No. 221FC01110, 221FC01111, 221FC01112, 221FC01113, 221FC01109** from the Department of Management Studies, Vignans & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

SIGNATURE OF THE GUIDE

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INTRODUCTION

"Millets are probably the most established nourishment known to people and potentially the first

oat grain to be utilized for local purposes "Millets are little seeded grasses that are solid and develop well in dry zones as downpour took care of harvests, under peripheral states of soil ripeness and dampness. Millets are additionally exceptional because of their short developing season. They can create from planted seeds to develop, prepared to reap plants in as meager as 65 days. This is significant in vigorously populated territories. In the event that appropriately put away, entire millets will save for at least two years.

Millets assume significant job in downpour took care of locale of the nation which adds to 60 percent of the complete territory. The minor millets are rich wellspring of supplements and minerals and impervious to dry spell and worry in downpour took care of cultivating. Millets are adjusted to a wide scope of biological conditions and are frequently developed on skeletal soils that are under 15 cm profound. It doesn't request rich soils for their endurance and development. Every one of these characteristics of millet cultivating framework make the environmental change forecasts less downpour, more warmth, diminished water accessibility and decreased ailing health (Millet system of India). Most exceedingly terrible part in minor millet is that zone under millet creation is contracting in the course of the most recent decades. Somewhere in the range of 1966 and 2006, 44% of millet development regions were involved by different yields showed misfortune to India's nourishment and cultivating frameworks (Dhan establishment). Thusly, there is a pressing requirement for Indian arrangement producers to pull together their consideration towards millet cultivating frameworks and authorize strategies that make an empowering domain for millet ranchers. So researcher and specialist should concentrate more on high yielding assortments of millets which should give more yield and salary for the rancher like different harvests rice and wheat with the goal that shopper can profit by the supplement rich millets. Since it has all the supplements and

minerals far superior to other oat like rice and wheat. In ongoing year buyers are cognizant about what they are devouring particularly like sugar and corpulence individuals are moving towards the little millets. Along these lines, it is currently critical to know the status and various limitations of creation and utilization of minor millets through inside and out examination of pattern yield development, precariousness and Example.

Nature's Nutraceuticals

Millets are profoundly nutritious, non-glutinous and not corrosive shaping nourishments. Henceforth they are alleviating and simple to process. They are viewed as the least allergenic and most absorbable grains accessible. Contrasted with Paddy rice, particularly cleaned Paddy rice, millets discharge lesser level of glucose and over a more drawn out timeframe. This brings down the danger of diabetes. Millets are especially high in minerals like iron, magnesium, phosphorous and potassium. Finger millet (Ragi) is the most extravagant in calcium content, around multiple times that of Paddy rice or wheat. Dissimilar to Paddy rice and wheat that require numerous contributions to terms of soil fruitfulness and water, millets develop well in dry areas as downpour took care of harvests. By eating millets, we will be empowering ranchers in dry land zones to develop crops that are most appropriate for those locales. This is a stage towards maintainable editing rehearses where by presenting assorted variety in our eating regimens, we regard the biodiversity in nature as opposed to strongly changing trimming examples to develop wheat and Paddy rice all over.

India is the biggest maker of Numerous sorts of millets, which are frequently alluded as coarse grains. Be that as it may, understanding the supplement lavishness of these grains they are presently considered as" nutria-oats. Little millets, as a gathering incorporates a few grain crops specifically finger millet (rage), kodo millet (varagu), and little (panivaragu). Despite the fact that they involve moderately a lower position among feed crops in Indian horticulture, they are very significant from the purpose of nourishment security at territorial and ranch level. India is the biggest maker of Numerous sorts of millets, which are frequently alluded as coarse oats. Notwithstanding, understanding the supplement extravagance of these grains they are currently considered as" nutria-oats. Little millets, as a gathering incorporates a few grain

crops in particular finger millet (rage), kodo millet (varagu), and little (panivaragu). Despite the fact that they possess moderately a lower position among feed crops in Indian agribusiness, they are very significant from the purpose of nourishment security at provincial and ranch level.

Little millets can be become even in poor soil and climatic conditions. They have short developing season and can be very well fitted into numerous editing frameworks both under inundated just as dry cultivating conditions. They can give nutritious grain and feed in a limited capacity to focus time. Their long storability under customary conditions has made them "starvation saves". This angle is significant as Indian agribusiness experiences impulses of the storm. Minor millets or little millets rather than significant millets (Maize, Jowar and Bajra) might be characterized as millets developed for their little grains which are borne on short, thin green plants. At the end of the day they allude to a gathering of little seeded oat crops. The most significant minor millets developed in India are: finger millet (ragi), proso millet, farm millet, italian millet, kodo millet, little millet, employment's tears and, teff.

Of the all out zone of 23 million ha under millets, little millets alone record for about 3.5 million ha; their development reaching out from ocean level in waterfront Andhra Pradesh upto a height of 8000 feet above ocean level in slopes of Uttarranchel and North-Eastern states. Little millets have a limit with respect to wide adjustment. They can withstand a specific level of soil corrosiveness and alkalinity, worry because of dampness and temperature and variety in soils from overwhelming to sandy barren. They are developed from the outrageous southern tip of India adrift level to the calm north Himalayan regions up to a height of 3000 meters with ensuing variety in photoperiod from short to long days. That is the reason, it is significant upgrade creation and profitability of these yields to guarantee nourishment and wholesome security. An endeavor was made in this examination paper for look at the genuine developing regions and the significance of millet crops are broken down from the information of service of agribusiness, legislature of India and some other solid sources.

Millets are significant nourishment sources in parched and semiarid locales of the world, and highlight in the customary cooking of numerous others. In western India, sorghum (called jowar, jola, jonnalu, jwaarie, or jondhahlaa in Gujarati, Kannada, Telugu, Hindi and Marathi

dialects, individually; mutthaari, kora, or panjappullu in Malayalam; or cholam in Tamil) has been ordinarily utilized with millet flour (called jowari in western India) for many years to make the neighborhood staple, hand-rolled (that is, made without a moving pin) level bread (rotla in Gujarati, bhakri in Marathi, or roti in different dialects). Another oat grain prevalently utilized in provincial zones and by needy individuals to expend as a staple as roti. Different millets, for example, ragi (finger millet) in Karnataka, naachanie in Maharashtra, or kezhvaragu in Tamil, "ragulu" in Telugu, with the mainstream ragi rotti and Ragi mudde is a well known feast in Karnataka. Ragi, as it is prevalently known, is dim in shading like rye, yet more unpleasant in surface.

Millet porridge is a customary nourishment in Russian, German, and Chinese cuisines. In Russia, it is eaten sweet (with milk and sugar included toward the finish of the cooking procedure) or flavorful with meat or vegetable stews. In China, it is eaten without milk or sugar, often with beans, sweet potato, as well as different kinds of squash. In Germany, it is additionally eaten sweet, bubbled in water with apples included during the bubbling procedure and nectar included during the cooling procedure.

Millet is additionally the fundamental fixing in a Vietnamese sweet bite called bánh đa kê. It contains a layer of crushed millet and mungbean bested with cut dried coconut meat enclosed by a crunchy rice cake. It is a strength of Hanoi.[32]

Per capita utilization of millets as nourishment shifts in various pieces of the world, with utilization being the most elevated in Western Africa. In the Sahel area, millet is evaluated to represent around 35 percent of all out oat nourishment utilization in Burkina Faso, Chad and the Gambia. In Mali and Senegal, millets establish approximately 40 percent of all out oat nourishment utilization per capita, while in Niger and parched Namibia it is more than 65 percent (see mahangu). Different nations in Africa where millets are a critical nourishment source incorporate Ethiopia, Nigeria and Uganda. Millet is likewise a significant nourishment thing for the populace living in the drier pieces of numerous different nations, particularly in eastern and focal Africa, and in the northern beach front nations of western Africa. In creating nations outside Africa, millet has neighborhood hugeness as a nourishment in parts of certain

nations, for example, China, India, Burma and North Korea.[3]

The utilization of millets as nourishment fell between the 1970s and the 2000s, both in urban and provincial regions, as creating nations, for example, India have encountered fast financial development and saw a critical increment in per capita utilization of different oats.

Individuals influenced by gluten-related clutters, for example, coeliac sickness, non-celiac gluten affectability and wheat hypersensitivity sufferers,[33][34][35] who need a without gluten diet, can supplant gluten-containing oats in their weight control plans with millet.[36] Nevertheless, while millet doesn't contain gluten, its grains and flour might be tainted with gluten-containing cereals.[37][38]

It is a typical fixing in seeded bread.

Millets are additionally utilized as fowl and creature feed.

Brushing millet

Notwithstanding being utilized for seed, millet is additionally utilized as a touching scavenge crop. Rather than letting the plant arrive at development, it tends to be munched by stock and is ordinarily utilized for sheep and steers.

Millet is a C4 plant, which implies that it has great water-use productivity and uses high temperature and is along these lines a late spring crop. A C4 plant utilizes an alternate chemical in photosynthesis from C3 plants, and this is the reason it improves water productivity.

In southern Australia millet is utilized as a late spring quality field, using warm temperatures and summer storms. Millet is ice touchy and is planted after the ice time frame, when soil temperature has settled at 14 °C or higher. It is planted at a shallow profundity.

Millet develops quickly and can be brushed 5–7 weeks in the wake of planting, when it is 20–30 cm high. The most noteworthy feed esteem is from the youthful green leaf and shoots. The plant can immediately come to head, so it must be overseen as needs be on the grounds that as the plant develops, the worth and tastefulness of feed decreases.

The Japanese millets (*Echinochloa esculenta*) are viewed as the best for touching and specifically Shirohie, another assortment of Japanese millet, is the most appropriate assortment for brushing. This is because of various elements: it gives better regrowth and is later to develop contrasted with other Japanese millets; it is modest – cost of seed is \$2–\$3 per kg, and planting rates are around 10 kg for each hectare for dryland creation; it rushes to build up, can be munched early, and is reasonable for both sheep and steers.

Contrasted with scrounge sorghum, which is developed as an elective brushing scavenge, creatures put on weight quicker on millet, and it has better roughage or silage potential, in spite of the fact that it delivers less dry issue. Sheep improve on millet contrasted with sorghum.[39] Millet doesn't contain prussic corrosive, which can be in sorghum. Prussic corrosive harms creatures by repressing oxygen usage by the cells and is shipped in the blood around the body — at last the creature will bite the dust from asphyxia.[40] There is no requirement for extra feed enhancements, for example, Sulfur or salt squares with millet.

The quick development of millet as a brushing crop permits adaptability in its utilization. Ranchers can hold up until adequate pre-summer/summer dampness is available and afterward utilize it. It is obviously fit to water system where domesticated animals completing is required.

OBJECTIVE

Millets assume a significant job in rainfed district of the nation which contributes 60 percent of the complete region. Particularly minor millets are exceptionally rich supplements and are minerals and impervious to dry season and worry in rainfed cultivating. Utilization example of little millets and finger millet was analyzed by utilizing NSSO unit level information. Assam (18.82 kg/hsh/m) and Bihar (18.69 kg/hsh/m) states have most noteworthy utilization of little millets found in all India and country territories. Madhya Pradesh has most elevated territory of little millets (32.4%) trailed by Chhattisgarh (19.5%), Uttarakhand (8%), Maharashtra (7.8%), Gujarat (5.3%) and Tamil Nadu (3.9%). Uttarakhand has most elevated efficiency of 1174 Kg/ha followed by Tamil Nadu (1067 Kg/ha) and Gujarat (1056 Kg/ha). Basic breaks evaluated dependent on bai-peron technique for both finger millet and minor millet. If there should arise an occurrence of region under minor millets auxiliary break was seen in the year 1998 and somewhere in the range of 2000 and 2002. In contrast with sorghum, pearl millet and finger millet constrained assortments of little millet have been created.

REVIEW OF LITERATURE

Millet is a general classification for a few types of little grained oat crops and is a nourishment staple in parts of India, Africa, China and somewhere else. Millet has been developed since ancient occasions in areas of North Africa and Central Asia, however its beginning is equivocal. Most millet is created in Asia and Africa. In Europe and the United States, millet is

developed for the most part as search for poultry and as fowl feed. Millet contains a normal of 10 - 12% protein. While its protein is better than that of wheat or corn regarding substance of basic amino acids, it in any case contain not exactly a large portion of the measure of the fundamental amino corrosive lysine that is found in excellent protein sources, for example, meat. Millet needs gluten, the wheat protein that makes mixture arranged from wheat flour flexible; subsequently millet flour isn't appropriate for raised breads. Millet flour is utilized in making level cakes and breads. The entire grain is utilized in soups, stews or as a cooked oat. Millet is additionally popped; cooked or grew (Robert Ronzio 2004)

The term millet is utilized for a few related genera, some used to create grain, or scavenge or both. Millets are grain species developing in a similarly wide scope of situations. The most broadly developed millets are finger millet (*Eleusine coracona*), foxtail millet (*Setaria itallica*), pearl millet (*Pennisetum typhoideum*), proso millet (*Panicum miliaceum*), farm millet (*Echinochooa colona*) and so forth. Millets are viewed as the least significant of oats, with yearly creation under 2% of the world's grain. Anyway they are of extraordinary nearby significance as staples and as hold crops in negligible zones

Key objectives of the research was to find out the

- Awareness levels of the different varieties of Millet
- Consumption pattern of the different varieties of Millet- Frequency, volume, price , purchasing habits & practices
- Attitude and preferences of consumers towards different varieties of Millet

IMPORTANCE OF MILLETS

The rice eater is weightless like a feathered creature; the person who eats Jowar is solid like a wolf: one who eats Raagi remains 'nirogi' [disease free] for a mind-blowing duration - An old Kannada saying . India is on the edge of talking about the Food Security Bill

which will have broad ramifications for poor people and the underestimated, in their battle to get to nourishment and sustenance to lead a noble and solid life. Millet Network of India has for since quite a while ago, stood up that we as a country, ought not simply be making due with nourishment security; we ought to take a stab at nourishment sway. This suggests we center around giving the command over the creation, appropriation and utilization of nourishment back to the individuals. One of the means in doing this is bring millets once more into the nourishment security banter; for many family units in the dryland and sloping districts of the nation rely upon these yields to meet their nourishment needs. We have for since quite a while ago been contending that the presentation of millets into the open dispersion framework and into government nourishment programs like the early afternoon dinner conspire, is essential to accomplish the point of nourishment power. The ongoing Global Hunger Index positions India 64 out of 81 countries. Further, India positions second in the rates of lack of healthy sustenance among youngsters. This is going on regardless of the all inclusive open conveyance framework that we have been following for quite a long time. The PDS is excellent in its aim, and nobody can contest the incredible assistance that it has been rendering in helping poor people and the minimized family units in meeting their nourishment and sustenance needs. In any case, the center that it has laid over these decades, on rice and wheat to the detriment of millets has been a telling component behind these measurements. In the four decades since 1961, the region under millets declined by almost half from around 18 million hectares to around 9 million hectares. During this time, creation of millets declined from about 8.8 million tons to about 7.2 million tons; a decay of 18%. These insights show that a large number of family units can't get to moderate nutritious nourishment any longer.

An Oath for Millets

For encircling a protected earth and a sheltered atmosphere, sheltered and nutritious nourishment and, most importantly, a horticultural future that will keep our planet cooler, sans poison and brimming with joy for us all. We, the individuals of India, guarantee in the interest of our kids and future residents of India. We guarantee to develop an ever increasing number of millets on our homesteads since we solidly accept that they are the fate of nourishment and cultivating for our nation. We realize that as our earth heats up, it is just millets that can keep the planet cool.

We likewise realize that as our atmosphere changes for the more terrible, the millets on our homesteads will make it conceivable to proceed with agribusiness on our earth. We realize that if the populace in India faces serious lack of healthy sustenance, the millets will assist us with facing the emergency. Millets, developed by the most unfortunate ranchers of India, overcoming the most noticeably terrible arrangement of chances, are the best wagered to win what's to come... In the information on all the extraordinary favorable circumstances offered to us by millets, we promise as ranchers to develop millets on our homestead; as customers to put millets on our plates; and as residents of this nation to carry an ever increasing number of individuals into the millet family.

The Concept Called Millets

Mr. PV Satheesh, National Convenor of Millet Network of India sketched out the Indian millet scene while causing to notice the ongoing patterns, legislative issues and difficulties looked by it and featuring the topic that millets are grains as well as a one of a kind idea. They are not simply singular yields, for example, Sorghum, Pearl or Foxtail millet however an extraordinary culture in nourishment and cultivating. Millets are developed on negligible terrains by probably the most unfortunate and underestimated networks - the dalits, the adivasis and the ladies in the dry land and bumpy districts. They don't request any outer sources of info; Seeds, excrement - all are farmers' own data sources. What's more, in particular, the ability of their development rests inside the domain of farmers' information, the most valued contribution of all. Consequently, millets symbolize the nourishment and information sway of Indian ranchers and guarantee an existence of respect and independence for them. He called attention to that most millet fields are innately bio-various and that no genuine rancher develops millets as a mono yield. They develop them in blend with a large group of heartbeats, vegetables, vegetables and oil seeds.

A millet ranch is a reflection of life in the entirety of its decent variety and speaks to a declaration of life in the entirety of its vigor. It is this idea that supports crafted by MINI, whose particular spotlight is on recovering the conventional biodiversity-based cultivating frameworks of which millets are a foundation. The individuals from MINI have been working

for quite a while to resuscitate these conventional frameworks of farming. Presently MINI is occupied with arousing the legislature to this message while attempting to guarantee that millets figure noticeably in the Food Security Bill. Examining the ongoing government Initiative for Nutritional Security through Intensive Millet Promotion (INSIMP) that the move merits appreciation. Notwithstanding, the net work made the ranchers aware of the threats riddling the plan, and furthermore important to study the perilous spotlight on monocropping of millets. INSIMP has wrongly put a weight on the utilization of concoction sources of info and millet half and halves. This, was totally contradictory to the very idea of millet cultivating on the grounds that it bargains the autonomy of millet ranchers by grabbing endlessly their authority over their cultivating. „INSIMP is a bogus help for the dry land farmers“.

Threats on Millets Cultivation

The another significant risk that millets face in the nation as an unnatural advancement of maize, which is bringing about maize attack in different pieces of the nation. States like Rajasthan, Orissa, Madhya Pradesh, AP and Karnataka are seeing huge tracts of horticultural grounds being involved by maize, inferable from the corporate-incited interest for bio-fills and poultry feed. Millets are the last evident „agricultural“ yields and all means must be taken by the state to moderate and advance them. Such an activity will recognize and respect the incredible assistance rendered by millet ranchers to the nourishment and dietary security of the country. The most ideal route for the State to do this is to offer help to ranchers as different rewards and furthermore offer different types of institutional budgetary help. The most pressing and the solid setting for giving such a need to millets, is given by the coming many years of environmental Change “which stand up to us with three testing situations. The first is rising an Earth-wide temperature boost; the second, water shortage that will procure terrifying extents; and the third, the anticipated lack of healthy sustenance that vows to inundate 70% of the Indian populace, especially poor people and the powerless segments. Being solid and vigorous yields, millets can withstand and endure cruel climatic conditions. This makes them a perfect answer for the test of environmental change. It is conjecture that with the beginning of environmental change, wheat which is a warm touchy yield would be unable to endure. Simultaneously, rice fields with 2"of standing water and substantial contributions of

concoction manures as required under the „Green Revolution“ model of development will discharge methane, an ozone harming substance into the air, in this way rendering rice a totally unviable yield! Numerous ongoing examinations have called attention to that 20% of diabetes endured by the poor in India is brought about by the rice appropriated and devoured through PDS. Thus, on the off chance that we are not kidding in going up against this issue, we should take a gander at millets for an answer. They should not be considered just to be a diabetic nourishment or wellbeing nourishment. They don't simply mend our injuries and sicknesses, yet can recuperate our planet. This is the thing that makes them incredible nourishment crops.

Dr. Rama Naik stressed the point that millets are among the most nutritious nourishment grains accessible in India and that the individuals who devour millets all the time are unequivocally more solid than the individuals who don't. The individuals who expend millets are seen as fit even in their mature age. The individuals who developed millets devoured next to no of it. They offered millets to the urban focuses to be expended as wellbeing nourishments or "quick" nourishments and millets are useful for restoring sicknesses, however are useful for the administration and counteraction of different way of life infections like diabetes, weight, etc. One of the significant imperatives, that handling offices were not accessible at the network level. So as to address this units and found that millets were over the top expensive contrasted with rice and wheat. One reason for this, that preparing offices were not accessible locally in towns. This was a hole that should have been filled. All the ranchers to develop and devour millets, with regards to their vow that they had taken before in the day, in light of the fact that doing so would guarantee the psychological and physical soundness of the whole gang.

Advantages of Millets

All millets are cooked as rice in the wake of dehulling. Also, Italian millet is expended as hardened porridge called sargatic or as a raised bread known as roti, after the dehulled grain has been processed into flour. Proso millet flour is additionally utilized as a substitute for rice flour in different nibble nourishments. Millet protein needs gluten, henceforth it is inadmissible as the sole material for planning of bread kitchen items. Mudde from millet flour is set up by steaming the batter and making it into balls. Millet flours are absorbed for the time

being chilly water containing a little spread milk and the slurry after aging is utilized to get ready porridge. Millets and dark gram blended in the proportion of 3:1 are wet ground and aged for the time being which can be steamed to make idli or heated on hot container to get ready dosa or wet hotcakes. Non customary nourishments like drops, expelled items or by standard bubbling of millets, popping and malting, items can be set up from millets. Pieces are set up by splashing pearled millets in water and afterward steamed under tension for complete gelatination of the starch and dried to about 18% dampness. At that point they are squeezed to essential thickness between rock solid rollers and dried to plan pieces which hydrate immediately when added to warm water or milk. Noodle like items can be set up from millet flours. They structure healthfully adjusted nourishment which is utilized as advantageous or weaning food sources.

Millets: 'Miracle grains'

Millets share certain regular attributes which make them socially significant harvests:

1. Millets are dry spell safe and require scarcely any outside sources of info. They can be developed under unforgiving conditions in dry and semi-parched situations requiring less water than numerous different oats and are regularly ready to adapt to poor soils. For this they are once in a while called 'supernatural occurrence grains' or 'harvests of things to come'.
2. Millets are exceptionally nutritious.
3. Millets give nourishment and work security to a large number of family units, specifically, to little and negligible ranchers and occupants of downpour took care of regions, particularly in remote inborn territories. Millets are generally developed as double reason crops giving both nourishment grain to human utilization and straw for animals, adding to financial productivity in blended cultivating frameworks. Millets are the staple harvests in some downpour took care of areas.

4. Numerous assortments of millets exist with separated development and taste qualities, including half breeds, improved assortments, and neighborhood ones. This particularly applies to nearby assortments which are overwhelmingly saved on-ranch. Millets are much of the time developed with other millet assortments, beats, beans, oilseeds, and so on as a major aspect of the blended cultivating framework. The rich yield and varietal assorted variety of millet based trimming frameworks cultivate and advance agro-biodiversity of their environments.

Nutritional Value of Millets

The pearled grains absorbed water for 1-2 days, wet ground and the pound cooked, expelled and dried. It makes a fantastic fresh item when southern style. These items can be monetarily delivered as a bungalow industry, as it needs basic gear and it requires low capital speculation. Para bubbling improves the quality and is additionally used to get ready extended grains. Research work toward this path is very productive. Popping process is clarified in the post collect innovation. The volume of popped millets ranges from 8-10 ml/gm and the extended volumes of every millet during trimming is as per the following: Proso millet - 12 ml/gm; Kodo millet - 11 ml/gm; Foxtail millet-7 ml/gm; Little millet - 7 ml/gm; Barnyard millet-7 ml/gm. Little millets are once in a while used to create starch for modern employments. Their starches by and large display highergelatinisation temperature, higher water restricting limit and delayed in enzymatic hydrolysis than wheat and rice. Millets may likewise discover use for defining high fiber and diabetic nourishments.

Status of millets in India

Millets, and especially little millets, are in a circumstance of emergency in India. The period somewhere in the range of 1961 and 2009 saw a sensational lessening in developed zone under millets (80% for little millets, 46% for finger millet, 59% for sorghum and 23% for pearl millet); a 76% abatement in all out creation of little millets; a noteworthy diminishing in per capita accessibility all things considered (in spite of high efficiency gains for certain assortments); and a precarious fall in generally speaking millets utilization. Comparative patterns can be found in Tamil Nadu as well. Simultaneously, India is the greatest maker of

millet on the planet and millets stay a staple harvest for various families.

Why be worried about millets?

Millets share a lot of attributes which make them extraordinary among grains. Millets develop under dry conditions, can adapt to moderately poor soils and require hardly any other information sources. They are a staple nourishment with better healthful characteristics analyzed than different grains. Utilized as double season crops—nourishment and feed—they bode well in blended cultivating frameworks. Likewise, millets sequester carbon, consequently adding to CO₂ decrease openings, add to improved agro-biodiversity by their rich varietal assorted variety, take into account commonly helpful intercropping with other essential yields, and have huge social incentive because of their long history on the Indian subcontinent.

Pointers on destitution and healthful status in India pass on a need to keep moving in tending to these issues. Various sources gauge destitution rates somewhere in the range of 37 and 77% of the populace with country territories having more neediness than urban communities. Comparative markers find emotional paces of lack of healthy sustenance in India (around one fifth of the populace), which are particularly amazing for youngsters (roughly half experience the ill effects of hindered development) and ladies (over 35% have underneath typical weight records). Human government assistance, sustenance, destitution and monetary improvement are personally interrelated.

Be that as it may, slowing down profitability development of watered rice and wheat, which structure the foundation of the nourishment arrangement of India, upsets the achievement of nourishment and wholesome security for the country. In spite of the incredible steps made in spreading water system, right now, around 60% of Indian farming remains downpour took care of, adding to 40% of national nourishment supply. Physical and institutional cutoff points block the inconclusive multiplication of flooded frameworks, requiring fulfillment of

nourishment security through expanding creation in the enormous tracts of downpour took care of land in the short term, where millets have a place with. Expanding the portion of millets in the nourishment framework will add to more noteworthy grain accessibility as far as amount, yet in addition regarding sustenance.

Given this setting millets being overwhelmingly developed in downpour taken care of conditions and dependent on the discoveries that rural development has the best neediness decrease potential contrasted with some other (urban) division, it bodes well to focus on downpour took care of region advancement into point inside the national improvement technique with unique thoughtfulness regarding advancement of millets.

Be that as it may, discovering approaches to accomplish advancement of creation and utilization of millets, given the negative patterns, isn't direct. A portion of the primary basic hindrances which have constrained—and still are restricting—the creation and utilization of millets are

1. Lower or close to nonappearance of creation bolster when contrasted with the help appreciated by different harvests.
2. Near absence of reach of improved strategies for creation and advances.
3. Lack of proper post-collect handling advances for little millets aside from finger millet.
4. Competition from other market agreeable profitable harvests.
5. Changes in inclination designs in utilization moving endlessly from them (Sanskritisation), for the most part because of incorporation of just rice and wheat into the Public Distribution System (PDS)
6. Lack of open acquisition and advertising support.

7. Absence of open or private supported advancement of millets as a nutritious nourishment class.

8. Strong mechanical interest and ensuing alluring ranch entryway costs swarming out utilization in the region of creation.

Among the reasons for emergency of millets, recorded arrangement disregard of these harvests is a significant one. It tends to be seen that a significant number of the obstructions recorded above rise up out of such approach disregard. Without tending to the arrangement related obstructions very little advancement can be made in the advancement of creation and utilization of millets. Present-day ability of strategy creators to concentrate on millets is empowering, yet alert is required in the structure and usage of empowering measures. While an equivalent level playing field ought to be made for millets in all regards, this doesn't really mean replication of monocropping with improved assortment/half and half and manures advancement methodology as utilized for wheat and paddy. As noted before, millet editing frameworks are a piece of differing precipitation took care of biological systems; they need specially designed area explicit methodologies. The reason for this paper is to contribute towards better-educated approach and all the more viably structured usage components identified with millets to accomplish more prominent open government assistance.

Class Awareness and supposition about Millet

1. Top of brain, unconstrained and supported familiarity with the various grains , and the various assortments of Millet

2. Source of consciousness of the grain

3. Spontaneous assessment on millets and it's assortments that they know about

4. Perceived medical advantages of eating millet

5. Barriers to eating Millet
6. Comparison of millet regarding great and terrible characteristics when contrasted with their staple oat

Utilization example of Millet

1. Main grain expended
2. Factors impacting utilization of millet – season , value, propensity, taste, medical advantages, nourishment arrangement process, others
3. Frequency of devouring Millet and its diverse assortment
4. Who all in the family eats Millet
5. Regular and Special arrangements made with Millet
6. Reasons for eating Millet being the fundamental expended grain or not
7. If began expending Millet as of late and purposes behind it
8. Intention to expending Millet later on
9. Wanting to change to another oat as the most every now and again devoured

Buy Process

1. Frequency of procurement
2. Volume bought at once,

3. SKU bought and cost addressed (to catch cost mindfulness),
4. Factors considered while buying grain/Millet - quality, cost, and so forth

Dynamic procedure

5. Key leader for buying oats for the family unit

DATA AND METHODOLOGY

The auxiliary information was accumulated on different angles like, zone, creation and yield of ragi and minor millets for major delivering states. To compute net return and net return the expense of development information was utilized. The information on region, creation and yield were accumulated from the Directorate of Economics and Statistics, Ministry of

Agriculture. utilization example of little millets removed from unit level NSSO information on "Family Consumer Expenditure and Employment and Unemployment" was utilized. Structuralbreak examination of zone and yield of minor millet bai-peron (bai-peron, 2004) technique has been utilized. R programming was utilized to dissect basic break in minor millets.

Production Pattern

Table No: 1

Trend of Actual Harvested Area, Production of Millets in India

Years	Harvested Areas (in 0000'M.Ha)	Growth %	Production (in 0000'M.MT)	Growth %
2001	12000	-7.87 %	900	0.00 %
2002	9000	-25.00 %	700	-22.22 %
2003	13100	45.56 %	900	28.57 %
2004	11000	-16.03 %	800	-11.11 %
2005	10500	-4.55 %	900	12.50 %
2006	10300	-1.90 %	900	0.00 %
2007	10800	4.85 %	1000	11.11 %
2008	10000	-7.41 %	1000	0.00 %
2009	10400	4.00 %	700	-30.00 %
2010	11150	7.21 %	1200	71.43 %
2011	10800	-3.14 %	1500	25.00 %
2012	8500	-21.30 %	1200	-20.00 %

Source: Ministry of Agriculture, Govt.of India and United States Department of Agriculture.

From the table no.1 stressed that the gathered zone and the utilization of millets in India is step by step diminished in an elective long stretches of 2005-2008 and from the time of 2009 onwards the region collected slowly expanded and afterward 2011 it is boiled down to falling. Then again the accessibility amount for utilization of millets was diminished in 2009 and from the year after 2009 its level continues expanding and in the time of 2012 onwards goes to a falling pace of - 20.00 percent.

Table No: 2

The Principal Field Crops of India:

Crop	Crop group	State with the highest area undercultivation (till 08-9)	Area (in thousand hectares)	State with highest production	Yield (in thousand tons)	Second highest yield
Rice	Cereals	Uttar Pradesh	6034	West Bengal	15037	13097 (UP)
Jowar	Cereals	Maharashtra	4071	Maharashtra	3587	1629 (KN)
Bajra	Cereals	Rajasthan	5175	Rajasthan	4283	1302 (UP)
Maize	Cereals	Karnataka	5175	Andhra Pradesh	4152	3029 (KN)
Ragi	Cereals	Karnataka	841	Karnataka	1394	193 (UK)
Small Millets	Cereals	Madhya Pradesh	307	Uttarakhand	89	89 (MP)
Wheat	Cereals	Uttar Pradesh	9513	Uttar Pradesh	28554	15733 (PJ)
Barley	Cereals	Rajasthan	287	Rajasthan	878	276 (UP)

Gram	Pulses	Madhya Pradesh	2841	Madhya Pradesh	2786	981 (RJ)
Tur	Pulses	Maharashtra	1009	Maharashtra	605	315 (KN)
Other Pulses	Pulses	Rajasthan	2394	Uttar Pradesh	1148	830 (RJ)
Groundnut	Oilseed	Gujarat	1907	Gujarat	2661	1554 (AP)
Sesamum	Oilseed	Rajasthan	521	Rajasthan	153	133 (WB)
Rapeseed and mustard	Oilseed	Rajasthan	2388	Rajasthan	3806	874 (UP)
Linseed	Oilseed	Madhya Pradesh	126	Madhya Pradesh	48	27 (UK)
Castor	Oilseed	Gujarat	434	Gujarat	852	159 (RJ)
Cotton	Others	Maharashtra	3107	Gujarat	8787	4618 (GJ)
Jute	Others	West Bengal	596	West Bengal	8412	1253 (BH)
Mesta	Others	Andhra Pradesh	62	Andhra Pradesh	544	137 (BH)
Sugarcane	Others	Maharashtra	761	Uttar Pradesh	109048	60648 (MH)

Source: Indian Agriculture Statistical Report, 2011.

From the table no.2 is evident that grains harvests, for example, rice and the millets development region and the conditions of most noteworthy creation were involved by Uttar Pradesh and West Bengal the primary spot while then again it was seen that significant millets like jowar, bajra and ragi are taking the primary spot by the conditions of Maharashtra, Rajasthan and Karnataka.

Simultaneously the situation of minor millets or the little millets Madhya Pradesh took the primary spot in the territory development and Uttarkhand state positioned in the most noteworthy creation of little millets. The rest of the field yields, for example, wheat grain, and the different grams are positioned by the states name that are outlined in the table organization. The most significant and accentuated point from the table that Maharashtra, Rajasthan and Karnataka are the top most conditions of millets development in India.

Table No: 3

Area, production and yield of small millets and finger millet from 1950-2014.

	1955-56	1965-66	1975-76	1985-86	1995-96	2005-06	2013-14
Small millets							
Area(Lakhha)	53.35	45.64	46.72	31.55	16.62	10.64	6.82
Production (Lakh tones)	15.55	19.24	12.17	7.79	4.72	4.29	20.7
Yield (q/ha)	388	341	412	386	469	443	633
Finger millet							
Area(Lakhha)	23.07	26.96	26.3	24.01	17.74	15.34	11.93
Production (Lakh tones)	13.27	27.97	25.18	25.01	23.54	19.92	18.46
Yield (kg/ha)	800	492	1064	1049	1410	1534	1661

Source: DES, MoA, GoI

If there should arise an occurrence of minor millet just about eight overlap decrease in zone

State / UT	Area	Production	Yield	Compound growth rate (%)		
				Area	production	Yield
Andhra Pradesh	30.00 (3.88)	26.00 (6.07)	866.6 7	-6.01	-1.95	4.31
Arunachal Pradesh	22.09 (2.86)	21.54 (5.03)	975.0 3	0.67	1.43	0.76
Gujarat	49.00 (6.34)	48.60 (11.35)	991.8 4	-6.55	-5.82	0.79
Jharkhand	24.95 (3.23)	11.95 (2.79)	478.9 6	13.58	29.07	13.6 4
Karnataka	24.21 (3.13)	11.85 (2.77)	489.6 1	-9.79	-11.10	- 1.46
Madhya Pradesh	246.22 (31.85)	88.66 (20.71)	360.0 9	-5.83	-0.86	5.27
Maharashtra	63.00 (8.15)	28.72 (6.71)	455.8 7	-5.37	-6.89	- 1.61
Tamil Nadu	30.84 (3.99)	32.58 (7.61)	1056. 62	-7.16	-4.71	2.65
Uttarakhand	71.83 (9.29)	84.38 (19.71)	1174. 77	-0.48	-0.20	0.29
All India	773.13 (100)	428.20 (100)	553.8 5	-5.13	-2.21	3.08

diminished from 53.35 lakh ha in 1955-56 to 6.82 lakh ha in 2013-14. Further the creation of minor millet recorded four crease diminishes during these periods. Anyway the negligible increment in yield of minor millets was seen yet this is insignificant when contrasted with different harvests. Significant purpose behind the decrease of region and creation were the tradeoff among rice and wheat with minor millet. While finger millet, one crease decline in region and there isn't as much as abatement underway because of yield nearly multiplied in these period i.e from 800 kg/ha to 1661 of every 2013-14. Poor arrangement support for coarse grains from one viewpoint positive strategies for the development of oilseeds, for example, sunflower and soybeans and money harvests, for example, cotton then again turned out to be progressively beneficial, driven by yield increments and more significant expenses prodded by developing shopper request (Status paper on coarse oats, Directorate of Millets Development, Department

of Agriculture and Cooperation). Simple accessibility of rice and wheat on financed rate through PDS, societal position joined to fine oats, the entrance of broadened esteem included items from rice and wheat and the simplicity of readiness and short cooking time for them have brought about their expanded utilization.

Table No: 4

Major state-wise area, production and yield of finger millet (Average of 2009-14).

State / UT	Area ('000ha)	Production ('000Tonnes)	Yield (Kg/ha)	Compound growth rate (%)		
				Area	production	Yield
Andhra Pradesh	42.80 (3.53)	46.80 (2.45)	1093.46	-6.43	-7.64	-1.29
Gujarat	15.60 (1.29)	13.20 (0.69)	846.15	-3.51	-3.11	0.41
Karnataka	709.80 (58.62)	1265.46 (66.13)	1782.84	-2.88	-1.08	1.85
Odisha	58.80 (4.86)	41.07 (2.15)	698.35	-1.84	-1.08	0.77
Tamil Nadu	85.96 (7.10)	211.85 (11.07)	2464.40	-2.84	-0.46	2.46
Uttarakhand	124.37 (10.27)	166.98 (8.73)	1342.56	-3.36	0.16	3.65

West Bengal has most noteworthy zone under little millets (30.4%) trailed by Chhattisgarh (19.5%), Uttarakhand (16.8%), Maharashtra (7.8%), Gujarat (5.3%) and Tamil Nadu (3.9%). Uttarakhand has most elevated profitability of 11749 Kg/ha followed by Tamil Nadu (1067 Kg/ha) and Gujarat (1056 Kg/ha). State-wise normal region, creation and yield evaluations of little millets are given in table 5. Karnataka has the most noteworthy territory and creation of finger millet followed by Tamil Nadu. Karnataka itself involved around 66 percent of complete creation and different states are extremely negligible

creation in India. In any case, Tamil Nadu state has recorded most elevated profitability (2464 Kg/ha) of finger millet followed by Karnataka (1782 Kg/ha) which is over the national normal yield (1580 Kg/ha). To the extent compound development rate is concern negative development in all states including Karnataka and Tamil Nadu. Zone under finger millet and minor millets are losing its zone to grain harvests and business crops despite the fact that they have higher nutritive worth and are impervious to bug and ailment and dry season.

Table No: 5

Structural breaks of Minor millet and finger millet- 1990-2013.

S. No.	State	Minor millet		Finger millet	
		Area	Yield	Area	Yield
1	Andhra Pradesh	1998	2006	2002	2003
	Arunachal Pradesh	2002	1998		
2	Gujarat	2005	2005	2001	2006
3	Karnataka	1998	2000	2006	2002
4	Madhya Pradesh	2000	2000		
5	Maharashtra	2001	2015	1998	2006
6	Odisha	1998	-	-	200

					3
7	Tamil Nadu	1998	-	1998	200
					4
	All India	1998	2000	1998	200
					2

The adjustment in region and efficiency pattern was broke down by utilizing bai-peron strategy for auxiliary break investigation for both finger millet and minor millet shows that, the break point for pattern in territory under minor millets during the period 1998 and somewhere in the range of 2000 and 2002. The potential purposes behind watched changes could be event of dry spell during these years further the region under finger millet event of auxiliary break during the years 1998, 2001 and 2002. In any case, the yield pattern of minor millet and finger millet didn't uncover basic breaks during study period.

Table No: 6

Main millet crops cultivated in India

Millet crops	Vernacular names	Top 5 states in terms of total production plus Tamil Nadu and all-India (Production in lakh tons) ⁵
Pearl millet	<i>Bajra, Bajri, Sajja, Sajje, Cumbu</i>	Rajasthan (42.83), Uttar Pradesh (13.02), Haryana (10.79), Gujarat (9.61), Maharashtra (6.62), <i>Tamil Nadu (0.84), India (88.87)</i>
Sorghum	<i>Jowar, Jondhla, Jola, Jonna, Cholan, Juara, Rotla</i>	Maharashtra (35.87), Karnataka (16.29), Madhya Pradesh (5.74), Andhra Pradesh (4.36), Tamil Nadu

		(2.14), India (72.46)
Finger millet	<i>Ragi, Mandua, Keppai, Kaelvaragu, Nagli, Nachni, Mandiya, Marwa</i>	Karnataka (13.94), Uttarakhand (1.93), Tamil Nadu (1.70), Maharashtra (1.25), Andhra Pradesh(0.52), India (20.40)
Barnyard millet	<i>Koni The responsible dhan, Shyama, Banti, Sanwa, Oodalu, Khira, Swank, Oodalu, Kutdiravali</i>	Uttarakhand (0.91), Arunachal Pradesh (0.16), Nagaland (0.14), Madhya Pradesh (0.12), Uttar Pradesh (0.07), <i>Tamil Nadu (0.03)</i> , India (1.65)
Little millet	<i>Gajrao, Kuri Kutki, Sava, Same, Save, Sama, Sava, Suan, Samalu, Swank, Sama</i>	Madhya Pradesh (0.37), Tamil Nadu (0.32), Karnataka (0.20), Chhattisgarh (0.12), Jharkhand (0.11), India (1.42)
Kodo millet	<i>Kodra, Kodon, Harika, Varaku, Kodra, Kodua, Arika, Varagu</i>	Madhya Pradesh (0.50), Chhattisgarh (0.17), Tamil Nadu (0.12), Maharashtra (0.08), Uttar Pradesh (0.07), India (0.98)
Foxtail Italian millet	<i>Kaon, Kang, Kakun, Kangni, Navane, Thena, Rala, Kangam, Kanghzu, Kangani, Korra, Tenai</i>	Andhra Pradesh (0.17), Karnataka (0.14), Arunachal Pradesh (0.05), Maharashtra (0.05), Rajasthan (0.05), <i>Tamil Nadu (0.01)</i> , India (0.58)
Proso millet	<i>Cheena, Cheno, Bari, Baragu, Vari, Bachari, Panivaragu</i>	Maharashtra (0.17), Bihar (0.05), Orissa (0.01), Rajasthan (0.01), Tamil Nadu (0.004), India (0.26)

Factors Limiting Productivity of millets

Creation of millets and little millets are dependent upon wide changes and the zone is declining. But sorghum, peralmillet, and finger millet, no other millet have demonstrated any improvement in their cultivable territory. The significant imperatives are as per the following:

1. Millets are developed on poor shallow and negligible soils under downpour took care of conditions. A portion of these are as yet developed in the uneven zones under moving development which is one of the most crude methods for crop creation. The dirt on which these yields are developed have low dampness maintenance limit.
2. Seeds are regularly communicated. This is a significant jug neck in taking between development activity and powerful weed control. The blended editing rehearses received by the ranchers are for the most part fit to sustenance horticulture and a significant number of them are not profitable.
3. They are regularly developed under unmanured and unfertilized conditions. Non reception of improved assortments and auspicious horticultural tasks like culturing, planting, weeding and between refined has brought about diminished returns. Improved yield the executives rehearses are not received by the ranchers due to financial imperatives. 4.

Research on crop improvement and agro-strategies was ignored till as of late. There is no sorted out program for creation and supply of seeds of improved assortments. There is no prepared market for the removal of surplus produce at a profitable cost. There is absence of expansion and improvement support. Despite the fact that a ton of research is finished by All India co-ordinate Research Project on Millet Improvement (AICMIP) and State Agricultural Universities, still there is a need to escalate to build the territory and creation of millets.

Hindrances to increment in millets creation and utilization

In light of the contemplations above, expanded creation and utilization of millets is probably going to bring about different cultural advantages. Discovering approaches to accomplish increment underway and utilization of millets, given the negative patterns, isn't direct. To explain the regions requiring consideration, a portion of the principle fundamental hindrances which have constrained and still are restricting the creation and utilization of millets are listed.⁴⁰

1. Lower or close to nonattendance of creation support as far as information supply and endowment (seed and supplements), water system backing, and showcasing support, when contrasted with the help appreciated by different yields. This is especially so for little millets.
2. Near absence of reach of improved strategies for creation and innovations like improved assortments to little millet ranchers (aside from finger millet in specific pockets).
3. Lack of composed seed appropriation systems to supply great quality seeds for little millet crops as per ranchers' inclinations.
4. Lack of proper post-reap preparing innovations for little millets aside from finger millet.
5. Competition from other market cordial profitable harvests.
6. Changes in inclination designs in utilization which brought about lacking valuation for millets and moving ceaselessly from them (Sanskritisation). This is predominantly because of incorporation of just rice and wheat into the Public Distribution System (PDS). This thus brought about extraordinary decrease in utilization even where there is creation. Absence of open obtainment and advertising support.

7. Inadequate research on creation improvement and nourishment item advancement for little millets.
8. Absence of open or private supported advancement of millets as a nutritious nourishment class.
9. Some of the millet crops like little millet and sorghum got changed in a brief period from a nourishment yield to a business crop because of solid modern interest and subsequent appealing homestead door costs; however this wonder has swarmed out utilization in the territory of creation.
10. Lack of accessible data basically about little millets, which diminishes the capacity to present arrangement measures.

Proposals to improving the millets development

As millets and little millets are dominantly developed in peripheral and sub minor dry terrains by poor ranchers, the vacillations underway carry hardship to ranchers as well as make precariousness in the complete coarse grain creation. Along these lines, formative exertion ought to be made through minikit exhibitions and State Level Training Programs. These would help in advancing the recently discharged assortments among the ranchers in supplanting the low yielding neighborhood assortments. For this reason, methodical follow-up activity is required for the creation of seeds at different stages, its preparing and conveyance. The improved seed either ought to be provided free or financed by the Government. The job of non-money related data sources, for example, line planting, ideal column separating, profundity of seeding, ideal plant populace per unit region, convenient social practices for higher profitability ought to be disclosed and shown to the ranchers directly in the field. Agronomic research ought to bring out productive minimal effort innovation which is inside the methods for ranchers and simple to embrace. Expanded utilization of little millets in different prepared to-eat nourishment items ought to be empowered as it upgrades their worth and market cost. Give millets most noteworthy need in the National Food Security Bill: Government of India ought to apportion in any event 40% of its nourishment security spending plan to millet based cultivating and nourishment frameworks that will utilize millets as their significant nourishment part. Put millets into open nourishment frameworks of India: Millets should be incorporated into the current Public Distribution System (PDS) . Additionally present millet dinners two times every week in the ICDS, school noontime suppers, government assistance lodgings and such different plans of the administration.

Perceive millets as Climate Change Compliant Crops and advance their development and utilization: Climate change will bring about higher warmth, dry spell, lower precipitation and water emergency just as high lack of healthy sustenance. For the natural job they have played dry land ranchers should be perceived and allowed financial rewards for biodiversity, water protection and supporting arrangements against environmental change. Speculation on millet lands which separated from making perpetual venture for the poor can likewise make at a large portion of the expense of NREGA, twofold the business days. Convert cultivable fallows into millet ranches If the administration works decidedly and causes the ranchers to develop these terrains and homestead millets, the nation will have the option to deliver at least 25 million tons of millets, 5 million tons of heartbeats and grain that can take care of a surprising 50 million heads of dairy cattle. This is a tremendous chance. Start a gigantic instructive and special program on millets and the legislature must utilize its media crusade assets to take up millet advancement.

The effect of new techniques for field exhibits showed tremendous potential for increment in yield because of new suggested innovation. The yield level and salary of ranchers could be generously expanded by the appropriation of prescribed innovation. Improvement in yield was around 82 % in finger millet, 95% in little millet, 83% in kodo millet, 43% in foxtail millet, 76% in proso millet and 82 % in farm millet. Little millets in spite of low hereditary potential are developed on account of socio-economic states of the ranchers and guaranteed salary under low info conditions. Incorporation of vegetables as part crops helped in extra vegetable yield prompting dietary security of the family and improved soil efficiency and wellbeing. Essentially the appropriation of other key parts like utilization of new high yielding assortment, use of manures and so forth indicated critical impact on the yield of the harvest. All focuses have met the indented prerequisites of the Department of Agriculture and Cooperation, Government of India, to deliver reproducer seed especially in finger millet, kodo millet and little millet. Millets are anything but difficult to process, contain a high measure of lecithin and are astounding for fortifying the sensory system. They have niacin, B6 and folic corrosive, and calcium, iron, potassium, magnesium and zinc. Millets are useful for individuals who are gluten-bigoted. Its fiber content additionally forestalls blockage and may decrease the danger of creating gut issue including entrail colon. Most officials work extended periods of time with practically no activity. Eateries serve rich nourishment with margarine, oil and cheddar which has prompted different wellbeing illnesses. "Be that as it may, mindfulness about the incorporation of millets in our day by day dinners for sound living to battle the impacts of a more westernized, stationary way of life is required.

Rundown of Findings

1. Shopper talk

Classification Awareness and conclusion about Millet

Lion's share (87%) of the respondents met reviewed some assortment of Millet or the other when solicited which ones they knew from. Top of Mind review was the most noteworthy for Pearl Millet (Bajra) 32% followed a good ways off by Sorghum(Jowar) 20% and Finger Millet (Ragi) 15%. Out of the considerable number of assortments , these three were reviewed unmistakably both at the independent just as helped mindfulness stages. Post supporting it was Sorghum which remained at number 1 position (among Millets) 94% followed by Pearl Millet (bajra) 88% and Finger Millet (Ragi) 60%. Strangely in littler towns, the mindfulness for Little Millet just as Foxtail Millet hushed up high.

Verbal exchange was the main primary wellspring of mindfulness for Millets - it is possible that it was the Family individuals or Friend's/Neighbors who passed on data on the equivalent. Different wellsprings of mindfulness were insignificant.

Millets were viewed as "useful for wellbeing", "simple to process", "useful for weight decrease" just as "useful for individuals who have inadequacies in them" yet almost no was thought about them. Regarding assortment as well as the "accessibility", "information on how to manage the Millet excessively was missing".

"Useful for wellbeing", "Simple to process", "gives required sustenance", "makes bones/body solid", "diminishes body weight", "keeps you warm in winter" and "useful for diabetics" were a portion of the key medical advantages referenced.

As a matter of first importance the significant obstruction to eat is its "accessibility", trailed by "next to no information on the most proficient method to cook" or "what to cook". Last however not the least "kids/relatives don't care for the taste" which makes it an incidental grain which can be utilized for cooking.

Utilization example of Millet

Rice and wheat were primarily devoured by practically all the family units.

Over all the urban areas where meetings were led, the key elements for considering eating of Millets developed as "Simple/light to process" and "Beneficial to eat".

Just Pearl and Finger Millet were considered for utilization "once every week". For different assortments of Millets it was "less regularly than once every month".

Spouse/Main Earner was the fundamental buyer followed by the wife/housewife not far behind. Kids came in at a second position path behind.

Much of the time, Millet cooked was not ordinary. Among the standard clients the dishes arranged were "Roti/Chapati (an Indian flatbread)", Bhakri (a territorial adaptation of Indian flatbread)", "Khichdi"(an

Indian wet rice like/or with rice planning of blend millets in with different grains), "Dosa"."Kali/Ragi Ball". Likewise, at times for the most part sweet arrangements were made like "Sevai/Kheer"(an Indian sweet dish wet), "Halwa"(an Indian sweet dish semi dry).

Purpose behind eating Millets was "anything but difficult to cook", "useful for wellbeing" and "can make roti/chapathi/bhakri's (an Indian flatbread) and "simple to cook". Nothing explicit was referenced which improved Millet than Rice or Wheat

For advancement of wellbeing a few respondents began devouring Millet as of late.

The individuals who are as of now clients of Millets, not very many needed to attempt another/extra assortment of Millet(just 19% needed to attempt) anyway among the uncommon/non shoppers of Millets the intrigue level was far higher (50%).Key reasons being "useful for wellbeing", body gets solid", "lessens body weight " and "gives supplements".

Buy Process

Recurrence of procurement was for the most part around once per month. As a large portion of the millets are accessible unbranded and free, buying was done once every week by an enormous number in littler amounts. In the Tier 1 urban areas the most widely recognized

weight bought was 1kg. Anyway in the littler towns Tier 2 there was a remarkable bit of respondents who purchased 5 kgs. at once.

The nearness of marked millets were not many. Thus the quantity of SKU's accessible also were not very many.

2. Retail talk

Pearl Millet was the most loaded Millet variety followed by Sorghum and Finger Millet. Different kinds of millets were supplied by just a couple of retailers.

By and large extent of Millet deals out of 100% grain deals was between 1-10% contrasted with Rice 40% and Wheat another 40%.

Over a large portion of the retailers sold Millet since long averaging 5 years or more.

Millet deals as indicated by the retail continued as before contrasted with a year ago - about half (45%) said as much. 40% of the retailers likewise said that the deals have expanded over the past. The expansion of deals was for the most part recorded in the Tier 1 urban communities.

As indicated by retailers, generally, the customers of Millet are from different regions around town/city. There is no specific area where the utilization is higher. The utilization seems, by all accounts, to be done most in Middle Class/Upper Middle Class family units for the most part

(68%). The utilization is likewise present among the more unfortunate class of family units. Essentially spread across SEC A, B and C families. The Main worker's control of Millet expending family units had all the earmarks of being blended from Skilled specialists at the most reduced level to the Professionals at the most noteworthy. Among specialists family units, utilization gave off an impression of being somewhat less. Most Millet expending families seemed, by all accounts, to be from taught families. Primary reason for expending Millet was for Occasional arrangements and for Healthier living.

3. In nett

Creation of Millets in the nation isn't excessively reassuring. Throughout the decade, by and large creation is going somewhat downwards. In spite of the fact that the famously utilized millets are attempting to clutch their position, the littler millets are missing out gradually yet consistently.

Because of the obscure uses , advantages and cooking strategies, Millets were not very well known and still is. Anyway in the urban communities (Tier 1) it is picking up notoriety because of it's wellbeing related advantages. Truth be told across urban communities/towns at present Millets generally are accessible free. Be that as it may, scouring the Supermarkets and Hypermarkets it has been found an ever increasing number of marked items are coming in both natural also in any case.

Retail shops stock Millets anyway the extent of deals being low it's anything but a force item grain contrasted with Rice and Wheat.

As per retailers, Overall, the shoppers of Millet are from different areas around town/city. There is no specific territory where the utilization is higher. The utilization seems, by all accounts, to be done most in Middle Class/Upper Middle Class family units generally (68%). The utilization is additionally present among the more unfortunate class of family units. Fundamentally spread across SEC A, B and C family units. The Main worker's control of Millet expending family units gave off an impression of being blended from Skilled specialists at the least level to the Professionals at the most noteworthy. Among agents families, utilization seemed, by all accounts, to be somewhat less. Most Millet expending family units gave off an impression of being from taught families. Principle reason for expending Millet was for Occasional arrangements and for Healthier living.

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A FIELD PROJECT REPORT ON CUSTOMER SATISFACTION ON APPARELS IN RELIANCE TRENDS

A Project Report submitted
in partial fulfillment of the requirement for the award of the degree of
MASTER OF BUSINESS ADMINISTRATION

By

NITISH KUMAR (221FC01114)
MAGULURI VENKATA HEMA LAKSHMI SUSHMITHA (221FC01115)
BATTU PRAVALLIKA (221FC01116)
S VENKATESH (221FC01117)
V MOUNIKA (221FC01118)

Under the supervision of
Dr. SK Mahaboob Syed
Department of management studies



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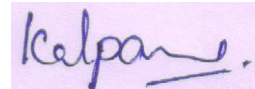
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 221FC01114, 221FC01115, 221FC01116, 221FC01117, 221FC01118 from the Department of
 Management Studies, Vignans & Foundation for Science Technology and Research. And I
 strongly believe that the work which was carried out by these students would immensely help
 them in their future Endeavour

PERMISSION LETTER

Following are the students KAKUMANU KEERTHI DURGA, KANCHERLA SR
 YAMINI, KOTA YAMUNA, KOTHAGORLA KALYANI, of II MBA bearing rol
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It is really a great pleasure to have this opportunity to describe the feeling of gratitude imprisoned in the core of my heart. We render my sincere thanks to “Dr. SK Mahaboob Syed”, Associate Professor, Department of Management Studies, and Vignan Foundation for Science, Technology and Research, Vadlamudi, who has guided us throughout the study and helped us to complete the project successfully. We would like to acknowledge my sincere thanks to entire Department of management studies staff, friends and parents and everyone who helped us to complete the project successfully. I also express my heartfelt regards to my parents, my guide and to all my friends who have directly or indirectly helped me in completion of the project work.

NITISH KUMAR (221FC01114)

MAGULURI VENKATA HEMA LAKSHMI SUSHMITHA (221FC01115)

BATTU PRAVALLIKA (221FC01116)

S VENKATESH (221FC01117)

V MOUNIKA (221FC01118)

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CHAPTER-1

Abstract

Today customer is the King in company's management with the power to change their short/long term policies and strategies. Therefore, enough knowledge of expectation of customer and their desires are very important. The main purpose of this study is to identify the customer satisfaction of reliance trends. The survey examines the service quality provided to the customer. For the collection of primary data survey method is used, which involved predetermined questions, secondary data is obtained from the records, journals, annual reports and company website. A structured questionnaire was used to obtain required information, to assess the customer satisfaction level, and to find the ways through which the company can come up to the expectation of customer so that the optimum satisfaction level can be achieved. I will be using random sampling method for my study. Practically my study benefitted for the organization because products are mostly related to men and women clothing, so that they can check the customer's trend towards clothing and can try to satisfy the customer with new appeals.

INTRODUCTION

Introduction:

Retail is the person or institution who delivers goods and services are created for consumption and use by people, it is retail who assumes the role of taking the goods to its final destiny of consumption.

A retailer buys in large quantity from the middleman or manufacturer and breaks the bulk in small quantity, sells and or markets them in small quantity to meet the needs of customers. He acts as a link between manufacturer and customers. He delivers the product or service in a form, size that is acceptable to final consumers.

In India, after agriculture, the retail is the second largest sector that provides enough employment to Indian workforce. But retailing in India is at cross roads on the one side, retail sales are making new heights year after year and on the other side, traditional Indian retailers (Kirana stores) face numerous challenges.

Experts believe that retail expansion in the coming five to seven years is expected to be stronger than our Indian GDP growth, driven by changing lifestyles and by strong income growth, which in turn will be supported by favorable demographic patterns and the extent to which organized retailers succeed in reaching lower down the income scale to reach potential consumers towards the bottom of the consumer pyramid. Use of plastic money, easy availability of consumer credit will also assist in boosting consumer demand.

Today, a vast majority of India's young population favors branded goods. With the spread of satellite televisions and visual media, urban life style trends have spread across the rural areas also. The shopping extravaganza of the Indian middle class especially the young population for clothing, eating outside and lust for modern living styles has unleashed new possibilities for retail growth even in the rural areas.

Thus, 85% of the retail boom which was focused only in the metros has started to infiltrate towards smaller cities and towns. Tier-II cities are already receiving focused attention of retailers and the other smaller towns and even villages are likely to join in the coming years. This is a positive trend, and the contribution of these tier-II cities to total organized retailing sales is expected to grow to 20-25%. One of the principal reasons behind the explosion of retail and its

Fragmented nature in the country is the fact that retailing is probably the primary form of disguised unemployment/underemployment in the country.

Given the already over-crowded agriculture sector, and the stagnating manufacturing sector, and the hard nature and relatively low wages of jobs in both, many million Indians are virtually forced into the services sector.

Objectives of the study

The purposes for which the study is undertaken are:

1. To understand the consumer perception about Reliance Trends and Pantaloons
2. To examine the factors influencing the consumer to opt Reliance Trends and Pantaloons

Scope of the study:

- The information and the findings obtained from the research can be utilized as information for store in improving service quality.
 - To find out various factors this encourages customers to visit the store.
-

Need of the study

- To know about customer perception towards Reliance trends, Urban Oasis Mall, Hubli
- To know how customers view a company and its products and services.
- To determine which factors influencing consumer to opt particular store.

Limitations of the study

1. The main limitation of the study was time period, so we could not cover festivals like Divali, and other festivals that do effect perception of customers in sense of availability, crush at stores and physical appearance
2. The study was restricted to the customers who visited at reliance trends, Reliance trends ,Laxmipuram, Guntur.
3. Inaccessibility to certain areas also restricted the study
4. Many times consumers hide the exact information which is needed
5. The study is conducted purely for academic purpose. The findings, suggestion and conclusion can't be broadly generalized
6. As this study was on customers perception and it may differ according to situations.

2 LITERATURE REVIEW

Retailing in India is one of the pillars of its economy and accounts for about 10 percent of its GDP. The Indian retail market is estimated to be US\$ 600 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people. As of 2003, India's retailing industry was essentially owner manned small shops. In 2010, larger format convenience stores and supermarkets accounted for about 4 percent of the industry, and these were present only in large urban centers. India's retail and logistics industry employs about 40 million Indians (3.3% of Indian population). Until 2011, Indian central government denied foreign direct investment (FDI) in multi-brand retail, forbidding foreign groups from any ownership in supermarkets, convenience stores or any retail outlets. Even single-brand retail was limited to 51% ownership and a bureaucratic process. In November 2011, India's central government announced retail reforms for both multi-brand stores and single-brand stores. These market reforms paved the way for retail innovation and competition with multi-brand retailers such as Walmart, Carrefour and Tesco, as well single brand majors such as Nike, and Apple.

Organised retailing, in India, refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the publicly traded supermarkets, corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. Unorganised retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local corner shops, owner manned general stores, paan/beedi shops, convenience stores, hand cart and pavement vendors, etc. Organised retailing was absent in most rural and small towns of India in 2010. Supermarkets and similar organised retail accounted for just 4% of the market.



In a pan-Indian survey conducted over the weekend of 3 December 2011, overwhelming majority of consumers and farmers in and around ten major cities across the country support the retail reforms. Over 90 per cent of consumers said FDI in retail will bring down prices and offer a wider choice of goods. Nearly 78 per cent of farmers said they will get better prices for their produce from multi-format stores. Over 75 per cent of the traders claimed their marketing resources will continue to be needed to push sales through multiple channels, but they may have to accept lower margins for greater volumes.



Indian retailers

The modern retailing has a 5% market share in India with about \$27 billion in sales, and is growing at 15 to 20% per year. There are many modern retail format and mall companies in India. Some examples are in the following table.

Pantaloon Retail	65 stores and 21 factory outlets in 35 cities, 2 million square feet space
Shoppers Stop	51 stores in 23 cities, 3.2 million square feet space
Spencers Retail	200 stores in 45 cities, 1 million square feet space
Reliance Retail	708 mart and supermarkets, 20 wholesale stores in 15 cities, 508 fashion and lifestyle 1,206 crore (US\$180 million) per month sales in 2013.
Bharti Retail	74 Easyday stores, plans to add 10 million square feet by 2017
Birla More	575 stores nationwide
Tata Trent	59 Westside mall stores, 13 hypermarkets
Lifestyle Retail	15 lifestyle stores, 8 home centers
Future Group	193 stores in 3 cities, one of three largest supermarkets retailer in India by sales 916 crore (US\$140 million) per month sales in 2013.



Retailing:

Retailing is defined as the sale of goods and services to consumer for their own use. The term has been adopted by a wide range of service providers such as banks and other financial institutions, but the focus of this entry is on the sale of goods to consumers. The entry outlines the emergence and decline of various retail formats, including shopping centers, retail parks, department stores, variety stores, superstores, hypermarkets, discounters and warehouse clubs. The main functions within the value chain of retailing are summarized, including location, product selection, buying, retailer branding, pricing, advertising, in-store design, human resource management and logistics

Objectives of Retailing:

1. Customer satisfaction
2. Acquiring the right product
3. Product presentation
4. Traffic Building
5. Layout
6. Location.

Importance of Retailing:

1. Retailing shapes the lifestyle of people
2. Retailing contributes to the economy
3. Retailing dominates the supply chain
4. Retailers are major employers



Retailing Formats

Retail can be broadly classified into organized and unorganized.

Unorganized Retail:

1. Pedlars and Street Hawkers:

Those who sell products like vegetables, grocery, Small demand consumer durables carrying goods on their head or on a bicycle or 4 wheeled trolleys.

2. Kirana Shops:

These are popular Grocery shops in India that sell the vegetable and grocery to Indian families. They are normally located near by the residence of consumers. They are family owned and controlled business. They may not allow pure marketing principles. A kirana shop owner is trusted man of his consumers. People depend entirely on him for business and also social activities.

3. Weekly Bazaars:

Villages and rural India will have these retail activities weekly once. The weekly day bazaar changes from area to area on the designated day shops are set and people congregate to make their shopping for the week.

4. Jatras:

These are religious activities where in people congregate or gather to mark the occasion. During the period tents are fixed to sell goods.

Apart from this Panshops and Galli Dukkans are popular means of retailing particularly in India.



Organized:

This format of retailing is gaining popularity worldwide. An organised retail system applies marketing function and it is organised and managed in a systematic manner. Following is the classification of organized retail.

Store Based:

These kinds of retail houses sell from fixed location, that is normally near residence of people or in the central place of city.

1. Convenience stores:

These are small retail outlets that are normally located near the place of customer. Kirani stores of India can be classified as a convenience store that sells every kind of commodity that is needed for routine use. It has limited range of products to offer. It is called as convenience due to its location near the place of residence.

2. Speciality stores:

They specialise in display and sale in specific range of goods. Product range in electronic items consumer durable, jewellery, Sports equipment, Furniture, Garment, and Foot wear. These type of firms are normally expensive and safety the needs of selected customers who have preference for exclusive things.



3. Discount stores:

They sell standard products of higher volume at a lower or discounted price. They offer quality brands. Discount is offered on regular basis on purchase of large quantity. They offer in general merchandise and also sports, electronics and books.

4. Category killers:

They deal in particular range and type of product, large variety is kept as stock. They buy in large quantity and keep wide variety for display and sale. They can offer a reasonable price and discount to their customers due to their large scale purchases.

5. Super market/Malls:

These are also large size shopping malls that display and sell wide range of goods. Specialty of these markets is that they are 'Self service stores'. Customers have to make their own choice of product. They have to pick it from the shelf and bring it on the trolley billing and payment is made at the counters.

2.2 Industry Profile

Reliance Industries Limited:



The Reliance Group, founded by Dhirubhai H. Ambani , is India's largest private sector enterprise, with businesses in the energy and materials value chain. The flagship company, Reliance Industries Limited, is a Fortune Global 500 company and is the largest private sector company in India. Dhirubhai Ambani founded Reliance as a textile company and led its evolution as a global leader in the materials and energy value chain businesses.

Reliance Industries Limited (RIL) is an Indian conglomerate holding company headquartered in Mumbai, Maharashtra, India. Reliance owns businesses across India engaged in energy, petrochemicals, textiles, natural resources, retail and telecommunications. Reliance is the second most profitable company in India, the second-largest publicly traded company in India by market capitalization and the second largest company in India as measured by revenue after the government-controlled Indian Oil Corporation. The company is ranked 215th on the Fortune Global 500 list of the world's biggest corporations as of 2016. RIL contributes approximately 20% of India's total exports. It is ranked 14th among the Top 250 Global Energy Companies by Platts.



History

1960 – 1980

The company was co-founded by Dhirubhai Ambani and his brother Champaklal Damani in 1960s as Reliance Commercial Corporation. In 1965, the partnership ended and Dhirubhai continued the polyester business of the firm. In 1966, Reliance Textiles Industries Pvt Ltd was incorporated in Maharashtra. It established a synthetic fabrics mill in the same year at Naroda in Gujarat. In 1975, the company expanded its business into textiles, with "Vimal" becoming its major brand in later years. In 1980, the company expanded its polyester yarn business by setting up a Polyester Filament Yarn Plant in Raigad, Maharashtra with financial and technical collaboration with E. I. du Pont de Nemours & Co., U.S.

1981 – 2000

In 1985, the name of the company was changed from Reliance Textiles Industries Ltd. to Reliance Industries Ltd. During the years 1985 to 1992, the company expanded its installed capacity for producing polyester yarn by over 145,000 tons per annum. The Hazira petrochemical plant was commissioned in 1991–92. In 1993, Reliance turned to the overseas capital markets for funds through a global depository issue of Reliance Petroleum. In 1996, it became the first private sector company in India to be rated by international credit rating agencies. In 1995/96, the company entered the telecom industry through a joint venture with NYNEX, USA and promoted Reliance Telecom Private Limited in India. In 1998/99, RIL introduced packaged LPG in 15 kg cylinders under the brand name Reliance Gas. The years 1998–2000 saw the construction of the integrated petrochemical complex at Jamnagar in Gujarat, the largest refinery in the world.

In 2001, Reliance Industries Ltd. and Reliance Petroleum Ltd. became India's two largest companies in terms of all major financial parameters. In 2001–02, Reliance Petroleum was merged with Reliance Industries. In 2002, Reliance announced India's biggest gas discovery (at the Krishna Godavari basin) in nearly three decades and one of the largest gas discoveries in the



world during 2002. The in-place volume of natural gas was in excess of 7 trillion cubic feet, equivalent to about 1.2 billion barrels of crude oil. This was the first ever discovery by an Indian private sector company. In 2002–03, RIL purchased a majority stake in Indian Petrochemicals Corporation Ltd. (IPCL), India's second largest petrochemicals company, from Government of India. IPCL was later merged with RIL in 2008. In the years 2005 and 2006, the company reorganized its business by demerging its investments in power generation and distribution, financial services and telecommunication services into four separate entities. In 2006, Reliance entered the organized retail market in India with the launch of its retail store format under the brand name of 'Reliance Fresh'. By the end of 2008, Reliance retail had close to 600 stores across 57 cities in India. In November 2009, Reliance Industries issued 1:1 bonus shares to its shareholders. In 2010, Reliance entered Broadband services market with acquisition of Infotel Broadband Services Limited, which was the only successful bidder for pan-India fourth-generation (4G) spectrum auction held by Government of India.

Reliance Industries Limited operates world-class manufacturing facilities across the country at Allahabad, Barabanki, Dahej, Dhenkanal, Hazira, Hoshiarpur, Jamnagar, Kurkumbh, Nagothane, Nagpur, Naroda, Patalganga, Silvassa and Vadodara.

Allahabad Manufacturing Division located in Allahabad, Uttar Pradesh, is spread over 105 acres. It is equipped with polymerization and continuous polymerization facilities.

Barabanki Manufacturing Division located near Lucknow, Uttar Pradesh, is spread over 106 acres. It manufactures Black Fibre.

Dahej Manufacturing Division located near Bharuch, Gujarat, is spread over 1,778 acres. It comprises of an ethane / propane recovery unit, a gas cracker, a caustic chlorine plant and 4 downstream plants, which manufacture polymers and fibre intermediates.

Dhenkanal Manufacturing Division located in Baulpur, Orissa, is spread over 227 acres. It manufactures polyester staple fibre.



Hoshiarpur Manufacturing Division located in Hoshiarpur, Punjab, is spread over 69 acres. It manufactures a wide range of PSF, PFF, POY and polyester chips.

Hazira Manufacturing Division located near Surat, Gujarat, is spread over 700 acres. It comprises of a Naptha cracker feeding downstream fibre intermediates, plastics and polyester plants.

Jamnagar Manufacturing Division located in Jamnagar, Gujarat, is spread over 7,400 acres. It comprises of a petroleum refinery and associated petrochemical plants. The refinery is equipped to refine various types of crude oil (sour crude, sweet crude or a mixture of both) and manufactures various grades of fuel from motor gasoline to Aviation Turbine Fuel (ATF). The petrochemicals plants produces plastics and fibre intermediates.

Kurkumbh Manufacturing Division located near Pune, Maharashtra, is spread over 34 acres. It manufactures fibre intermediates.



Nagothane Manufacturing Division located in Raigad, Maharashtra, is spread over 1,860 acres. It comprises of an ethane and propane gas cracker and five downstream plants for the manufacture of polymers, fibre intermediates and chemicals.

Nagpur Manufacturing Division located in Nagpur, Maharashtra, is spread over 368 acres. It manufactures polyester filament yarn, dope-dyed specialty products of different ranges, fully drawn yarn and polyester chips.

Naroda Manufacturing Division located near Ahmedabad, Gujarat, is RIL's first manufacturing facility and is spread over 150 acres. This synthetic textiles and fabrics manufacturing facility manufactures and markets woven and knitted fabrics for home textiles, synthetic and worsted suiting and shirting, ready to wear garments and automotive fabrics.

Patalganga Manufacturing Division located near Mumbai, Maharashtra, is spread over 200 acres. It comprises of polyester, fibre intermediates and linear alkyl benzene manufacturing plants.

Silvassa Manufacturing Division located in the Union Territory of Dadra and Nagar Haveli, is spread over 127 acres. It manufactures a wide range of specialty products such as Recron Stretch, Linen Like, Melange, Thick-n-thin and Bi-shrinkage yarns.

Vadodara Manufacturing Division located in Vadodara, Gujarat, is spread over 1,263 acres. It comprises of a Naptha cracker and 15 downstream plants for the manufacture of polymers, fibres, fibre intermediates and chemicals.



The company works under different business segments:

1. Petroleum



Owns and operates two of the world's largest and most complex refineries with crude processing capacity of 1.24 MMBPD

2. Petrochemicals



Polymers, Polyester, Fibre intermediates, Elastomers and Chemicals Integrated petrochemicals player with Top 10 rankings in key products globally.

3. Retail



Pan India footprint in organised retail Retail market leader in several segments with over 12.5 million sq. ft. of retail space and having presence in 200 cities.



4. Telecommunication



Digital services building a countrywide broadband next generation infrastructure to deliver digital content, applications and services.

5. Media



Broadcasting and Digital properties Interests in television, digital content, filmed entertainment, digital commerce, magazines, mobile content and allied businesses.

6. Oil and gas



Exploration and Production of oil and gas Interests in onshore and offshore exploration and production in India and significant presence in US shale



Concepts and Theories

Perception:

Perception is the process by which people select, organize, and interpret information from the outside world. People receive information in the form of sensations by sensory receptors; eyes, ears, nose, mouth and fingers. People interpret the sensations they receive by their past experiences. The perception process is very important for marketers because it is difficult even to make consumers notice their ads. Although consumers notice it, there is no guarantee that they will perceive as marketers want. Therefore, marketers need to care the whole process including exposure, perceptual selection and interpretation.



Marketing influences on consumer behavior:

Product Influence:

The attributes of a product such as brand name, quality, complexity, packaging and labeling information can influence consumer behavior.

Price Influences:

The price of product and services influences consumer behaviors. Higher prices may not always discourage purchasing because consumers believe that the products or services are higher quality. However, value-conscious consumers may buy products more on the basis of price than other attributes.

Promotion Influences:

Advertising, sales promotions, salespeople, and publicity can influence what consumers think about products.

Place Influences

The marketer's strategy for distributing products can influence consumers e.g. convenient to buy, products sold in exclusive outlets offering products on Internet or in catalogs.



2.3 Reliance Retail:



Reliance Retail Ltd is a subsidiary company of Reliance Industries Limited, which is based in Mumbai. Reliance Retail Ltd was set up in 2006 and based in Mumbai, it is the largest retail outlets offer foods, groceries, apparel and footwear, lifestyle and home improvement products, electronic goods, The Company's outlets also provide vegetables and fruits. Reliance Retail Ltd has been conceptualized to include growth for farmers, Vendors, partners, small shopkeepers and consumers.



Reliance Retail	
Parent Company	Reliance Group
Category	Retail
Sector	Retail and lifestyle
Tagline/Slogan	Apki khushi hamari khushi
USP	Trusted quality and strong backing of parent Company

STP	
Segment	Quality and price cautious group
Target Group	Upper and middle class
Positioning	Quality and trust



Store hierarchy

Store manager is the head of the particular store. They are hired at central level through various processes like reference check, campus placements

Financial Position

It had a turnover of Rs.216 billion in the financial year 2015-16. Approx 56% of this revenue came from its value and other segment that operates grocery chains Reliance Fresh, Reliance Super and Reliance Hyper.

Reliance Retail has announced revenues of Rs.66.66 billion for the first quarter of 2016, showing 45% jump from 2015. The company also reported operating profit of Rs. 240 million for the same quarter. Reliance reported quarterly profit of Rs.198 million in the corresponding period of the previous year registering a jump of 21.2%.



The various divisions of Reliance Retail Ltd are:

Reliance Fresh	Food & Grocery Specialty Store Fresh vegetables, grocery, general and convenience merchandise.
Reliance Super	Mini Hypermarket Grocery, clothing, leisure, beauty and style, electronics and home merchandise.
Reliance Mart	Hypermarket Grocery, clothing,leisure, beauty and style, electronics, home merchandise, furniture and jewellery.
Reliance Market	Wholesale Store A wholesale store for business & bulk needs.
Reliance Digital	Electronics Specialty Store Computers, mobiles, entertainment, gaming merchandise.
Reliance Digital Xpress	Digital Technology Specialty Store Solutions forthe emerging entertainment and technology needs of Smart phones, ultra books, HD speakers, music players, smart TVs.
Reliance Digital Xpress Mini	Specialty Store for mobility & communication Products and Services relating to mobility needs through smart phones, tablets, accessories, peripherals.



iStore	Exclusive Apple Store Range of Apple products like IPod and IMac.
Reliance Resq	Digital Service Center Services (Guidance, Installation, Maintenance & Repair) for Digital products.
Reliance Jewels	Jewellery Specialty Store Fine jewellery.
Reliance Trends	Apparel Specialty Men, ladies, children clothing and accessories.
Reliance Footprint	Footwear Specialty Store Men, ladies, children footwear, sports, handbags and accessories



1. Reliance Fresh:



It is the first amongst various format stores to be launched by Reliance Retail Ltd, which is headed by Mukhesh Ambani. The company already has 1691 Reliance Fresh outlet across the country. These stores sell fresh fruits, vegetables, groceries, fresh juice, bars and dairy products.

2. Reliance Digital:



It is the subsidiary of Reliance Retail. Reliance Digital is a consumer durables and information technology concept from Reliance Retail. The first Reliance Digital Store was opened on 24 April 2007 in Delhi. Currently there are around 1500 Reliance Digital Stores in around 400 cities in India. It is designed to be one stop shop for all technology solutions in the in the field of consumer electronics, home appliances, information technology and telecommunication. The sluggish consumption pattern of digital products is expected to be a transient phenomenon, as younger demographic population supported by new job creation and aspirational lifestyle is

likely to bring back industry demand. Unabated by the industry impact, Reliance Retail continued its growth in the digital sector during the year. Reliance Digital operates multiple formats, offering consumer electronics, home appliances, IT and telecom products



3. Reliance Trends:



It is a specialty apparel store that will sell men, women, and children's garments. The store will carry the best of national and international brands like John Players, Peter England, etc.

4. Reliance Footprint :



It is the subsidiary of Reliance Retail. It is a specialty footwear store that offer over 25,000 pairs of formal, casual, ethnic, party wear and sportswear in men, women, and children footwear. It also provides hand bags and accessories Reliance Footprint, the specialty footwear format is offering footwear and accessories through a range of own, national and international brands. It shall offer brands from Europe and America like Josef Siebel, Rockport, Hush Puppies, Lee Coper Clarks, Levis, Nike, and Adidas. The format

attained a milestone of opening 200th store during the year, making it a leading national multi-brand footwear chain. Own brands contribute 15% of turnover and gives it a competitive edge, so that the format is able to offer superior designed products at great value



5. Reliance Mart :



Hypermarket Grocery, clothing, leisure, beauty and style, electronics, home merchandise, furniture and jewellery.

6. Reliance Super :



It is the subsidiary of Reliance Retail. It is the smaller version of the hypermarket format. It is to offer over 10,000 products in various categories like grocery, home care, stationary, pharmaceutical products, apparels and accessories, FMCG, consumer durable & IT and lifestyle products. And it won't sell vegetables and fruits like Reliance Fresh.



7. Reliance Jewels:



Precious Stories. Precious Expressions.

It is the subsidiary of Reliance Retail. It is to be a one shop shopping destination for fine jewelers. The gold jewellery range shall include Kolkata Filigree, Rajkot Minakari Jewellery, Jaipur Kundan, Temple jewellery from Kerala, Jadau from Amritsar and more.

8. Reliance Wellness:



It is the subsidiary of Reliance Retail. Reliance Wellness' will offer Pre-emptive, Curative and Health & Beauty Solutions. Reliance Wellness has best international and national brands such as H2O, Neutrogena, Muscletech, Olay, Sports Nutrition to name a few, in categories such as Nutrition, Sports Nutrition, Personal care & beauty, Cosmetics, Opticals, Health Foods, Self Help Medical & Fitness Equipment. It also includes alternate medicine, health books & music. Free Computerized Eye Testing service will be available in the stores. The Store will showcase Wellness Events, Seminars, Workshops and Advisory camps on contemporary wellness issues like diabetes, hypertension, fitness, diet and nutrition, weight management and skin care.



9. Reliance Timeout:



It is the subsidiary of Reliance Retail. It has lifestyle store of Books, Music, Movies, Toys, Gaming, Fragrances and Stationery.

10. Reliance Digital Express:



Digital Express Mini is a smaller store format catering to mobility and communication needs of the consumers. In a short period, the format has established itself as the country's largest mobile phone retail chain. The format is increasingly becoming a distribution platform for most of the national and international brands as it offers tremendous reach to over 150 cities in India, with further plans to take the format to over 800 cities.



11. Reliance Digital Xpress Mini:

It is the subsidiary of Reliance Retail. Reliance Digital Xpress Mini is a Specialty Store for mobility & communication Products and Services relating to mobility needs through smart phones, tablets, accessories, peripherals.

12. Reliance ResQ:

ResQ, the service arm of digital continues to expand and strengthen its capabilities. It is a full-fledged service organisation and is India's first multi-product, multibrand and multi-location service network that provides solutions encompassing end-to-end product life cycle requirements for the entire range of CDIT products and other value-added services.



3. COMPANY INTRODUCTION



COMPANY PROFILE:

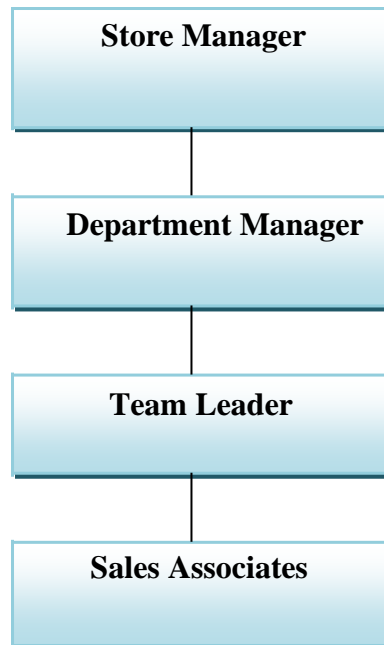
Company	: Reliance Retail
Subsidiary Company	: Reliance Trends
Founded	: 2007
Headquarter	: Bangalore
Chairman and Managing Director	:Shri Mukesh Ambani
Study location	:Gokul Road, Urban Oasis Mall, Hubli store.

Reliance Trends was started in 2007 by the Reliance group. It is a specialty apparel store that will sell men, women, and children's garments. The store will carry the best of national and international brands like John Players, Peter England, Indigo Nations, Wrangler, Reebok, and Lee apart from its private brands.

With rising disposable income, exposure to western broadcast media, access to better education and younger demographics, the fashion and lifestyle sector is poised for robust growth. Reliance Trends, the apparel and accessories specialty format, is a fashion destination for young at heart, value conscious style seeking men and women. The format offers an extensive range of own labels, apart from other national and international brands. Over the years, it has successfully democratized fashion by making 'fast fashion' accessible to the young and aspirational customers.

Reliance Trends sells over 1,50,000 pieces of garments per day across its stores with a portfolio of over 20 private label brands (targeting different customer segments), which account for 70% of its turnover. Through its private brands, Trends has been able to establish a unique differentiated offering to its customers. Reliance Trends is the largest apparel retailer in the country with largest geographical footprint. Reliance Trends has continued on its growth trajectory in the period and has opened 45 new stores taking the total store count to 200 across 100 cities. With an eye on offering the most fashionable clothes to its customers, Reliance Trends offers to its customer's affordable fashion that is designed to meet everyday fashion desires. Trends continues to leverage its international sourcing capabilities to source the best of fabric and product technology from around the world. International sourcing offices as well as its existing regional sourcing offices across India aid in converting the fabric to the finished product at best prices, while ensuring the highest adherence to quality.

Store Hierarchy



Role of Store Manager

- To make profit from the store
- To know the customer requirements
- To observe the current trends
- Hire all the employees in the particular store below the store manager position.

Role of Department Manager

- Control and manage allocated department like kids section, men section, women section, etc
- Maintain the SKU's of all the allocated department.



Role of Team Leader

- They are allocated in any segment under the department store, Eg: In men's section they are allocated either formal/casual section.

Role of Sales Associates

- Interact with the customers
- Assist the customer whenever they need assistance.

BRANDS AT RELIANCE TRENDS

SL. No	MEN(Casual)	MEN(Formal)	WOMEN	KIDS
1	DNMX	John Players	Aurelia	Rio Girls
2	Flying Machine	Netplay	Avaasa	Ginni&Jonny
3	Gravity	Network	AvaasaMixN Match	Frendz
4	Killer	Oxemberg	Avaasa Set	Team spirit
5	Network	Peter England	DNMX	DNMX
6	Performax	Dummy	Fusion	Avaasa Girls
7	Proline	John Miller	Go Colors	
8	Team spirit		RIO	

9	Sin	Team spirit
10		Hushh
11		Dummy



Private Brands of Reliance Trends



Network



Netplay



Teamspirit



DNMX



Grip

RIO

Rio



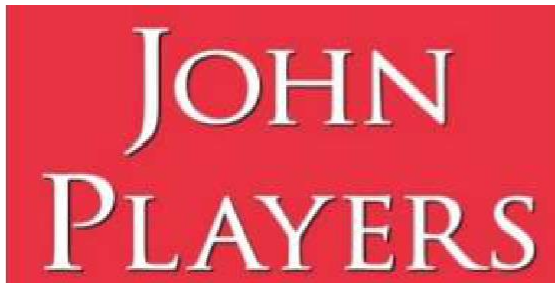
Hushh



Indigo Nation



External Brands of Reliance Trends



John players



Peter England



Flaying Machine

Sin

Sin

Fashion tadka

Fashion tadka



Product Profile:

1. Women's Wear

Indian wear	Formal wear
Semi Formal wear	Casual wear
Dress material	Lingerie

2. Men's Wear

Formal wear	Semi Formal wear
Casual wear	Sports wear

3. Kid's Wear

Infants	Toddlers
Girls 2-8 years	Girls 8-14 years
Boys 2-8 years	Boys 8-14 years

4. Accessories



SWOT ANALYSES:

Strengths:

- Lower Price
- Coupons, Vouchers
- Good Quality
- Promotional Products
- Understanding the customer needs
- Offer on national holiday like(15 August , 26 January, etc)

Weaknesses:

- Repeated Collection
- Not much Collection

Opportunities:

- Catalogs
- Removing the products which are not selling
- much -High consumer goods spending.

Threats:

- There is a competition from stores like Pantaloons, Life styles etc
- Many stores have to open.

**Reliance Trends****VISION**

Democratize Fashion Enrich the quality of life of Indian Households by giving them access to quality, fashionable clothing at extreme value.

MISSION

To be India's largest Apparel retailer and the dominant player in the Indian retail space.



COMPETITORS

	COMPETITION	INDUSTRIAL GROUP/FAMILY
Reliance Trends	BrandFactory, Fashion Station, Blue sky, cello, Central, Lee Cooper, Pantaloons Trent Westside, Trent Fashion Yatra	BIYANI GROUP TATA GROUP

Customer Service:

It is the set of activities and programs undertaken by retailers to make the shopping experience more rewarding for their customers. These activities increase the value customers receive from the merchandised and services they purchase some of these services are provided by stores.

Services offered by Reliance Trends:

1. Acceptance of credit card in all the Reliance stores it is available and free shipping on online orders.
2. Alteration of merchandise the store provides the customer any alteration which is required and on a special occasion gifts are also wrapped.
3. Dressing room now a day in the entire retail stores there are room for dressing.
4. Personal assistance on selecting the merchandise, the employees are so humble interactive and they were helpful in selecting and also deciding which one to buy.



CRM Programs in Reliance Trends:

-Discounts: In Reliance Trends more discounts are provided to customers to attract them and to retain - them as a loyal customer.

-Informing customers about offers through SMS: Customers will be informed about offers regularly through SMS.

-Reliance membership cards for

customers. -Reliance Trends Gift

Voucher.





5. REREARCH METHODOLOGY

Topic of the study:

“Consumer perception about Reliance trends in comparison to Pantaloons in Urban mall, Gokul road Hubli”

Objectives of the study:

The purposes for which the study is undertaken are:

3. To understand the consumer perception about Reliance Trends and Pantaloons
4. To examine the factors influencing the consumer to opt Reliance Trends and Pantaloons.

Statement of the problem:

As we know that customer is the king of any business, it is essential to understand customer perception their preferences towards the product and their needs and wants. Without understanding consumer no companies can survive. It serves as a feedback from the consumer and provides the companies the message regarding the consumer attitudes, companies’ position, competition, opinions of the consumer regarding the product etc.

By keeping all this points in mind, as consumer plays a vital role for any organization, this project “Consumer perception about Reliance trends in comparison to Pantaloons ‘, in Hubli “does the same.



Research methodology:

Research methodology deals with the various methods of research. The purpose of the research methodology is to describe the research procedure used in the research. Research methodology overall includes the research design, data collection method and analysis procedure which are used to explore the insight information from the research problem. Research Methodology helps in carrying out the project report in by analyzing the various research findings collected through the data collection methods.

Research Design

Research design is an important and the vital part of the research. Research design is a comprehensive master plan specifying the procedure for collecting and analysis the needed information. Research design provides an excellent framework for the research plan of action. The function of the Research design is to ensure that the required data is in accordance; research design is a blue print for the research study, which guides research in collecting and analysis the data.

Type of Research Design

1. Exploratory research
2. Descriptive research



Exploratory Research Design

Exploratory research design helps the research in getting the insight information from the research problem. Generally all the marketing research projects inuendos exploratory research that helps the researcher in providing the sharp focus of the problem under research. Exploratory research lays emphasis on the discovering of ideas and possible inside to get the information needed to carry out the research has used the exploratory form to research design in the project under study.

Conclusive Research Design

Conclusive research design is the design, which helps the researcher in studying the research problem in the conclusive form; this helps the researcher in choosing the possible cause of action from various alternatives to make a rational design. Hence this type of research is being used in this research project.



Data collection

Primary Data:

Primary data is the data which are fresh and collected for the first time, and are original in character. There are various Primary data collection techniques, which have helped in data gathering.

The primary data collection techniques used in the project is as follows:

- Survey method
- Questionnaire method
- Observation method
- Experimentation method

Secondary Data:

Secondary data are that have already have been collected for purpose other than the problem at hand can be located quickly inexpensively. In this project I have collected the secondary data from the text books, websites, and sample selection.



Sampling Method

- 1. Sample size:** 52 units.
- 2. Sample unit:** Individual customer who visited at reliance trends, Reliance trends,laxmipuram,guntur.
- 3. Target respondents:** All the consumers and individuals (they were housewives,working women, students and professionals) were our target respondents for our questionnaire.
- 4. Sample Design:** For the purpose of survey, 50 people from the total population are taken as sample size.
- 5. Sample Method:** Simple random sampling method.

Quantitative Research

This research provides a measure of how many people think feel or behave in a certain way. Quantitative research uses a structured questionnaire with close ended and open ended questions. In Quantitative research we used paper based survey method. The survey research method will be descriptive research design. Each respondent will be interviewed through questionnaire. The sample will be selected by simple random sampling method. The research is carried out in the form of survey this will include primary research and secondary research.

DATA ANALYSES AND INTERPRETSTION

Demographic Factor:

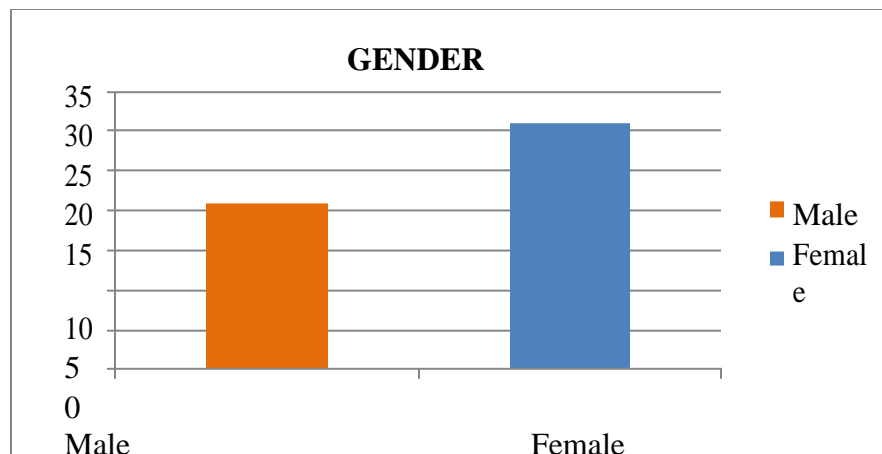
Demographic factors were divided into 7 categories which are gender, age, education, occupation, monthly income, marital status and location. Some of the demographic data of the respondents obtained from questionnaires was analyzed and presented in the following tables.

1. Gender

Demographic Factor- Gender

Gender	Frequency	Percent
Male	21	40
Female	31*	60
Total	52	100

Table 1



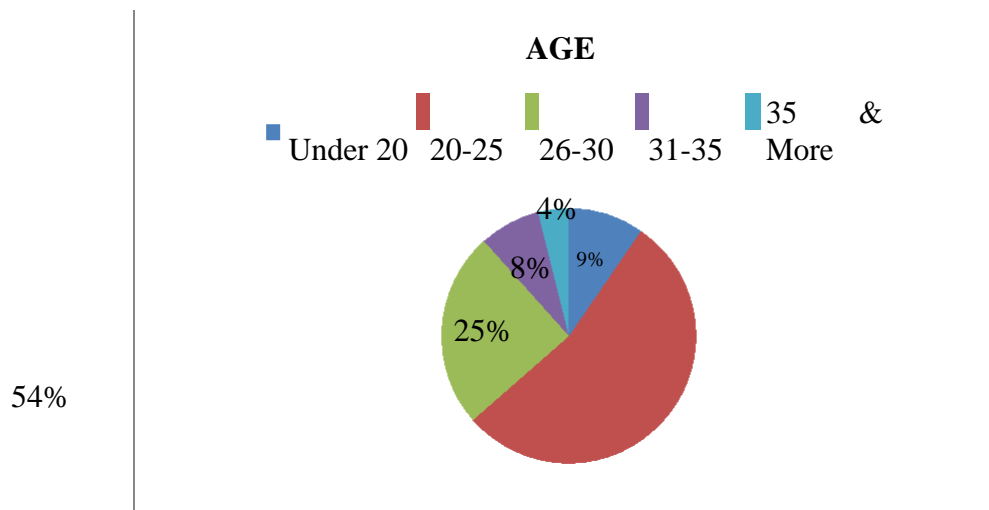
From the analysis of response sheets majority of respondents in this group are female (31 respondents) accounted for 60% of the total respondents. The rest are 21 male respondents accounted for 40% of the total respondents

2. Age

Demographic Factor- Age

Table 2

Age	Frequency	Percent
Under 20	5	9
20-25	28*	54
26-30	13	25
31-35	4	8
36 & above	2	4
Total	52	100



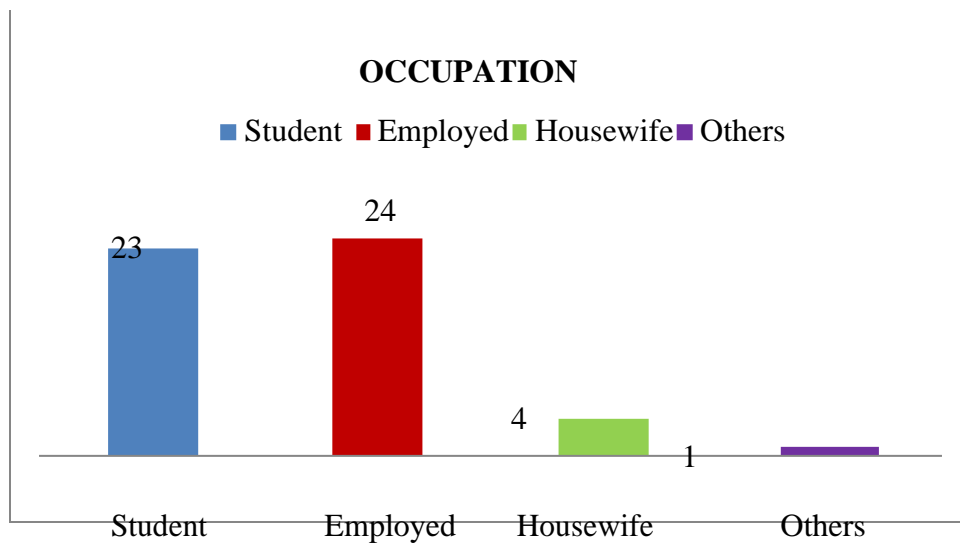
Age was divided into 5 ranges which are under 20 years, 20 – 25 years, 26 –30 years, 31 – 35 years, and above 36 years. The results from the analysis of response sheets that the majority of the respondent is age between 20 – 25 years (28%) follow by under 20 years (5%), 26 – 30 years (13%), 31- 35 years (4%) and 35 & above years (2%) respectively.

3. Occupation

Demographic Factor- Occupation

Table 3

Occupation	Frequency	Percent
Student	23	44
Employed	24*	46
Housewife	4	8
Others	1	2
Total	52	100



Occupation of the respondents was divided into 4 categories which are student, housewife, employed, and other. The results from the analysis of response sheets of occupation that the majority of respondent is employed (46%), followed by student (23%), others (1%), and housewife (8%) respectively.

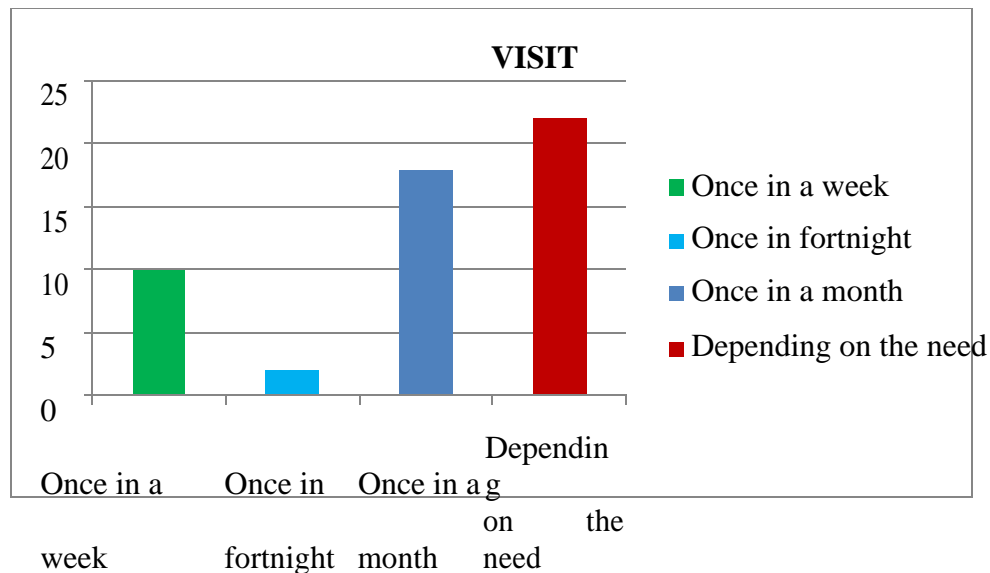
Shopping Behavior:

Shopping behavior is one of the characteristics of respondents obtained from questionnaires, which is analyzed in the following details. There are two questions on shopping behavior.

Q.3: How frequently do you visit the store?

Table 4

How Frequently visit	Frequency	Percent
Once in a week	10	19
Once in fortnight	2	4
Once in a month	18	35
Depending on the need	22*	42
Total	52	100



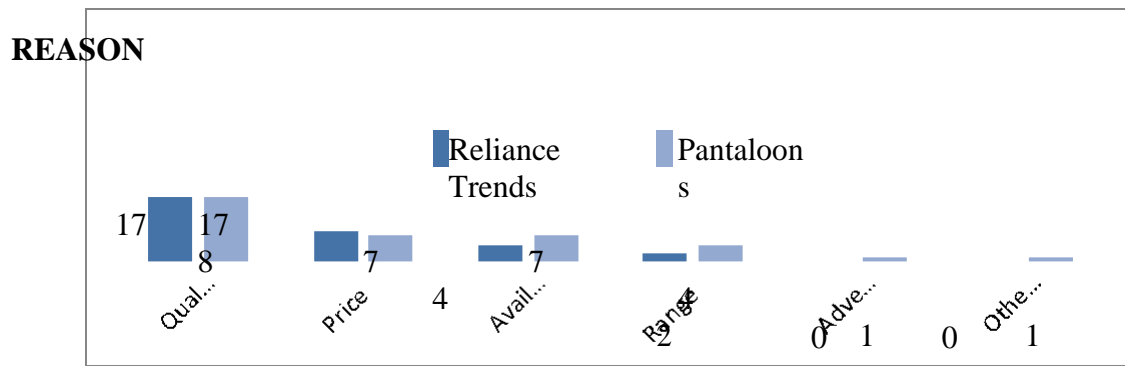
In this question, there are 5 factors that respondents can choose as how frequently they visit the store which they have selected for shopping. They are: once in a week, once in fortnight, once in a month and depending on the need.

The finding from above table reveals that, as reason, majority of respondent shops depending on their need (42%), followed by once in a month (35%), once in a week (19%), and once in fortnight (4%) respectively.

Q.4: Why is that you prefer this store?

Table 5

REASON	Reliance Trends	Pantaloons
Quality	17*	17*
Price	8	7
Availability	4	7
Range	2	4
Advertisements	0	1
Others	0	1
Total	26	26



In this question, there are 5 factors that respondents can choose as why they have selected the particular store for shopping. They are: Quality, Price, Availability, Range, Advertisement and Others (If any). The results from above table reveal that the majority of respondents shops at reliance trends (17*)(65%) and also pantaloons (17*)(65%) because of its good quality of products available over there, followed by price (8)(7), Availability (4)(7), and Range(2)(4) respectively.

The majority of respondents (65%) shops at Reliance Trends and Pantaloons because of quality of products available over there in both shop. And majority of consumers consider price and quality of the product while buying any product. Availability is the second largest factor which influences the purchase.

It could be summarized that respondents were highly satisfied with product quality and satisfied with price of products of Reliance trends than those products in Pantaloons. Regarding Advertisement Reliance trends is not good as compared with Pantaloons.

Consumer Perception:

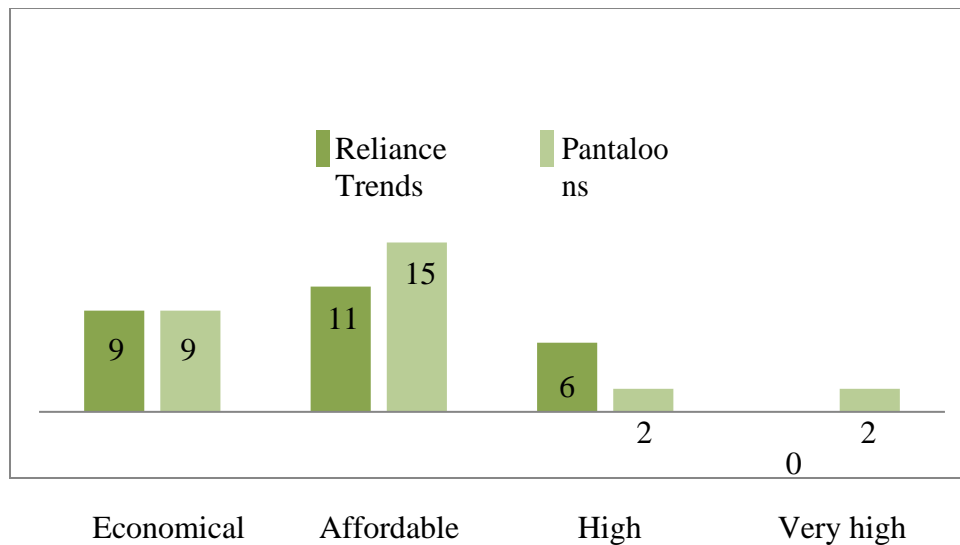
1. Consumer perception on **price**

Q.5:

Table 6

Price of selected store is	Reliance Trends	Pantaloons
Economical	9	9
Affordable	11	15
High	6	2
Very high	0	2
Total	26	26

PRICE



From the above table no.6 we can say that respondents of Reliance trends (42%) and Pantaloons (57%) says that the price of products is good as they can afford it.35% of the respondents says that the price of both store is economical. 23% and 7% respondents says the price is high.0% and 7% of the respondents says the price is very high. It could be summarized that respondents are satisfied with the price of Reliance trends than Pantaloons.

Vignan's university,vadlamudi
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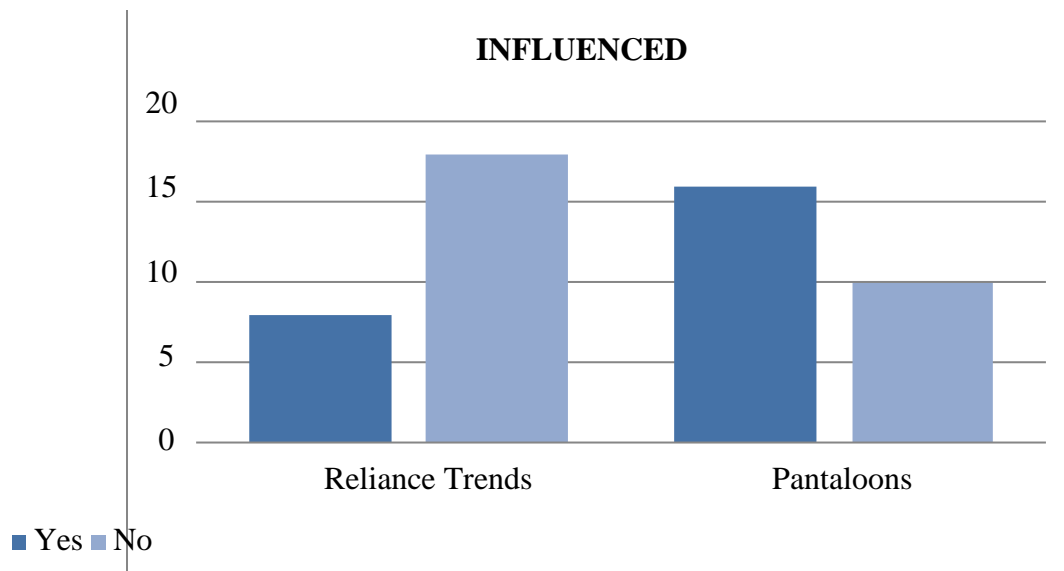
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1. Consumer perception on **Promotions**

Q.6:

Table 7

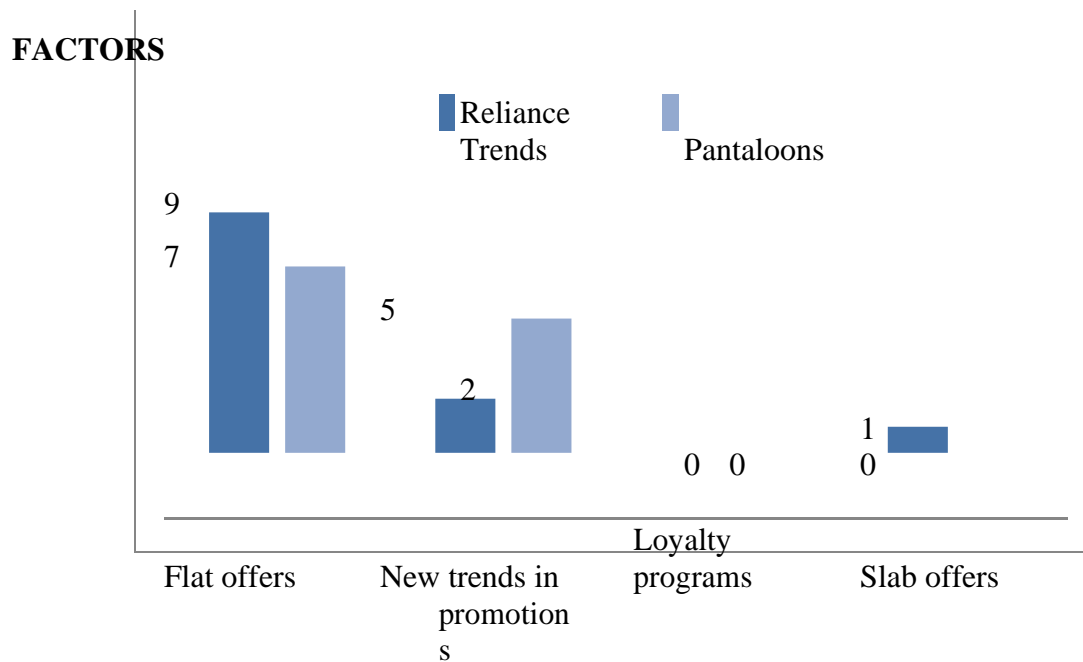
Are you influenced by the advertisements	Reliance Trends		Pantaloons	
	Frequency	Percentage	Frequency	Percentage
Yes	8	30	16*	61
No	18	70	10	39
Total	26	100	26	100



The above table no.7 tells that more number of respondents influenced by the advertisement of pantaloons (16*) (61%) than Reliance trends (8)(30%) and 70% of the respondents of the reliance trends are not influenced by the advertisements.

Q.7:

What factors influences	Reliance Trends	Pantaloons
	Frequency	Frequency
Flat offers	9	7
New trends in promotion	2	5
Loyalty programs	0	0
Slab offers	1	0
Others	0	0
Total	26	26



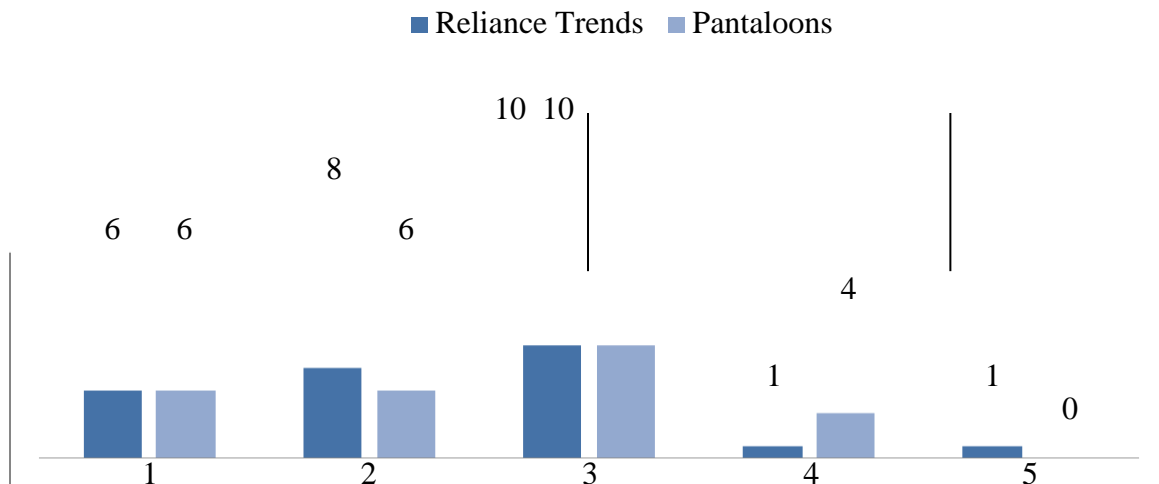
The majority of the respondents of pantaloons are influenced by flat offers, as 70% of the respondents of the reliance trends are not influenced by the advertisements but 30% of the respondents of the reliance trends are influenced by flat offers, followed by new trends in promotion(2)(5), loyalty programs(0)(0), slab offers(1)(0) respectively. And majority of the people are not aware about loyalty programs and slab offers of reliance trends and pantaloons. Thus company should work on this area. They should increase customer knowledge about the products so that it can increase product value in the market and also increase the advertisements to make people aware of their store and products.

Q.8.b:

(1-Highly satisfied 2-satisfied 3- neutral 4 dissatisfactory 5-Highly dissatisfactory)

DISCOUNT	Reliance Trends		Pantaloons	
	Frequency	Percentage	Frequency	Percentage
1	6	23	6	23
2	8	31	6	23
3	10*	38	10*	38
4	1	4	4	16
5	1	4	0	0
Total	26	100	26	100

DISCOUNT



In this question, there are 5 variables which are, Highly satisfied, satisfied, neutral, dissatisfactory, and Highly dissatisfactory. In this case, respondents were asked to rate the parameter discount. The results from the above table reveal that the majority of respondents neither satisfied nor dissatisfied with the discount offers (10*)(38%) of Reliance trends and pantaloons, followed by highly satisfactory (23%) (23%), satisfactory (31%)(23%),Dissatisfactory(4%)(16%) and Highly dissatisfactory(4%)(0%) respectively. This could be summarized that 4% of the respondents of reliance trends are highly dissatisfied with the discount offers so reliance trends work on this area.

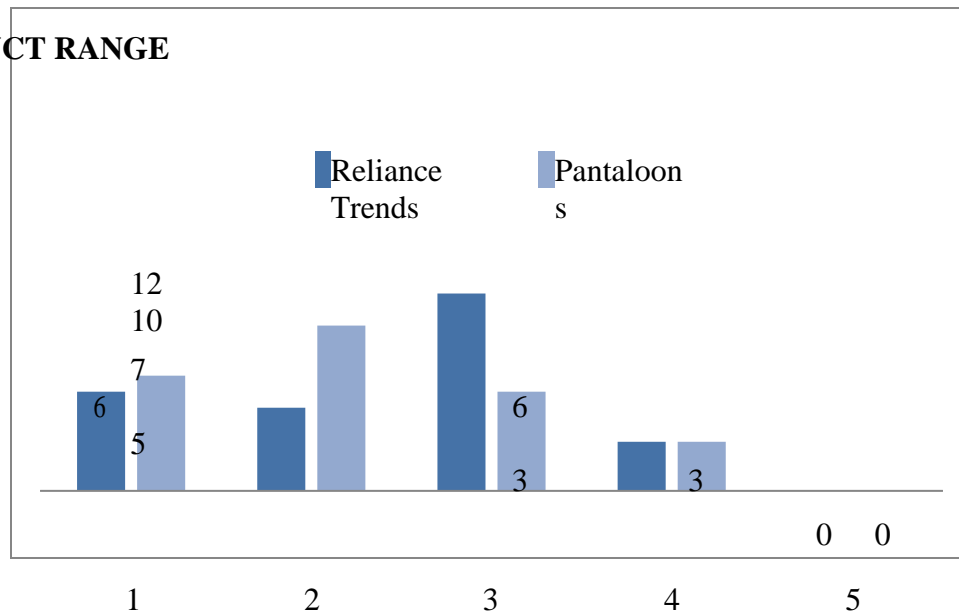
1. Consumer satisfaction on **Products**

(1-Highly satisfied 2-satisfied 3- neutral 4 dissatisfactory 5-Highly dissatisfactory)

Q.8.5: Availability of range

PRODUCT	Reliance Trends		Pantaloons	
	Frequency	Percentage	Frequency	Percentage
1	6	23	7	27
2	5	19	10*	38
3	12*	46	6	23
4	3	12	3	12
5	0	0	0	0
Total	26	100	26	100

PRODUCT RANGE



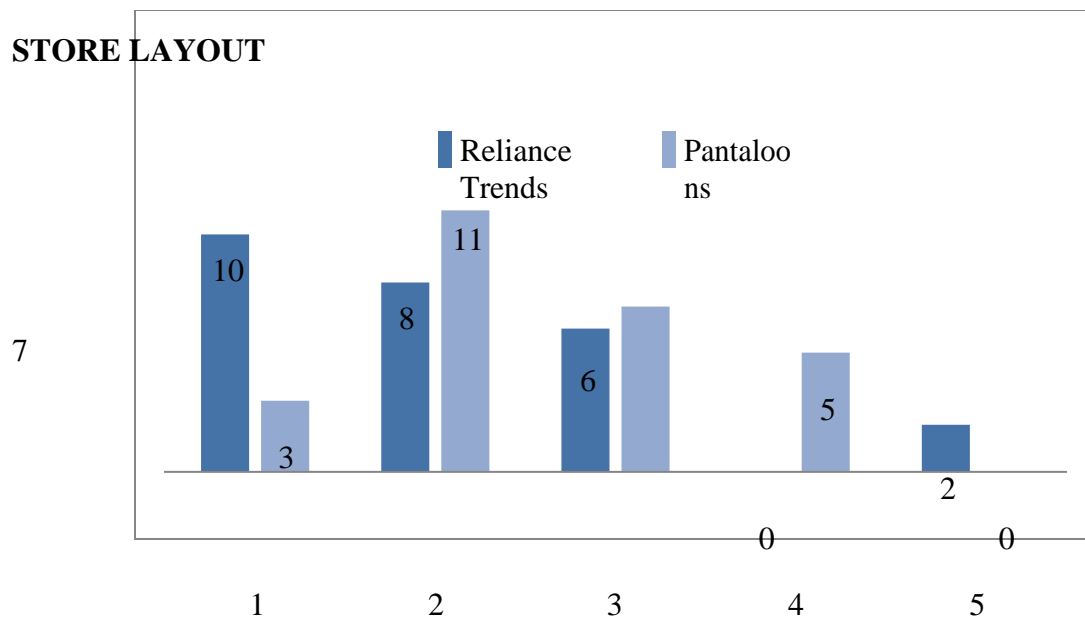
From the above table we state that respondents were neutral (12*)(46%) on Reliance trends and Satisfied (10*)(38%) on Pantaloons for variety of products, highly satisfied (23%)(27%), Dissatisfactory (12%)(12%), highly dissatisfactory(0%)(0%) respectively.

It could be summarized that reliance trends has no variety of products than products available over pantaloons.

2. Consumer satisfaction on **place**

(1-Highly satisfied 2-satisfied 3- neutral 4 dissatisfactory 5-Highly dissatisfactory)

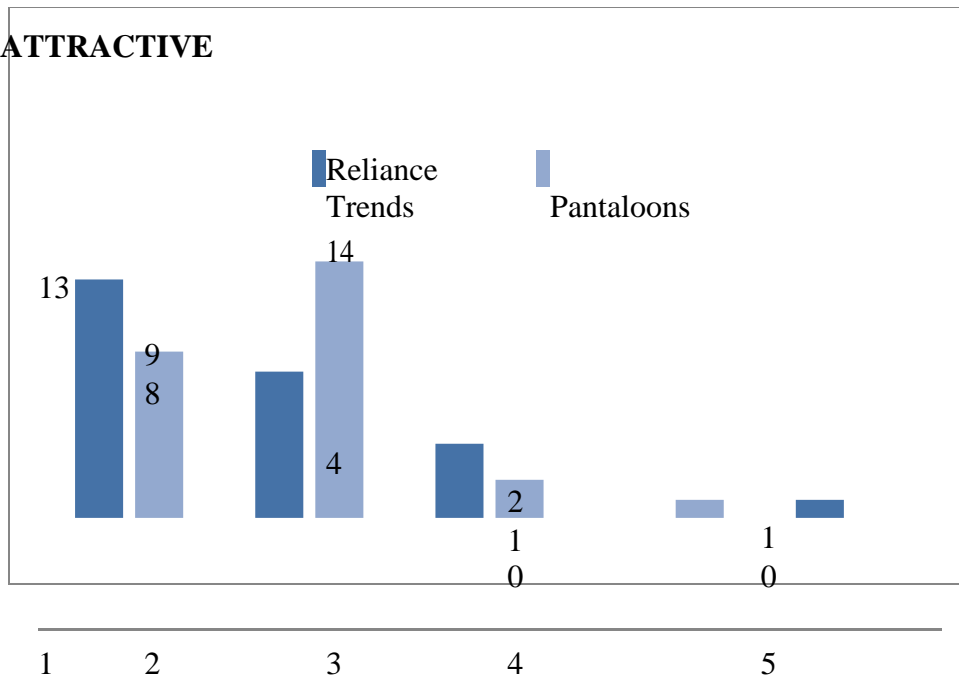
STORE LAYOUT	Reliance Trends		Pantaloons	
	Frequency	Percentage	Frequency	Percentage
1	10*	38	3	11
2	8	30	11*	42
3	6	23	7	26
4	0	0	5	19
5	2	7	0	0
Total	26		26	



9.1

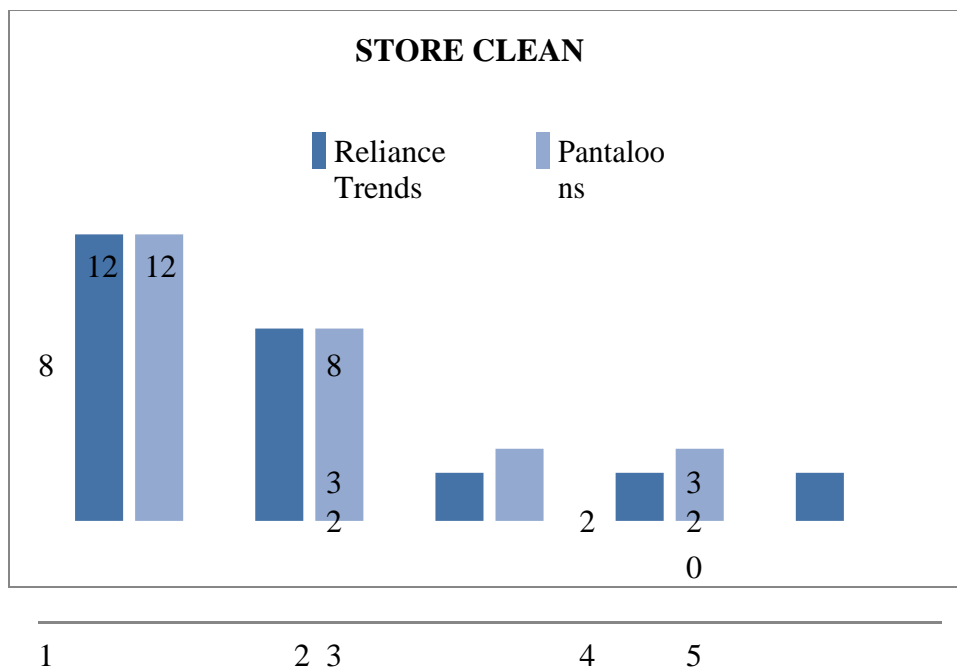
STORE ATTRACTIVE	Reliance Trends	Pantaloons
RATING(1-5)	Frequency	Frequency
1	13*	9
2	8	14*
3	4	2
4	0	1
5	1	0
Total	26	26

STORE ATTRACTIVE



STORE CLEAN**Reliance Trends****Pantaloons**

	Frequency	Frequency
1	12*	12*
2	8	8
3	2	3
4	2	3
5	2	0
Total	26	26



From the above table we state that respondents were highly satisfied (1, 10*) on Reliance trends and satisfied (2, 11*) on Pantaloons for store layout highly satisfied (1, 10*) on Reliance trends and satisfied (2, 11*) on Pantaloons for store attractiveness, Highly satisfied (1, 12*) for both Reliance trends and Pantaloons.

It could be summarized that respondents were more satisfied on store layout, store cleanliness and store attractiveness of Reliance trends than Pantaloons.

FINDINGS

The study was done in order to know consumer perception about Reliance Trends store at Gokul road, Urban Mall Hubli.

- Out of 26 respondents 17 respondents i.e 65% of of respondents prefer Reliance Trends because of quality of products
- Out of 26 respondents only 8 i.e 30% of the respondents are aware of promotions of reliance trends where as 16 i.e 61% of the respondents are aware of Pantaloons store. As compared to Pantaloons, Reliance trends has less promotional activities, because 70% of the respondents are not aware of promotions of reliance trends
- Out of 26 respondents 12 i.e 46% of respondents do not get size they want and range of products they are looking for, and are disappointed.
- Out of 26 respondents 12 i.e 46% of the respondents are highly satisfied with the store layout, cleanliness and attractiveness of the store.

SUGGESTIONS:

About wide range of variety

Customers could be better satisfied with range of apparels designs in Reliance Trends.

Promotion

More promotions need to be done. Reliance Trends store should establish itself as a brand which can be done only through heavy promotions because in today's scenario to make consumer aware about the store promotion play as important role in it.

The consumer is more interested in range and price of the products.

Once the customer enters the store they should get what they want. Consumers have high expectations from Reliance trends regarding advertisement and range of products, they expect good collection of clothes at much cheaper price.

”, Karnataka University. The purpose of this questionnaire is to collect data of consumer perception towards Reliance Trends and Pantaloons for the project. The information provided by you will be used for analyses and will remain confidential.

1. How many stores in Urban Oasis Mall are you aware of?

2. Which store do you prefer **most** while shopping **apparel** in Urban Oasis Mall?

3. How frequently do you visit the above selected store?

- Once in a week Once in fortnight
 Once in a month Depending on the need

4. Why is that you prefer above selected store?

- | | |
|----------------|------------------------------|
| Quality | Price |
| Availability | Range |
| Advertisements | Others (Please Specify)_____ |

5. The price of above selected store is

- | | |
|------------|------------|
| Economical | Affordable |
| High | Very high |

6. Are you influenced by the advertisements used by the above selected store?

Yes

No

7. If **YES**, what are the factors that influence you?

Flat pricing offers

New trends in promotions

Loyalty programs

Slab offers

Others (Please Specify) _____

8. Please rate the following parameters for above selected store.

	1	2	3	4	5
Pricing					
Discount					
Staff Friendliness					
Store layout					
Availability of range					
Customer Service					

9. Rate the following factors

	1	2	3	4	5
Store is attractive					
Store is clean					
Store is Bright					
Exchanges Happily					
Sales people are					

helpful					
Sales people are friendly					
Enough sales people					
Price of products are marked correctly					

10. Would you recommend others to buy from above selected store?

Yes No _

11. Overall satisfaction with above selected store.

Highly satisfactory Satisfactory
 Neither nor dissatisfied Dissatisfactory
 satisfied
 Highly Dissatisfactory

12. Any other comments, if any please specify.

THANK YOU...

**A FIELD PROJECT REPORT
ON
A STUDY ON “BIG BASKET” IN GUNTUR REGION**

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

(B MANASWINI, N SOWMYA, D NAGA PURNESH, K GOPIKRISHNA, G JASWANTH)

(Regd. No.221FC001,221FC002, 221FC003, 221FC005, 221FC006)

Under the esteemed guidance of

Dr. S.V.G. Apoorva

Assistant Professor



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



VIGNAN'S

Foundation for Science, Technology & Research

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-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the field project entitled “**A STUDY ON “BIG BASKET” IN GUNTUR REGION**” submitted by **B Manaswini, N Sowmya, D Naga Purnesh, K Gopikrishna, G Jaswanth a** bearing the Regd. No. **221FC001,221FC002, 221FC003, 221FC005, 221FC006** from the Department of Management Studies, Vignans Foundation for Science, Technology and Research and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

SIGNATURE OF THE GUIDE

HOD/MBA

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INTRODUCTION

Today in all aspects of our daily lives, the internet has become an undivided part of our lives, as it has a versatile impact on our social activities. The origin of any e-commerce industry is due to the internet. And in the same way online grocery retailing came into picture. Busy life schedules and the need for comfortless in shopping has given rise to this online grocery shopping

The purpose of the research is to study the factors influencing customers and their satisfaction levels towards big basket in guntur region. This research relies on primary and secondary data. Based on Literature review of past research, Primary data is collected by way of responses to a structured questionnaire from residents of guntur. Data analysis is conducted using statistical tools like SPSS, MS Excel etc. Statistical tests, correlation, tabulation, charts etc. Findings of the study reveal significance to online players/sellers for i) to identify consumer behavior towards online grocery retailing specifically towards big basket ii) need for the improvement or changes if any iii) to make impactful marketing strategies for gaining more loyal customers and well as to sustain in the market.

Keywords: Online grocery retailing, grocery products, suitability, consumer behaviour , marketing strategies.

CHAPTER 1 :- INTRODUCTION

INTRODUCTION

In this chapter an introduction to the topic is presented. The thesis starts in a broad field and is narrowed down into a background of a specific business. This is followed by objectives, delimitation and the outline of the thesis.

The introduction of a new era...

The Internet has become increasingly important in our daily life. Both companies and individuals are urging to exploit it and Internet channels are widely used (Kumar et al., 2012). Web sites and applications are rapidly growing into sophisticated channels with the most amazing designs.

Traditional companies with physical stores cannot afford not to join this huge and increasingly important Internet based market called e-commerce. Manufacturers have even turned to the Internet as a direct channel of distribution. This trend can be seen all over the world today. Traditional industries such as the grocery industry (for example Wal-Mart and Tesco) has entered the e-commerce business and web based enterprises (for example eBay and Amazon) have exploded and are already huge.

These two kinds of companies are known as brick-and-clicks and pure-players. Brick-and clicks are companies that have a physical channel e.g. a physical store and an online channel to reach customers. Pure-players are companies that only have an online channel to reach customers.

A grocer is the seller of primarily food in bulk. A grocery store is a store selling food. These stores offer a mix of perishable and non-perishables items. These are items purchases meant for daily use. The items may be packed in different forms such as boxes, bottles and cans to increase the life of the product. The grocery store take the form of local vendor sitting on the street with his offering, as small shop, a cart or may take a form of large store with great amount of products including non-food items along its regular range. The offering may range of pharmacy, toys, and electronics as well. These are also called as convenience stores or grocers or just grocery businesses. In countries such as United States these shops are also referred as delicatessens. Some stores take larger forms ranging to a larger complex including several facilities. The big giants such as Tesco, Walmart, Sainsbury, and D Mart etc work in these large formats. There are some stores which particularly specialize in certain culture of nationality. These are ethnic markets. The reason for this being large number of immigrants or increased cultural exports and acceptance of multiple cuisines. However people don't wish to restrict to one culture. They look for choices and hence there is demand for availability of food to not limiting to local grown stuff but having all less than one roof. The produce may be kept in any form. The person sitting on ground with his

basket of offering, carrying all in cart on the busy road, Special section in a supermarket, displayed in aisles in hypermarkets.

Accordingly a new business in the India e-commerce market has arisen; home-delivered pre-packed groceries with recipes, from now on referred as the “grocery basket” business. In this 21st century with Internet as its platform for ordering groceries, the business is rapidly growing.

As they are reforming such a traditional industry, as the grocery industry, into entering the online business this of course comes with many challenges. Not least such a simple task of providing groceries to customers without a physical store.

HISTORY OF GROCERY STORES:

Purveyor



Self Service Grocery Stores



Delicatessen



Greengrocer



Milk bar

A purveyor or a grocer was the one who deals with primarily dry products including spices, sugar and pepper only. After some time other goods such as coffee, tea and cocoa were added to the offerings. The term grocer came from French word Grossier meaning wholesaler, this term actually came derived from Medieval Latin grossaries and derived from the term gross. Gross means a 144 or a quantity of twelve dozen. So a person dealing with bulk purchases was a grocer. Later the trade expanded as increased numbers of food products were made became available in packaged cans. Moving from just spices or fruits or vegetable, today's grocers offer range of stuff covering meats, dairy products, produce etc. Such goods are collectively called groceries.

In countries such as US, these grocery stores moved from just trading joints not just restricting to food stuff but also including merchandise, covering household items, furniture, tools and many merchandise. From facilities to just dry foods dry beans, canned foods and baking soda were included.

These perishable food items were purchased from specialty markets. Fresh meat was obtained from a butcher. Such milk was sourced from a dairy locally. Dairy vegetables, eggs, fruits and vegetables were produced by families themselves. These offering were exchanged for with neighbours. It may be purchases from market of farmer or local green grocer.

In some areas, these general stores sell a range from that sell a range from cigarettes to imported napkins. These general stores traditionally offer credit to their customers. This is a system of payment that works on trust as a deciding factor, rather than present credit cards which work on customers' record. This allowed farm families to buy staples until their harvest could be sold in the market.

- Modernization Era:

The first self-service grocery store was opened in 1916. Piggly Wiggly was the first store. It was opened in Memphis by Clarence Saunders. He was the inventor and the entrepreneur. Before his work, the system was transaction was as follows. The customer of a grocer would reach to the counter or display unit. He would ask for the food items that he needed or handover the list of groceries. The grocer himself or his staff would take charge of the transaction.

Invention of Saunders allowed a much smaller number of clerks to service the customers. This proved great in 1929 due to issue of Time. The reasons were varied including novelty, neat packaging, increased advertising, and automatic procedures to mention few.

- Development of Supermarkets:

These began as chains of grocers shops. This progress of supermarkets and other grocery stores led to smaller grocery stores look for differentiated strategy. They must create a differentiated or Niche

Market by selling unique/ specific, high quality, or differentiated foods that are not easily available in supermarkets. A small grocery store was to compete by working on several areas. The location was crucial: a mix of commercial to residential area closer to public. The location should be accessible and convenient for its customers.

These grocery stores then operated in many different styles. Starting from rural family-owned operations, retail chains, Wholesale Foods Market, Traders place to larger chains of supermarkets. Moving towards trend of increased larger stores having all in all approach. Big Giants have led to transformations in grocery businesses. These are affecting rational means of shopping in many ways. The global buying power of such these giants or Trans National companies have put increased financial burden on traditional local grocery stores along with supermarket chains in national markets.

- Era of Convenience stores:

The convenience store is a small shop which keeps a inventory of a wide range of items used on everyday basis including groceries, snacks, foods, candies, milk, toiletries, juices, soft drinks, gums, butter, wafers, snacks etc. These differed from and were often used as an easy supplement to the larger stores.

These newer convenience stores provided a wide range of items. However the selection was still less as compared to the one offered at supermarkets. The variety was often limited to only one or two in numbers. The prices offered were usually higher than the regular or ordinary stores as well as supermarkets.

These use to make up for convenience by serving increased locations and reducing the cash cycles. Various convenience stores also offered food ready to eat including pastries, sandwiches, perishables and other eatables for breakfast.

- Era of Delicatessen:

The term delicatessen means delicacies or fine foods. The time came of: A delicatessen store. This was a type of food store offering fine food products. The name is also abbreviated to deli meaning only this specially prepared food.

- Era of Greengrocer:

A greengrocer was primarily named in British and Australia. This was a store dealing with retail trade in fruits and vegetable. These grocers were very common in cities, villages and towns.

- Era of Health food store:

The era came of health food store then. A health store is a type of grocery store primarily selling health foods, organic products, local products and also nutritional supplements. These stores offered a range of items including typically offer a more specialized and wider selection of items. These included more than conventional grocery stores. The needs of people with special dietary requirements were met. This became much evident in 1960s with increased emergence of ecological developments and exchange of cultures.

- Era of Milk bar:

Started first in Mosgiel, New Zealand, Became popular in Australia and New Zealand later. A milk bar is a suburban cafe or a local general store. This was much similar to corner shops or delis. In India, the first business using the name milk bar was started in 1930. Towards the end of 1940s, these milk bars evolved by including not only groceries, readymade food items, non-alcoholic drinks, snacks and other requisites for socializing and gatherings.

- Developments to Large format

Supermarkets



Hyper Markets



Electronic Markets(E Commerce)

a) Supermarkets:

These are the bigger and larger forms of the traditional grocery stores. A supermarket is a shop having self-service. These offer a wide variety of products including food items, household stuff needed products etc. and organized into aisles. The space is usually reserved for canned and packaged goods including non-food items as well. These include household cleaners, supplies for pets, pharmacies, beauty and cosmetic products. Discounts and rewards are offered to increased purchases.

b) Hypermarket

A Hypermarket is a combination of superstore and a departmental store. It is a superstore with features of both. The outcome is an increasingly expansive retail facility offering wide range under one roof. This includes an array of groceries in lines and great deal of merchandise. Membership based marketing is often used. Customer satisfaction is the key mantra.

c) Electronic trade or E Commerce

This is a recent which has developed as a type of e commerce. The oldest online grocery stores exist in the United States named as Peapod. Many other co-exist including Amazon, Net grocer, E food depot, my brands etc. These stores aims to provide good food products with timely delivery a convenience while ordering online. Several large retailers have started as similar models to trade including Prime Pantry, Amazon Fresh. Go Fresh, Relay trade, Yummy.com etc. These stores are very popular in Europe. The sales from 2012 to 2015 have almost doubled for these markets. The amount was €7.1 billion and shot upto 14 billion Euros.

:- OBJECTIVE:

The overall purpose of this thesis is to conduct an initial study on the e-commerce grocery basket business “big basket” in guntur. The thesis is focused on identifying challenges facing the business. Specifically the thesis aims to exploring, identifying and analyzing challenges in this business regarding business model and supply chain. In addition, suggest some recommendations to manage these challenges. By doing this the intention is to contribute to the understanding of challenges in the grocery basket business as it is an upcoming area in the increasingly Internet based world that we live in today

- to study the factor influencing customers towards the purchase of online grocery site “big basket”
- to know the satisfaction level of customers towards big basket in guntur

:- BUSINESS MODELS

There are three most prominent business models in this industry –

1. Hyper-Local Model
2. Inventory Model
3. Hybrid Model which is part inventory and part hyper-local

- **HYPER-LOCAL MODEL**

In the hyper-local model, the firm does not store any inventory of goods/grocery/retail items but procure them directly from local kirana stores or hypermarkets as and when demand come. In this system, when consumer places an order using the firm's mobile or desktop application, the local store fulfills the order and delivers it to consumer's home using the delivery services of startup. Most of the players in this industry follow this model as it does not need huge capital requirements to set up the business. Some of the prominent one are Grofers, PepperTap, Zip.in, ZopNow, etc.

Some of the major advantages and challenges faced by the start-ups/firm having this business model are listed below

a) Advantages –

- ✓ Low Capital Requirements - Since the procurement happens from the local kirana store, they do not have to keep inventory with themselves, thus removing the huge costs associated with holding inventory. This also enables them to not have any warehouses which makes them asset light and thus does not require huge capital investment.
- ✓ Same day delivery - Their model allows them to have same day delivery for grocery food items which is very important in this industry and this results in them fulfilling both the On-demand and planned purchases of the customer.
- ✓ Analytics for FMCG giants - Using their technology, they can estimate the demands at retail stores and can sell the analytics to FMCG companies, who are always on look-out for such data to improve their supply-chain management.

b) Challenges

Inventory Mismatch between store and application - One of the biggest challenge they face is to match the inventory shown at the app and the actual inventory at store. Since most of the local kirana stores do not have sufficient technological systems that updates their inventory in

real-time, hence some-times it happens that their inventory does not match with the one shown at the application of the firm.

- ✓ Incomplete Fulfillment of Order - Mismatch of inventory leads to another challenge of not fulfilling the customer order in its entirety. For e.g. – they may get a delivery order of 1000 Rs but may be able to fulfill the order worth Rs. 800 because the stores from where they procure might not be having all the items in their inventory, which results in bad user experience. In this case, either the customer will shift to some other service or will have to go back to store himself to buy the stuff and in both the situation, the firm has lost its customer.
- ✓ Investment in Technological Upgradation of stores - To remove the above bottleneck, most of them tries to procure the items from hyper-local markets which have better technological systems, but all the neighborhoods in the city does not have supermarkets resulting in the increased delivery cost. Also, in this case, the margins they get are relatively less compared to local kirana store. In other scenario, they try to upgrade the technological systems at local kirana store, which means increased investment on their part.
- ✓ Unable to process heavy orders - Since procurement happens from the store, it is important that stores have sufficient inventory to process the spikes in order. However, most of the stores due to little capital in hand have little inventory and reach stock-out early. Next challenge is that it takes time (2-3 days) to refurbish the inventory from distributor, resulting in stock-outs being shown in their apps and hence bad customer experience and lost sales.
- ✓ Logistics – Logistics is one of the biggest challenge accounting for 70%5 of the cost. In order to reduce the delivery cost, PepperTap used to identify store near the delivery address but that results in limiting the choice and inability to fulfill the complete order. Other services like Zip.in have found other ways of reducing this cost. They take order up to a specific time in the day and thereafter delivers by the end of day. This way they were able to serve multiple deliveries at one go in the same van resulting in reduced delivery cost. However, this enabled them to only concentrate on planned purchases (they cannot serve on-demand orders with this model) which resulted in less number of order per day but the average order size was around 1200-1500 Rs. with a margin of 15-20%7.

- INVENTORY MODEL

Under inventory model, the firm stores their own inventory of grocery products. This inventory is bought from local mandis, farmers, FMCG companies, big distributors, etc. Not many firms are operating on this model since it requires huge financial investment. ZopNow and LocalBanya started with inventory model but later on turned to hyper-local model due to huge investment required. Big Basket (valuation of Rs. 280 crore)⁸ is the only start-up currently operating on inventory model in this industry.

- a) Advantages –

- ✓ Complete order fulfillment – As in this business model, they have their own inventory, they are able to fulfill the orders all the time because if there is something not available, the same will be reflected on their application and hence customer will not order it.
- ✓ Higher Margins – Start-ups operating with inventory model commands higher margins due to better sourcing capability and economies of scale. For example – Big Basket source around 30-35%⁹ of their products from farmers directly. When they start operation in a new city, they source first from mandis and with time try to move backwards by sourcing directly from farmers or FMCG companies which enables them to command high margins.
- ✓ Private Labels – Having own inventory, give the business an advantage of starting their own private labels as done by Big Basket. Big Basket currently has high private labels which accounts for around 35% of its business which will be around 200-300 crore. However, private label faces a lot of competition from outside.

- b) challenges

- ✓ huge infrastructure Requirements – To store inventory, they need large warehouses which demands high capital expenditure. Huge financial investment is one of the biggest reason that many start-ups do not operate with this model.
- ✓ Huge Wastage – Since the shelf-life of grocery items is not more than 1 or 2 days, businesses operating with this model always faces the risk of huge wastage owing to high perishability of product. Big Basket employs extensive technology to predict the future orders (demand), but still faces some minimum amount of wastage, leading to huge loss.
- ✓ Same Day Delivery and high delivery cost – Since the warehouses are large and requires good amount of land, most of the warehouse of Big Basket lies outside the city making the same day delivery for goods difficult owing to large distance. This large distance

also results in high delivery costs to these start-ups compared to business operating with hyper-local model where sales force has to cover short distances.

As it has setup its foot in the industry, BigBasket is going towards establishing smaller warehouses within cities for faster deliveries and reduced costs. Given the fact that BigBasket has started selling other retail items as well as private labels, it is now a question that whether they can remain truly grocery e-tailors or will expand to other items making themselves a competitor of ecommerce giants like amazon, Flipkart.

- **HYBRID MODEL**

Under hybrid model, firms operate both employ both inventory as well as marketplace model. For example- Grosseryhub.com operates with this model. They have two warehouses in the country where they store their inventory of dry products which enables them to provide discounts as they buy in bulk. For perishable products like fruits, vegetables, they procure directly from stores. However, such stores also face problem of inventory mismatch and wastage.

As different firms operate on different models, there are certain commonalities shared between all of them. One of them being the extensive use of technology in order to determine the demand forecast to manage inventory, to determine the store to procure from and to estimate the route of delivery personnel so that multiple deliveries could be done in one go. However, the complete online grocery industry faces some of the major challenges.

One of them being the low margins that the firms operate on. For example- Grofers work on wafer-thin margins of 12-15% and hence huge delivery costs cut across these margins. Some of these stores charge delivery fees below a certain order amount, but these delivery fees are extremely low compared to incurred costs and hence they do not make money on small orders. For them acquiring new customers as well as maintaining old customers are equally important. For them maintaining the existing customer is important as they start making money only after 5-6th repeat purchase when size of average order values start to increase. Cost of acquisition of new customer is high (in terms of low average order value resulting in high delivery charges and discounts given to attract them)

:- OFFLINE STORES GOING ONLINE

With the increasing penetration of internet and seeing the market demand, most of the offline firms have started going online. For example – Reliance Fresh has gone online few months back with their website [www. Reliancefreshdirect.com](http://www.Reliancefreshdirect.com). They have started their operation with Mumbai and source directly from Reliance Fresh stores or their distribution centers.

One of the largest retailer in India, Biyani group (retail stores include Big Bazaar, FairPriceShops, etc.) is also going online with their Omni-channel model where existing stores will act as warehouse for online store.

- TESCO MODEL – A STUDY

Tesco is one of the third largest retailers in the world with its Tesco.com being one of the most successful e-grocery in the world, with a turnover of 4.3 billion \$10 only in UK. It is one of the dot com companies operating profitably within e-grocery business and has its presence across Poland, Czech Republic, Thailand and South Korea.

Initially Tesco used to fulfill the online order from their retail stores, however that created several problems like inconvenience to in-store shoppers who have to compete with the Tesco associates picking dotcom orders for the inventory at retail shelf, stores not capable of supporting the high volume inventory to fulfill the large online orders, etc.

Hence eventually Tesco moved towards a hybrid model whereas the online demand in remote areas are served by retail stores only, but for densely populated areas like London, demand is catered through dedicated dotcom depots. Over the time, these depots have become so technologically advanced with most of the work being done by robots that they were able to improve labor efficiency by 82%10 compared to initial model. This is one of the reasons for their profitable business, with Tesco aiming to provide same day delivery. The inventory for both dotcom depots and retail stores is being fulfilled through their distribution centers.

The Tesco made sure that their delivery men are well trained and able to understand the customer problems as they are the face that represent Tesco in front of customers. For this reason, they have also employed private fleet of vehicles and delivery van became a sort of extension of store in mind of consumer.

Already having the retail store helped its dotcom business in effectively forecasting the demand and efficiently procuring the inventory.

- RELIANCE FRESH – ONLINE STORE

In 2014, Reliance Fresh started its online grocery store – Reliance Fresh Direct in order to expand its reach. It offers more than 6000 grocery product which include fruits, vegetables, cereals, pulses, packaged food, dairy products, household cleaning items and personal care products including toiletries and cosmetics. Service is currently limited to areas in South Mumbai, Navi Mumbai and Thane.

Online store provides different payment options like net banking, credit/debit card, cash on delivery, store credit and meal coupons. Reliance Online store provide the option of scheduling deliveries in a time slot of 2 hours and 30 minutes. Shipping Charge of Rs. 25 is applicable on orders below order of Rs. 75011.

Sourcing of the items ordered online is done from their retail stores as well as distribution center depending upon the availability of the item as well as the shortest distance. Delivery boy for home deliveries work for the store in the free time.

✚ Here's a quick comparison between Big Basket and Reliance Fresh Direct -

1. Offline Stores – Reliance fresh has the presence of offline stores i.e. Reliance Fresh that makes its asset and inventory holding cost less compared to Big Basket who has to hold all the inventory within warehouses from where walk-in customer can't purchase. This coerces Big Basket to maintain robust demand forecasting systems in order to minimize wastage loss. In case of Reliance Fresh, wastage losses are less compared to Big Basket because walk-in customers can buy the left out item at discounted price.

2. Delivery Personnel – Big Basket has currently outsourced its complete delivery to logistics startups like ShadowFax, that has lowered down their delivery costs and they do not have to bear the cost of training them as well. In case of Reliance Fresh delivery personnel work at the store when not engaged in delivery. This way they are able to fully utilize the manhours of the delivery personnel.

3. Shipping Charges – Shipping charges of both the companies are very minimum and represents only a fraction of shipping cost they have to bear. Shipping cost of Reliance Fresh is Rs. 25 for orders below Rs. 750 and free above it. Shipping cost for Big Basket is Rs. 20 for order below Rs. 1000 and free above it. Both the company make losses if the cart value is not above a certain limit which is approximately Rs. 1000.

4. Prices of Goods - Prices of items across both the companies are approximately same. A cart of goods comprising of fruits and vegetables, personal care products, home cleaning products and dairy products costs almost same across both the companies (Exhibit 1). Hence, there is no incentive for consumers to purchase from one store over the other, unless they are the loyal customers. In this case, availability of product become the major factor in choosing one store over other.

Hence, a quick comparison between two reveals that customer does not have the incentive to purchase goods from one company over the other and availability of products become the major selection factor. Hence, in order to attract the consumer in this competitive industry, Reliance Fresh has to bring down its prices of goods. This could be done by lowering the costs associated with holding inventory, managing offline stores and training delivery boys in a way that they can work well in both the cases i.e. in stores as well as during home deliveries.

- MYMORESTORE - MORE ONLINE STORE

(Based on Interview with Ms. Ghazala who is working in Aditya Birla Retail)

Aditya Birla Retail's more store went online with mymorestore.com with ZopNow serving as their technology partner i.e. sourcing of basket goods will be done from more hypermarket stores and ZopNow will act as deliverer, using its own fleet of vehicles. Delivery is done within a three-hour slot as selected by consumer. For example- if consumer has placed an order at 12:45 P.M., s/he can choose the delivery slot following the time of order like 1-4 P.M. Delivery charges are free for orders above Rs. 750 and for order below it, shipping fee of Rs. 20 is applied. Mymorestore is currently providing services in Bengaluru, Pune, Hyderabad and Navi Mumbai.

To enable fast delivery, ZopNow has deployed GPS in all delivery vehicles and equipped all its delivery personnel with smartphone. Hence, whenever customer places an order, it is automatically flashed across all the employees which are involved in order fulfillment. Meanwhile, a person at the more store package the order which is then collected by ZopNow delivery personnel. ZopNow clubs 4-5 different deliveries within same time to be economical.

✚ The model chosen by More where delivery is outsourced has both pros and cons -

Pros –

1. Reduced Delivery Cost – Outsourcing delivery will result in reduced delivery cost compared to the model when delivery would be done by More. The benefit of reduced cost can then be transferred to customers in the form of reduced price in order to attract more consumers.
2. Faster Delivery – ZopNow's promise of three-hour delivery will help in attracting customers who has immediate demand. Such faster delivery would not have been possible had the store employed their own delivery personnel and fleet of vehicles for delivery.

Cons –

1. Wrong Delivery – The person packing the goods and person delivering are different in this case. Hence, if there is delivery of wrong product, the delivery personnel will not be able to understand the customer problem. This might irk the customer leading to the loss of customer of more.

2. Quality Management – Since the delivery personnel are ZopNow employees, there is no control of their training and how they behave with customers. Inappropriate behavior on their part might damage the firm's reputation and result in loss of customer forever.

:- ONLINE MARKET TRENDS IN INDIA

The online grocery market in India is the latest development. Various e grocery stores include Aaram shop, Zop Now, MyGrahak.com, Shopveg.in , Farm2 kitchen to name a few. India ranks as the sixth largest grocery market in the world. In India according to the facts where 42 percent of population is still below the line of poverty. The food market consists of 70 percent of the \$470 billion retail trade of our country. The organized percentage is about only 5 to 8 percent. The remaining is unorganized run by family stores and local people. The food and grocery market is growing at the rate of 19 percent annually.

External socio economic factors such as increased couples working, increasing income, acceptance of internet, and ready acceptance to change are factors supporting the trend. This E tailing has opened up opportunities for various startups.

As per the reports presented by D'Essence Consulting Group, majority of customers that is 85 per cent of individuals who shop for groceries online belong to the age bracket of 22-45 years. Studies indicate that men shop more than women. However it was also pointed out that women's e shoppers are also increasing recently. It is important to find us the reasons or influencers to purchase online. The factors very evident are convenience of home, reduced costs, more choices, traffic jams and easy delivery. People are more informed and aware now. There are several modes of payment. Also it is easy to find out the products on desktop rather than finding on retail shelf and also getting amazing discounts. This helps them to control on their budgets.

Common factors to buy online include ease, special promotions, avoid the crowds or traffic, saving on fuel costs, less time, less work, sticking to budget, ease to stock up, better and controlled selection etc. There are several barriers to purchase online including shipping costs, waiting time, security issues, coupons issues, more expensive, confusing, no touch and feel, lack of adaptability, products damaged in transactions etc.

It appears that businesses models are exploring this opportunity. However there are several difficulties faced by these established business models. The factors include supply chain issues, building up consumer's interest, competitors online and local. The old models have range of benefits including rapport ad relationship is the main factor. Models are developing according to changes and threats.

:- FACTS AND DEVELOPMENTS OF THE INDUSTRY

The retail sector in India is one of the very strong pillar of our economy and contributes to around 22 percent of its GDP. The retail sector estimates to 500 billion US dollars. It stands as one of the top five retail market markets in the world in reference to economic value. The Indian market is one of the fastest retail markets growing in the world with the population of 1.3 billion people.

In the beginning till 2003, the industry was primarily owned and managed by small stores and shops. In 2010, there were changes. The larger formats and convenience stores entered the industry. Initially these accounted for around 4 % of the industry figures and were dominated majority in large urban centres. The sector employs about 40 million Indians that is around 3.3 percent of Indian Population.

In 2011, there were changes in the Foreign Direct investments by the Central government, the FDIs in the multi brand retail sector were denied. The foreign groups were forbidden from any ownership in super markets, retail outlets or convenience stores. The single brand retail was limited with 51 percent ownership and follow a bureaucratic processes. Later in November, the central government announced other retail reforms for single brand and multi brand stores. These reforms opened the way and allowed innovation in the sector. The competition increased and many brands entered the sector. The major ones included Walmart , Carrefour, Tesco, IKEA, Nike and others.

The reactions were positive along with negatives. By December 2011, there was increased pressure placed on the reforms and there was need of consensus. Finally in Jan 2012, the government approved reforms for several single brands and others. Anyone in the world to innovate in Indian retail market was allowed with ownership of 100 percent. The restriction was imposed that the single brand retailer should source 30 percent of the goods and from India. Our government still continues the right on these reforms for multi brand stores and retailers. Soon after there were permissions granted. IKEA got permission to invest \$1.9 billion in India and set up twenty five retail stores.

Later in September 2012, our legislature announced the opening of Foreign Direct Investments in multi- brand retail. However this was subjected to approvals on individual states. This decision was welcomed by few economists and the markets. However there were protest as well. Towards the end of December 2012, 51 percent of FDI was allowed in multi brand retail in India. It was agreed that the decisions will be state based and not universal for all. This means that some states

will allow these investments where as others will not.

Organized form of retailing means the trading activities undertaken by the retailers who are licensed and those which are registered to pay for sales tax, income tax or any other payments. These include

corporate backed hyper markets, privately owned large retailers and retail chains. Retailing in unorganized sector includes the traditional formats of retailers. These are low costs formats. This includes local corner stores, general stores, convenience stores, vendors etc. These are seen in most of the rural areas and towns. In terms of percentages these organized retail sector accounts for just 4 percent of the markets.

In India majority of shopping takes place in open markets such as grocery shops and stores. The typical buying behaviour includes request placed outside the shop, shop person or sales staff providing what is requested for. Sometime the list is handed over to the person who later supplies or delivers to the consumer's house. Brands or quality are based on judgement of the sellers. If one brand is not available, consumer may accept the other one. The recommendation of seller plays a crucial role. The products are priced or arbitrary method or mostly as MRPs. There is rare negotiation about prices between shop keeper and the shopper. Generally they don't examine the label and no such informed decision is made.

In India both the sectors including organized and unorganized sector employs around 40 million Indians. This comes to around 3.3 percent of Indian population. These retail shops are very small in nature. These sector in India has about 11 outlets approximately for every 1000 people. Many of these unorganized sectors in Indian are run by family members. Very less quality control is there. The staff training is no to poor. There is no training for safety or hygiene. The products are procured from chain of middlemen's, a mark-up is charged as the product moves from one person to another.

Till 1990s, several regulations prevented growth of entrepreneurship and innovation in Retail Sector in India. Retailers had to adhere to several regulations including signboard licenses along with anti-hoarding measures before opening doors to any other. Taxes were levied on moving the goods from one state to another and also within the states. Producers had to do through the middlemen, who to greater extent had monopolies. The infrastructure facilities were poor along with losses of more than 30 percent. In 1991, various market reforms were introduced in retail. During the period between 2000 to 2010, customers began to experience quality, choices, convenience and facilities due to organized retail industry.

In 1997, FDI was allowed. The automatic permission was granted in 2006 and the approvals were also relaxed. During the period 2000 to 2010, the Indian retail sector attracted around \$1.8 billion in foreign investment directly. This represented a very small 1.5 percent of total flow of investment in India. There were 94 proposals between 2006 and 2010, out of which 57 were approved and also implemented. According to the total population of 1.2 billion people, this was relatively a very small number. It was said that single brand retailers were to limit their ownership to Indian outlets to Fifty One percent, in contrast to hundred percent ownership allowed by foreign businesses in multi-brand retail presence and also single brand.

The growth in India in retail trade was limited. The spoilage of food harvest was highest in the world. The reason being limited integrated cold chains and other infrastructure facilities. The

stand-alone cold storages in India was limited to 5386 in numbers, and having total capacity of 23.6 million tons. Majority

of percentage approximately to 80 percent was used for potatoes. The left over infrastructure potential is less than one percent of the annual farm output of India's total.

This was majority inadequate during peak harvest seasons. And grossly inadequate during peak harvest seasons. The result was around thirty percent losses in perishable agricultural output in India every year. Until 2010, intermediaries and middlemen in India have dominated the value chain.

Due to several numbers of intermediaries involved in the process, various norms were placed and price lacked transparency and comparisons. Each level added its own profit margin, the impact was that the farmers only received one third of the total price paid by the end consumer in India. This high profit margins by middlemen's and traditional retail shops limited the growth in this sector and further prevented innovation in Indian Retail Industry. For years there were discussions and debates on the risk and limits involved of allowing FDIs in the sector. Several economists argued to remove restrictions on organized retail and recommended to open up doors to the competition. The arguments presented included the fact that by allowing flexibility in economic reforms in all the sectors and addition of further liberalization, the economic growth will accelerate in this sector and this will really make a positive difference in the life of India's poorest.

In report presented in 2007, it was found that the increasing numbers of labour force in India are moving towards the services sector in terms of employment choices. The reason being low compensation received by the traditional agriculture and manufacturing sectors. The unorganized retail sector grew at the rate of 6 percent at the time when organized sector grew at the rate of 35 percent annually. The difference being very huge and the reasons were evident.

The Retail Sector in India is at present is a stage of reflection. Since 2008, there are changes of investments. An amount of US\$ 25 billion is planned to be invested by many Indian and MNCs in the coming five years. According to the facts presented by India Brand Equity Foundation, the sector is valued at about US\$395.96 billion. The organized retail sector is expected to grow to about 16 to 18 percent of total retail market. In terms of figures, around US\$65–75 billion in coming five years.

In terms of ranking, India has topped (GRDI) The Global Retail Development Index for the third consecutive years. It has maintained its position in the investment sector to rank as first in terms of attraction. The economic growth rate was 8 percent for the year 2007. Similar were predictions for year 2008. This enormous growth in the retail industry created a huge demand for real estate.

Reports presented in 2011, indicated the facts that the Indian Retail Market is generating the sales of around \$470 million each year. This is from organized retail including supermarkets, chain stores and operations in malls. The opening of retail industry is free to market competition now. This according to some economists indicates that there will be rapid growth rate in retail sector of Indian Economy.

It is estimated that a twenty five percent growth rate by 2021. Till 2021, the sector is expected to grow at the rate of 25 % estimating to around \$250 billion a year. This revenue equals to revenue share from Japan for the world's 250 largest retailers.

The forecasts by many economists stated that the Indian retail sector will nearly double in its economic figures in terms of value. The expansion will be around

\$ 400 billion by 2020. These projections are equivalent to retail trade of France at present.

Comparisons of Indian Retail sector with other nations:


Country	Modern Percentage(% 2011)
India	7%
China	20%
Thailand	40 %
United States	85 %

It's very essential to compare the Indian Retail sector with other nations. It appears that there is growth of 7 percentage but however not very competitive with regard to other nations. Several factors are responsible for the same.

The Indian market has increased complexities. This is due to broad geographic spread and differentiated consumer behaviour. This preference varies by each region and hence necessitates a need for localization. This is further desired even with a geographical region. The outlet per person that is 7 per thousand is highest. However, the Indian retail space is lowest in the world with retail density of per capita at 2 sq. ft. Around 1.8 million of households have an annual income of over 4.5 million in India.

The organized retail sector has an 8 percent share as per reports of 2012. The Indian market presents large opportunities. This is due to large numbers of population and increasing purchasing power. The challenges are significant. Around 90 percent of trade is conducted through independent local stores. Several challenges include geographically spread population, complex distribution network, small ticket sizes, little use of Information and Technology systems, weaknesses of mass media and existence of look-alike products and varied choices.

The number of merger and acquisitions increased tremendously in the Indian retail market. According to PWC it was estimated that the multi retail market will grow to around \$220 billion by 2020. It was further stated that modern retailing has a 5% market share in India. It is also expected to grow at the rate of 15 to 20 percent per year. There are several retail formats and malls businesses in India.

 Some statistics are as follows:

Indian Group	Indian market reach in 2011 and further information.
Pantaloon Retail	65 stores and 21 factory outlets in 35 cities, 2 million square feet Space.
Shoppers Stop	51 stores in 23 cities, 3.2 million square feet space.
Spencers Retail	200 stores in 45 cities, 1 million square feet space. 708 mart and supermarkets, 20 wholesale stores in 15 cities.
Reliance retail	508 fashion and lifestyle 1206 crore (US\$180 million) per month Sales in 2013.
Lifestyle Retail	15 lifestyle stores, 8 home centers 93 stores in 3 cities,[44] one of three largest supermarkets retailer in India by sales 916 crore (US\$140 million) per month sales in 2013.
Tata Trent	59 Westside mall stores, 13 hypermarkets.
Birla More	575 stores wide the nation.
Bharti Retail	74 Easy day stores, further plans to add 10 million square feet by the year 2017.

:- INDUSTRY ATTRACTIVENESS

Although the figures above show that grocery and retail industry is poised to grow in future however, it is important to analyze how attractive would be the industry for new players in online domain. Industry attractiveness for the online grocery business has been analyzed through Porter's Five Forces⁴.

- **BARGAINING POWER**

- i. Suppliers – Suppliers can be small and big retailers, farmers, FMCG companies, etc.
 - a. Number of Suppliers - Large number of suppliers in the industry make it easy to procure the goods
 - b. Suppliers do not depend on the online retailers for their sale, it is just another medium for them to sell grocery items

c. Switching Costs- Switching Costs are very less in case of the online grocery stores wanted to change suppliers.

d. Differentiated Product - Products offered are also not differentiated and unique.

Hence, bargaining power of suppliers is medium.

ii. Buyers – Buyers are the customers

a. Number of buyers - Buyers are increasing every day with increase in penetration of mobile and internet

b. Differentiated Product – The product offered is a standard product however the service is differentiated w.r.t local mom and pop stores

c. Switching Costs – Switching Costs for buyer is very less.

Hence, considering the above factors the bargaining power of buyers is high.

- RIVALRY AMONG EXISTING COMPETITORS

a. Number of Competitors - Number of competitors in the industry is very large as not only online grocery stores but the offline kirana stores are their competitors.

b. Growth of Industry – Industry is growing at a fast pace with a CAGR of 15% due to increasing incomes and urbanization.

c. exit barriers- are not very high if the model is of hyper-local in nature.

d. Committed Rivals – In online grocery, rivals are highly committed and wanted to establish themselves as industry leaders. For them, acquiring new customers is the biggest challenge and hence all of them engage in giving huge discounts to attract new customers which leads to burning high amount of cash for customer acquisition.

Thus, above factors reflect that rivalry is very high in this industry.

- THREAT TO ENTRY/ ENTRY BARRIERS

a. Supply Side economies of Scale – For new players, supply side economies of scale is very low. This is because they do not procure much (in case of inventory model) or cannot serve multiple deliveries at one go (in case of hyper-local model) as they do not have large customer base, hence for them per unit cost is very high compared to existing players.

b. Demand side benefits of scale – Network effects does not come into play in this industry as the buyer's willingness to pay does not increase with more number of customers.

c. Customer Switching Costs – Customer switching costs are very low in this case as switching to new service does not incur any additional costs.

d. Capital Requirements – Initial financial resources needed are low (if firm is starting with hyper- local model), however if later on the company is expanding for inventory model, capital requirements are huge.

e. Incumbency advantage independent of size– Incumbents have few advantages compared to new entrants in terms of established brand identities, existing customer base, etc.

f. Unequal Access to Distribution Channel – Access to distribution channel is almost similar and does not depend on whether the player is a new entrant or an established one.

Thus, barriers to entry in case of grocery e-tailing are very few and hence there is always a threat of new entrant. This is the reason that over the last 3 years many grocery e-tailers have come in market.

- **THREAT OF SUBSTITUTES** Substitutes are the offline kirana stores, hyperlocal markets

a. Value of the substitute – On the price front both the offline and online stores are almost similar with offline stores might be having little higher prices. However, the offline stores provide the experience of feeling and self-checking before buying but has the disadvantage like long billing queues.

b. Cost of switching – Buyer's cost of switching to substitute is very low.

Hence, threat of substitutes is very high in this industry.

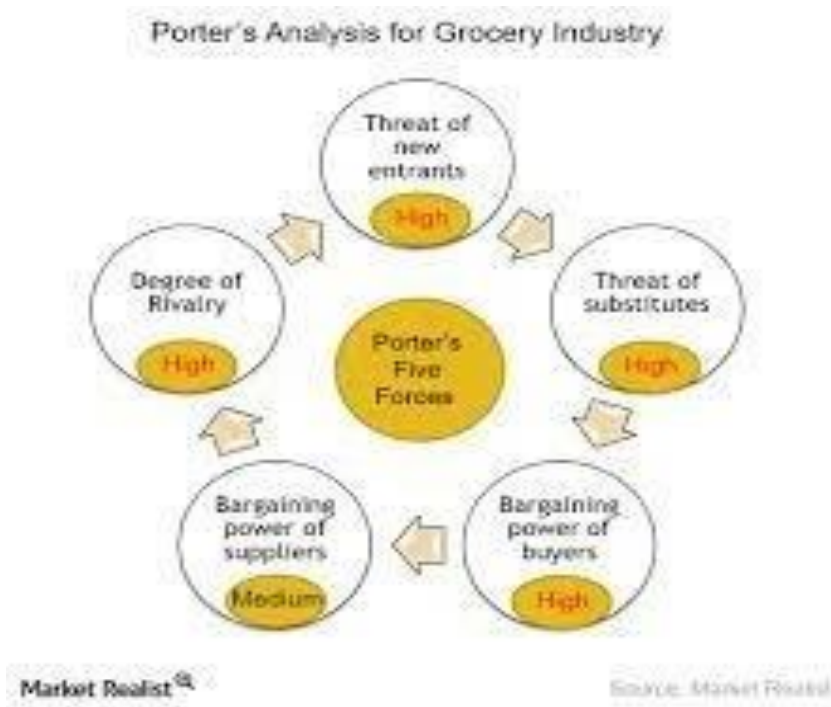


Figure 1: Porter's Five Forces Analysis of Grocery Industry

Hence, when observed properly, entering online grocery industry is not very attractive due to high competition (both with existing online and offline players), high threat of substitutes and high bargaining power of buyers because of their low switching costs.

:- FACTS ON CHALLENGES FACED IN THE SECTOR:

According to reports presented by McKinsey it was observed that the retail productivity in India is very low as compared to its international counterparts. An example would be that the Indian labour productivity in retail sector is just 16 % as compared to United States in 2020. In food retailing India's labour productivity is just 5% as compared to Brazil's which stands at 14%. In non food retailing India's labour productivity is at 8% as compared to Poland's which stands at 25%. The total retail employment in India including organized and unorganized sector accounts for total 6 percent- most of this is primarily organized sector. The expansion of retail sector similar to other emerging economies for example the United States. This would create of over 55 million jobs in India. The biggest challenge lies is training and development for this sector to improve productivity.

With the permission to open retail industry to global competition, the retail sector will really face challenges. This has the potential to change not only the infrastructure but also retailing landscapes. The

articles in Wall Street Journal claims that this further investments in India in retail sector will create around 10 million jobs further, more than 60 percent in logistics only. No matter out of total 8000 townsand cities in India, the expansion is only in 53 cities.

Incident reported in Tamil Nadu on 19 Feb 2013 is worth mentioning. There was high degree of resistance towards MNCs entry in retail sector in Chennai. The authorities placed hold in form of seal on the warehouse which was spread around 7 acres against the retail giant: Walmart. In Rajasthan in February 2014, the government took decision to reverse FDI in retail sector. The reason being to support domestic retail business and support local developments compared to international retail. This will help in creating the employment opportunities and solve the issues of unemployment.

In 11 January 2012, the approval was granted to allow increase FDIs. The reason being increased competition and opportunities of innovation in single retail brand. This will further attract investors in both the functional areas: marketing and operations. The sourcing of goods internally was increased in India due to increased access to global technologies and businesses. It was also announced that single brand retailers can be allowed with greater than 51 percent foreign ownerships but they need to source minimum of thirty percent of the value of products from small scale businesses.

This decision was accepted by few but at the same time not appreciated by few businesses. For example IKEA, announced to postpone its decision to open new stores in India. The reason being the requirement to source 30 percent of their supplies from local stores and businesses. This was a constraint with regard to investment in India and might delay to source material. Quality of products was again an issue. It was also difficult to develop supply chain network as well. The decision of expansion moved to China and Russia, the reason being nonexistence of such reforms in these countries.

There are several impacts of these foreign giants entering into one country and moving to another. The independent stores may close, this will lead to significant job losses. For example Walmart recruits very few people on US. With its expansion into other markets such as India, few thousand people may get employed but at the same time millions of individuals will lose their jobs. Now, these job losses will be the ones who are small businesses and don't have resources to compete the big giants. Walmart is very efficient so as to manage supply chain, this leads to procure the goods, directly from the supplier. The effect will be further elimination of the intermediary that is the middleman. This will put pressure on suppliers to reduce the prices in order to have consistent cash flow. Consumers will get benefit due to reduced prices due to dumping of goods. The competition will be eliminated and will lead to Walmart having monopoly. Similar effect was seen soft drinks brand, which are practically eliminated due to entry of Pepsi and Coca Cola.

The retailers and this middle man existing in the retail industry perform a great role in supporting and developing our local economy. These small businesses normally buy goods and services

from local area. They support in creation of wealth and redistribution. The effect of large and efficient retailers may be positive in short run, but in long run they do not support local economy much. The work is performed by

the Indians but the profit goes to foreigners. It may happen like the case of East India Company, that is may enter as a trader and further take over India politically.

Indian government has a conflict here and facing severe dilemma. The claim is made that modern retail trade will lead to creation of employment opportunities, approximately 4 million. However this may not necessary hold true. At a global level, Walmart has around 9000 stores and has created of around 2.1 million employees.

There are counterclaims made to this. The supporter of the expansion of Big Retailers claims that the organized retail will definitely need workers. This can be supported with the fact that Walmart employs

1.4 million of people in the Unites States of America, from the total population of 300 million. Now in case of India the with the population of approximately 1200 million, the staffing needs will need to be kept at the same level. Walmart plans to create opportunities for 5.6 million Indian populations. Walmart occupies a 6.5 percent of share of total retail trade in United States. With the forecasts available, the expected jobs created will be over 85 million. Not only this, many other jobs will be further created in the process of building of retail stores, infrastructure including roads, infrastructure facilities, cold storage centres, B2B, software industry, electronic developments, and other retail supporting businesses. The positive side is that these retail reforms will lead to massive developments and boost Indian economy.

The effect can be explained from developments in China. It's found out that in China, the employment in both retail and wholesale trade has increased from 4% in 1992 to about 7% in 2001. This growth is after China liberalized its retail trade to foreign businesses and encouraged innovation. In terms of numbers, 26 million jobs were created within a period of nine years. Apart from these developments, there was tremendous growth in traditional small scale retailers, which also experience growth at the rate of 30 percent over period of five years.

Indian economy has limited surplus budgets and large capital that is trillions of dollars are needed to develop our infrastructure facilities required for growing population. The government is already facing budget deficits and at this time investment in hospitals, roads, housing, schools etc. seems to be difficult. It seems very difficult for Indian Government or Indian investors to fund these developments. It is needed that we take assistance of Global funds available. Foreign Direct Investment is necessary. Not only money, knowledge framework and synergies are needed. There is need of global integration. Global acceptance and FDIs can potentially benefit Indian market.

This global integration can open markets for Indian farmers and other producers. An example would be that Walmart forecasts to procure \$1 billion of goods and services from local population every year from the Indian retail industry.

Most of these retail companies have been operating for more than 30 years in various countries. Businesses including Metro, Target, Tesco, Carrefour, Walmart etc. have been operating for over

350 global companies. The sales cross over one billion dollars. Still they do not have their monopolies. This

completion has in fact helped to keep the prices in control. For example in Canada, the inflation rates is very low. Price inflation in these countries has been five to ten times lower than inflation in India. The current consumer price inflation in Europe and the United States is less than 2%, compared to India's double digit inflation. This discussion has another perspective as well. It would be inappropriate to compare Twenty First century to Eighteen century.

The conditions have changed. We have democracy now, which wasn't there then. Global awareness and media have transformed.

An example of this can be seen with regard to China: Having population of over 1.3 billion, square feet of retail space is managed, owned and controlled by foreign players. Millions of Chinese citizens are employed in these businesses. Still China is enjoying respect from all the global powers. Countries such as Malaysia, Thailand, Indonesia, and Taiwan always have appreciated and supported these foreign businesses. They approach these catalyst of new technology and reduction of price.

This can be taken as approach in our country as well. Rather than isolating and working alone, India too can definitely benefit by integrating with the world. It can be seen that with FDI of 52 percent limit in these multi brand retailers, half of the profits remains in our country. This profit will be subjected to taxes and further affect Indian budget deficits. In China, FDI financing took around five to ten years to increase its profits. Retailers must look into profits by creating values.

Legislations have been formulated, to increase restrictions to the policies before opening the doors. This puts limit on the market share, diversity and growth. States can introduce strategies and regulations to change the law to move in favour of weaker sections of Indian sections. There is good amount of wastage of food in the transit, inefficiencies and storage issues. The state run warehouses are inadequate. In case, organized retail companies enter Indian Sector. From arrival in Indian market,

Walmart introduced Direct Farm Project in Punjab. This will allow 110 farmers, to connect with Bharti Walmart in order to reduce wastage and bring fresh produce to Indian Consumers directly.

It is observed that many of these unorganized sectors employ workers and make them work for extended hours with limited payments. Also many children are employed. In case this sector becomes regulated, these exploitations will reduce and formal method will be employed. In United States, due to this kind of liberalization, retailer Whole Foods grew rapidly to annual revenues of \$9 billion. This was possible due to working closely with farmers, concern about the environment and targeting customer delightment.

There have been several discussions on this issue. These reforms are not new and exist since long. Discussion paper was circulated in 2010 and further 2011. The comments from several sections of societies including farmers association, consumer forums, industry bodies, traders' associations and several economists were analysed in detail. The consensus was obtained from

various segments of Indian Society and was in favour of retail reforms. The parties with opposing view is not successful with

any idea or strategies on how the issue of food inflation, spoilage, security, storage can be addressed. The methods to improve the income of poor people and feed the hungry is still not made.

In the reports presented by Global Insights, it was observed that modern retailer's entry will lead to generation of employment directly and indirectly. Walmart helped in creation of around 6300 million additional jobs. It is said that in India, with urban population of more than 400 million, it may help in creating 12 million additional jobs. This will create opportunities to earn. The study supported that not only employment opportunities will be created, but also it will help to control price inflations.

Several social and political unrests are also attached to this decision, apart from economic perspectives. For example: Uma Bharti (a senior leader of BharatiyaJanata Party) said that she will set fire to the first Walmart store as soon as it opens in India. At the same time one leader used social media tweeting about the ill effects of Walmart in other countries. There was a BANDH that is official closure of all other businesses that was called up by political parties in opposition of these retail reforms. Internal rivalry and divided opinions did appear on this day. Many stores were closed, at the time others were open as normal throughout the day. It was strange to observe that majority of Kirana stores and small shops remained open as normal ignoring the BANDH, but the wholesalers had a shutdown to small the small retailers. People appeared to be divided. However, claim made by Traders Union said that traders across the country participated fully in the strike and are against the large organized retailers. With regard to consumer survey conducted, in pan- Indian Survey conducted across ten major cities, it was observed that Ninety percent of consumers were of opinion that FDI will reduce the prices and will increase the choices to the consumers. Majority of farmers 78% were of positive opinion as well. They agreed that due to multi retail stores, they will be able to get better prices for their produce. The traders that is 75 percent were also in favour.

CHAPTER 2:- LITERATURE REVIEW

LITERATURE REVIEW

Ellis C (2003): Outlined that a lot of online grocery portals fail because they ignored key operational insights. A lot of today's successful online websites charge a delivery or pickup fee, which is in line with their supply-chain costs. Customers in this study were ready to pay increased costs if convenience was offered to them. The study also analyses the need for sellers to carefully educate customers about new services and coach them in how to get the most benefit from the service. The study also shows the importance of reliability being an important factor in selection. The time taken for the first order in most of the cases varied from 60 to 80 minutes as against their fifth order which took them 25 to 30 minutes.

Keh, H.T. & Sheikh.E.(2001): Were of the opinion that for the success of a channel, elements like supply chain management, competitor analysis, barriers to entry & exit, cost structure and barriers to entry & exit were of a major importance. Another important factor which influences buying from online channels is the rise in number of time starved customers. Households with young children embrace the concept of e-shopping. Also the time starved and the dual income households are the major drivers of online shopping.

Salisbury et al. (2001): Outlined that to increase online shopping, merchants need to take the proactive steps to minimize the consumer's feeling of risk. If the customer feels that the website may be fraudulent or his account/card details are unsafe, the customer is lost forever.

According to Den Hertog (2000): There are four parameters which explain the model of service innovation.

- **The Service Concept:** This refers to the new type of concept or service in the market. An example can be new type of a bank account or an information providing service. With reference to the article being discussed an online grocery shopping application falls in the earlier category.
- **The Client Interface:** This refers to innovation in the interface between customers & their service providers. This is the change in involvement (high to low or low to high) in the service process, thus changing the rules of the game in the service categories. So, self-service at McDonalds & web check in at the airports fit in this category.
- **Service Delivery System:** This refers to changing the rules of the game with respect to the delivery systems. Thus, an innovative way of service delivery preferred over conventional way forms a backbone of such a system. An emerging concept of SDP is the idea of taking a "factory" approach to Service

Innovation. A "service factory" approach is a standardized and industrialized environment for more effective service innovation & development.

- **Technology Options: den Hertog (2000)**, says that the new innovations in information & technology sector form the backbone of providing services to the end user. An example can be physical products accompanying services, such as customer loyalty cards, etc.

According to Saxena (2006), the process of consumer decision making consists of five stages. These stages are as stated below:

- **Problem Identification or Need recognition:** This is the starting point felt by the consumer for his needs. Marketers are associated with creating a need based stimulus.

- **Development of Decision Criteria:** In this stage, the consumer prioritizes the factors based on which he would be taking decisions. The factors generally are convenience, availability, etc.

- **Search for Alternatives:** After the decision making criteria is formed, the consumer starts searching for various alternatives. Advertisements & marketing activities influences the search for the alternatives

- **Evaluation of Alternatives:** The penultimate stage is the evaluation of alternatives. The evaluation is based on the criteria which is already in place for the customer.

- **Decision:** This is the final stage of the purchase process wherein the customer makes a decision either to buy or not to buy a product, service or a brand.

Shivshankari.et.al (2015), are of the opinion that things which are required in our daily lives or things which touch our daily lives are easily accessible on the internet. Be it India or any other country in the world, all the customer needs is an internet connection. The authors describe a six stage process right from browsing the internet website to choosing & adding an item in the electronic basket to various payment methods, leading to confirmation & shipping of the order. They are also of the opinion one major problem, customers face is the lack of or dearth of complete information on the products or service they desire to purchase.

According to Sharma & Mittal (2009), India as a country has shown a huge amount of growth as far as ecommerce is concerned. One of the major reasons is the easy accessibility of internet. They also mention there are two kinds of portals: the first one is a generalized portal which provides products like apparels, electronic items, consumer durables, fast moving consumer goods to name a few. The specialized website pertains to dealing with a single specialty like online grocery, dealing in cars & other services. E-commerce organizations have to be very cautious in dealing with logistics, vendor management, taxation & payment collection.

According to Singh (2015), convenience coupled with saving of time is the new mantra for the generation. Consumers, these days are generally multitasking right from purchasing of groceries to hiring of cab services. Customers now seek to get the best results from the services which have to take into consideration the time factor. The consumer behaviour is shifting to the mobile shopping from desktops. As an example the average time taken by consumers to order in the month of June 2015 was

5.5 minutes as which reduced to about 30% to 3.6 minutes in the month of November. She also talks about the on-the-go food or deal meals, the consumers of which have increased substantially.

The article **on Indiaretailing.com (2015)**, draws a comparison between the inventory model & hyper local model of e-commerce retailers. Hyper local model has a distinctive advantage as neighborhood stores undertake the delivery of groceries ordered by the customers on the mobile application or the internet. On the other hand, the inventory based models get the products into their warehouses, upon getting the order from the customer & then deliver to the customers. The inventory model is more costly as compared to hyper local model, as the investments needs to be done in warehousing & supply chain. On the contrary, using a hyper local model does not entail investments on the storage front. Also, the hyper local model enables quicker delivery of products, as they are largely from local retailers, overcoming obstacles like supply chain & infrastructural hurdles.

CHAPTER 3 :-RESEARCH METHODOLOGY

In this chapter the methodology and method choices made in the thesis are described and discussed. The chosen approaches will affect both the collection and interpretation of information. Accordingly, the chosen methods are described and criticized.

Methodology is a required and important chapter a thesis. (Collins & Hussey, 2009) The chapter describes the methodology and methods that are used in the thesis and therefore is the foundation of data collection. The methods should be explained so the reader should get an understanding of why those are chosen and are suitable for this particular master thesis. In addition, validity, reliability and generalization are important parts of a thesis (Collins & Hussey, 2009) and are also to be discussed.

The research is based on the primary data and it has been collected by using a well-structured questionnaire. The sampling unit for the survey are the people who people who purchase groceries in guntur. The sampling technique utilized for the study is Simple Random Sampling. The size of the sample utilized for the study is 148 collected from the Guntur region.

:- SURVEY

A survey includes many methods which focus on collecting quantitative data. Quantitative data refers to the people, objects, and specific situations which can be analyzed using interpretative methods (Collins & Hussey, 2009). These methods are, for example mail questionnaires, postal questionnaires, internet questionnaires etc. (Gable, 1994; Collins & Hussey, 2009). A survey is conducted by either primary or secondary data from a sample. A sample is “a subset of a population” and a population is “a precisely defined body of people or objects under consideration for statistical purposes” (Collins & Hussey, 2009, p.77). In this thesis, the sample consists of possible and/or already established end customers of the grocery basket business. The survey will investigate customers’ and future customers’ views on the grocery basket as a product and a service, and can therefore be seen as a descriptive survey (Ibid). The survey aims to provide generalizable statements about the sample of a population. In addition, surveys could accurately document norms of a population (Gable, 1994).

However, surveys are inflexible for upcoming discoveries during a study. For example, after sending out a questionnaire it is not possible to re-draft the questions. In addition, it can also be hard to ask the most suitable questions in the most effective way from the beginning, when creating a survey. Furthermore, a survey only collects data from a situation at a specific point in time. (Ibid) To get this data an Internet questionnaire has been conducted and the answers have been collected.

:- QUESTIONNAIRE

“A questionnaire is a method for collecting primary data in which a sample of respondents are asked a list of carefully structured questions” (Collins and Hussey, 2009, p.192). With the questionnaire the authors want to find out what the sample thinks and feels about grocery baskets in order to help answer the research questions.

:- SAMPLING TECHNIQUE

Initially, a rough draft will be prepared keeping in mind the objective of the research. A pilot study will be undertaken in order to know the accuracy of the questionnaire. The final questionnaire will be arrived at only after certain important changes are incorporated. Convenience sampling technique will be used for collecting the data from different grocery buyers. The selection of units from the population based on their easy availability and accessibility to the researcher is known as convenience sampling. Convenience sampling is at its best in surveys dealing with an exploratory purpose for generating ideas and hypothesis.

SAMPLING UNIT:

The respondents who will be asked to fill out the questionnaires are the sampling units. These comprise of employees of MNC's, government employees, house wives, students and other professionals.

SAMPLING SIZE:

The sample size will be restricted to 148, which comprised of mainly people from Guntur region.

PRIMARY DATA:

The information is collected by conducting a survey by distributing a questionnaire to 148 grocery purchasers in Guntur. These 148 groceries purchasers are of different

age group, different occupation, different income levels, and different qualifications.

(A copy of the questionnaire is given in the last as ANNEXURE 1).

SECONDARY DATA:

This data is collected by using the following means.

1. Articles in e groceries
2. magazines
3. Expert's opinion published in various printmedia.

CHAPTER 4:- BIG BASKET COMPANY PROFILE

HISTORY:

Bigbasket was launched in 2011, but its journey had begun much earlier. It was in the year 1999 that a group of people comprising V S Sudhakar, Hari Menon, Vipul Parekh, Abhinay Choudhari and V S Ramesh launched their online retail business called Fabmart. The business did quite well and later physical retail malls called Fabmall were launched in various locations in South India. The business was eventually sold to the Aditya Birla Group and now it is known popularly as 'More' retail chain. However, the founders were itching to start something new and with their experience in retail business, they came together once again to launch Bigbasket in 2011. Bigbasket currently has revenue of around \$3.2 million and approximately 4,000 employees.

ABOUT THE FOUNDERS:

Hari Menon is the CEO of Bigbasket. He is an alumnus of BITS Pilani. V S Sudhakar is a cofounder and deals with senior management decisions at the organizational level. Vipul Parekh is an alumnus of IIM Bangalore and heads the Finance & Marketing department. Abhinay Choudhari is an alumnus of IIM Ahmedabad and he heads the new initiatives at Bigbasket. V S Ramesh is an engineering graduate from Karnataka University and he heads logistics and supply chain at Bigbasket

ROLE OF BIG BASKET

Bigbasket is the largest online grocery supermarket in India. It was launched in 2011, quite about the time when e-commerce was in its nascent stage in the country. Bigbasket was founded by Hari Menon, VS Sudhakar, V S Ramesh, Vipul Parekh and Abhinay Choudhari. Bigbasket is headquartered in Bengaluru and delivers to various cities in India such as Hyderabad, Mumbai, Pune,

Chennai, Delhi, Noida, Mysore, Coimbatore, Vijayawada-Guntur, Kolkata, Ahmedabad-Gandhinagar, Lucknow-Kanpur, Gurgaon, Vadodara, Visakhapatnam, Surat, Nagpur, Patna, Indore and Chandigarh Tricity city limits.

Bigbasket was launched at a time when India's busy workforce in cities was finding it difficult to allocate time to buy groceries and home essentials. Bigbasket gave them the flexibility to place their order anytime and get the things delivered at their preferred time. Bigbasket offers groceries

and food supplies in various categories such as fruits & vegetables, food grains, oil, masalas, bakery items, beverages, branded foods, personal care products, household supplies, eggs, meat, fish, etc. Bigbasket currently offers more than 18,000 products across various categories and features more than 1000 brands in its catalogue. Bigbasket comes with the promise of lowest rates and prompt delivery services.

FUNDING:

Bigbasket has received funding worth around \$526 million. The investors include Alibaba Group, Abraaj Group, Ascent Capital, Bessemer Venture Partners, Brand Capital, Helion Venture Partners, ICICI Venture, IFC Venture Capital Group, LionRock Capital, Paytm Mall, Sands Capital Management, Sands Capital Ventures, Trifecta Capital and Zodius Capital. There are talks about additional funding of around \$200 million, post which, the company would be valued at around \$900 million.

ACQUISITIONS:

Bigbasket acquired Delyver in June 2015 for an undisclosed amount. Delyver was also an online grocery store and its specialty was using local stores to deliver groceries to people. Now, all business assets of Delyver have been merged with Bigbasket.

COMPETITION:

Bigbasket competes with various other startups in the online grocery segment. Competitors include Grofers, Zopnow, Peppertap, Naturesbasket, Aaramshop, etc. Various city-specific online retail stores have also come up, which are giving tough competition to Bigbasket. Even bigger e-commerce players such as Amazon India and Snapdeal have also started selling groceries online, which is creating new challenges for Bigbasket.

BIGBASKET BUSINESS MODEL

BigBasket has raised a fresh round of funding of \$150 million which will be used for marketing activities, building infrastructure and building technology. The company is also focussing on its milk subscription business, organic, gluten-free and healthy products to contribute largely to its revenue.

Here are more points on how BigBasket makes money:

Inventory-led Model

With a growth in BigBasket's business, it moved to an inventory model for most of its products. The company purchases products from suppliers like P&G, HUL, farmers, mills and stocks them in their warehouses. To generate revenue, it adds a small margin to the cost price before vending them. Most of its profits and revenue are dependent on its private label products like Fresho, Royal Organic, Happy Chef Gourmet and more.

Hyper-local Delivery

BigBasket has also joined hands with more than 1800 neighbourhood grocery stores across India to deliver goods within an hour. This also applies to other perishable items. This step has led to a substantial decrease in wastage and aiding in decreasing inventory price as well.

Exceptional Customer Service

BigBasket offers lucrative discounts, bundling techniques, on-time delivery and convenience that helps them retain customers and maximize sales. This adds-on to the company's revenue.

With amazing benefits for all its customers, BigBasket is the top choice when it comes to grocery shopping. Now you can get great discounts while shopping for your daily needs without leaving the comfort of your home.

CHAPTER 5:-ANALYSIS AND FINDINGS

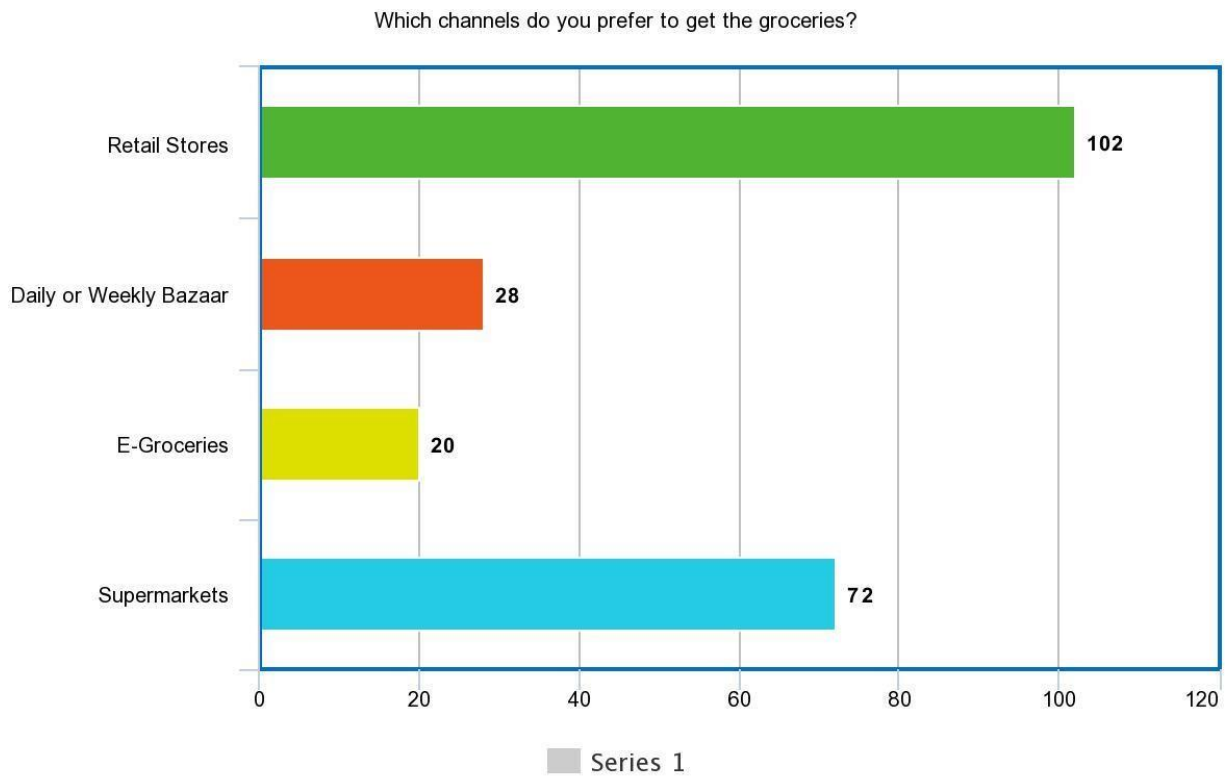
Table 1 demographic factors

PARTICULARS	DEMOGRAPHIC PROFILE	NO OF RESPONDENTS	PERCENTAGE
1.GENDER	Male	77	51
	Female	73	49
	Total	150	100
2.AGE	Below 20	49	32
	20-30	93	62
	30-40	4	3
	40 or above	4	3
	Total	150	100
3. Marital Status	Married	11	7
	Unmarried	139	93
	Total	150	100
4.Occupation	Employee	20	14
	Student	128	85
	Housewife	2	1
	Total	150	100
5.Income Level(per month)	Below 20000	101	67
	20000-50000	20	13
	50000-100000	13	9
	100000 or above	16	11
	Total	150	100
5.Educational Level	10 th	5	3
	Undergraduate	116	77
	Postgraduate	22	15
	None	7	5
	Total	150	100

The total number of respondents to our study are 150. Out of which 77 are male and 73 female. 49 respondents are in the age group of below 20, 93 respondents are in between 20-30,4 respondents are in between 30-40,and remaining 4 falls in the category of 40 or above. Under marital status 11 are married and 139 are unmarried. Respondents of different occupation are taken, 20 respondents are employees,128 are students, and remaining 2 are housewife .101 repondents earn below 20,000 a month,20 respondents in between 20,000 to 50,000.13 respondents earn in between 50,000 to 100000,and 16 earn 100000 or above. Coming to their education qualification most of the respondents are undergraduates .116 respondents are undergraduates, 22 post graduates,5 had their education till 10th and remaining 7 are none.

Table 2 : channels preferred by customers to buy groceries

Channels	Frequency
Retail store	102
Daily or weekly bazaar	28
E groceries	20
Supermarket	72

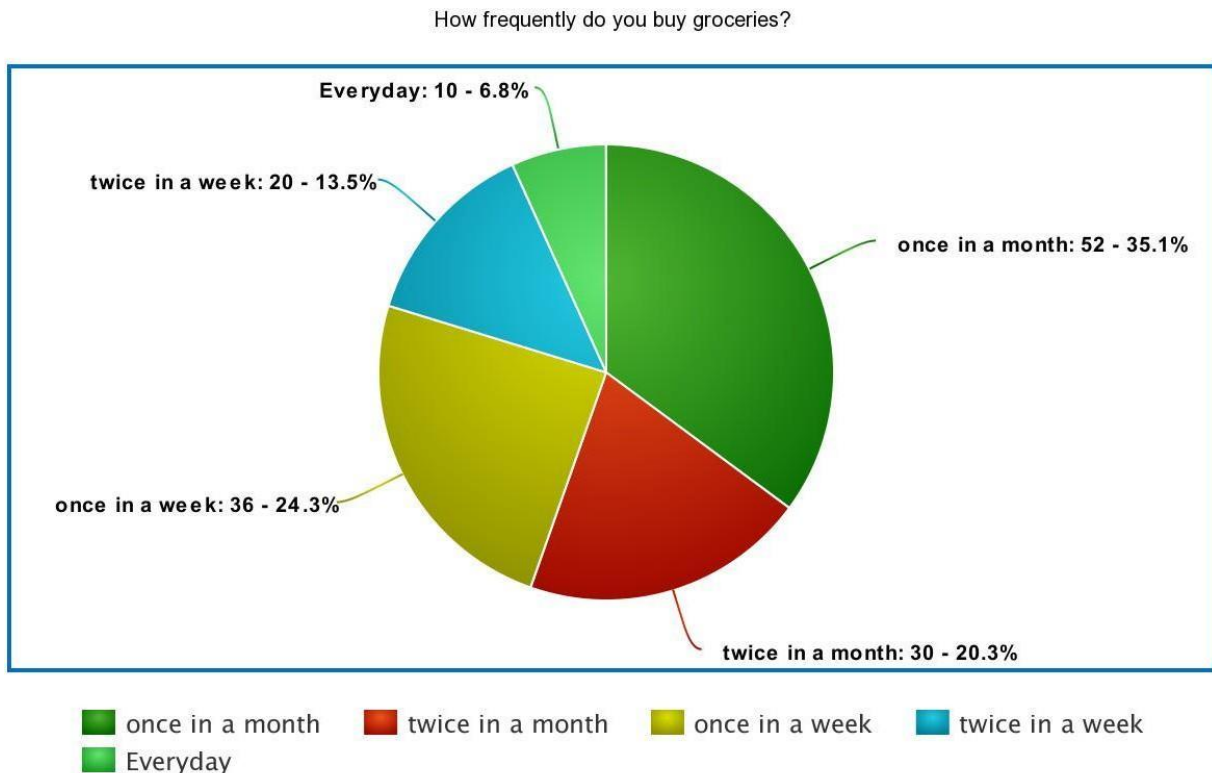


meta-chart.com

Interpretation: Retail stores in Guntur is most preferred for purchasing groceries compared to other channels .

Table 3: frequency of buying groceries

	Frequency	Percent	Valid Percent	Cumulative Percent
Once in a month	54	36.0	36.0	36.0
Twice in a month	31	20.7	20.7	56.7
Once in a week	35	23.3	23.3	80.0
Twice in a week	20	13.3	13.3	93.3
Everyday	10	6.7	6.7	100.0
Total	150	100.0	100.0	



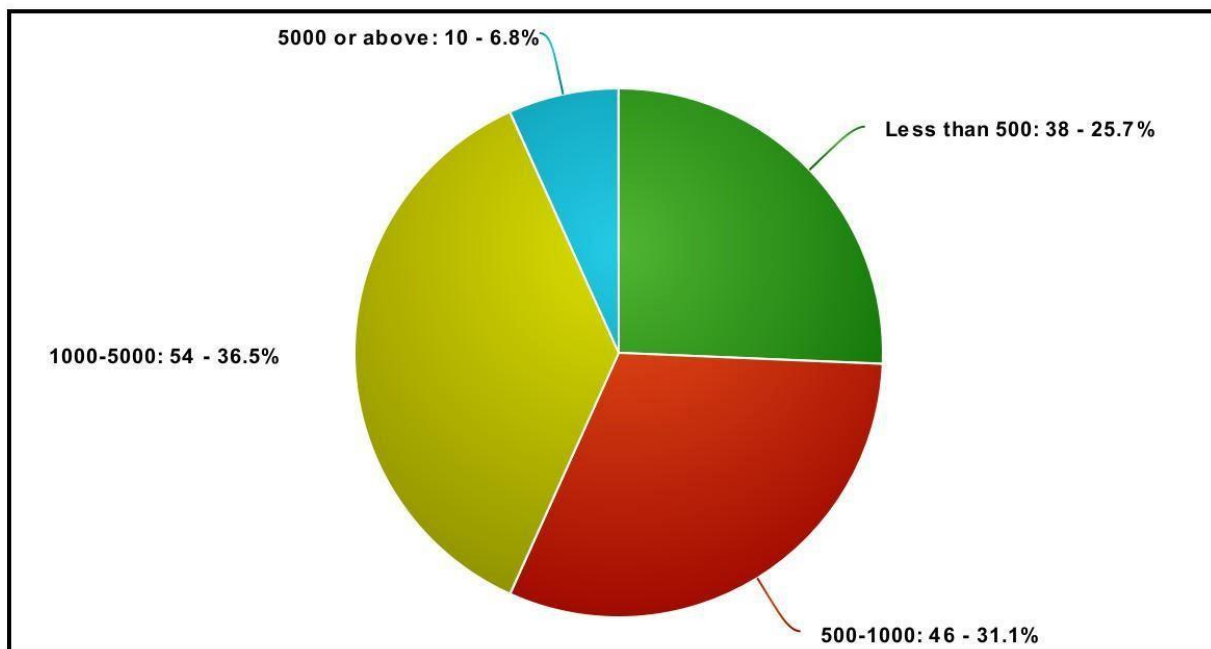
meta-chart.com

analysis show that 36% of the respondents purchase the groceries once in a month. 20.7% of the respondents purchase the groceries twice in a month. 23.3% of the respondents purchase the groceries once in a week. 13.3% of the respondents purchase groceries twice in a week. 6.7% of the respondents purchase the groceries everyday.

Table 4:amount spent in purchasing groceries each time

	Frequency	percentage
Less than 500	38	25.7%
500-1000	46	31.1%
1000-5000	54	36.5%
5000 or above	10	6.8%

How much amount do you spend in purchasing groceries each time?

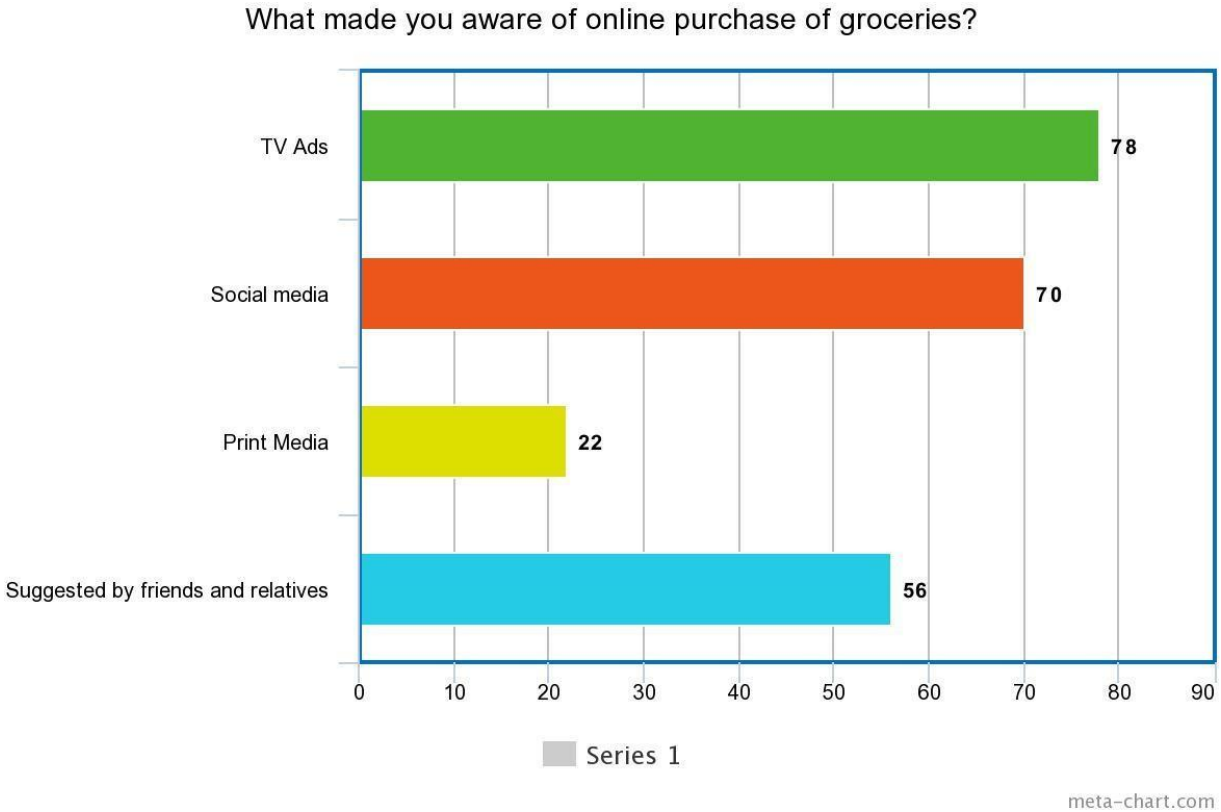


■ Less than 500 ■ 500-1000 ■ 1000-5000 ■ 5000 or above

meta-chart.com

Interpretation: 6.8% of the respondents spend less than 500 while purchasing groceries, whereas 31.1% of the respondents spend in between 500-1000, 36.5% spend in between 1000-5000, and 6.8% of the respondents spend 5000 or above.

Table 5:awareness of online purchase of groceries among people

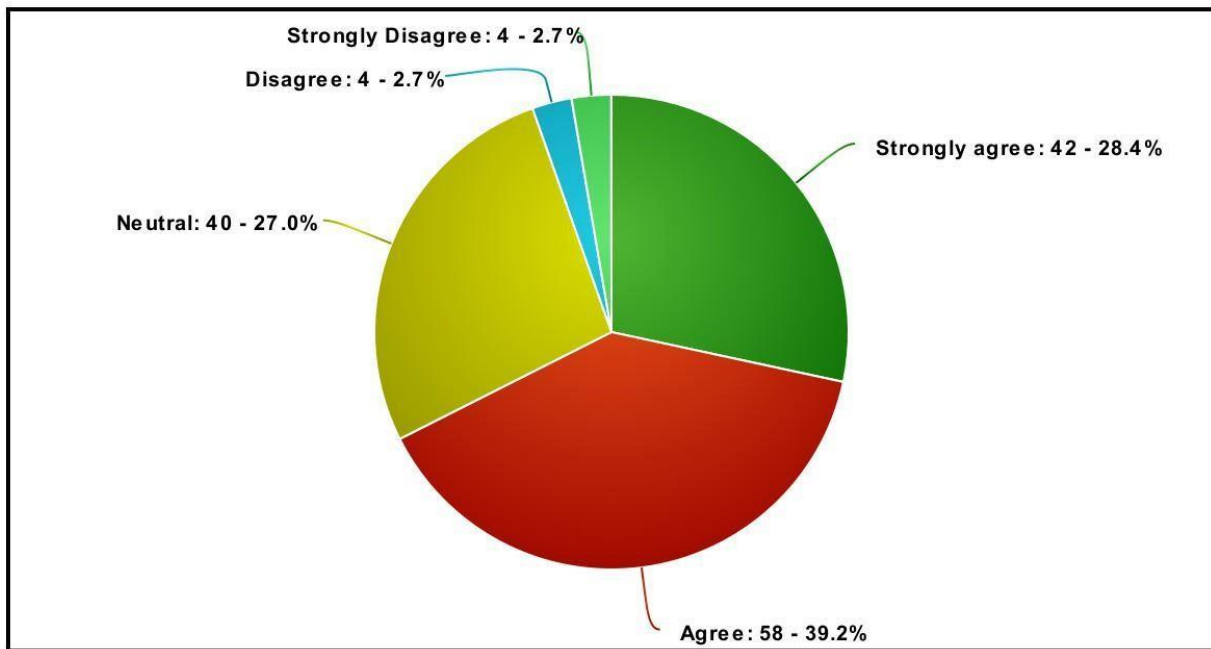


Interpretation : awareness about the online groceries platform is created more from the television advertisements. Social media is also a factor

Table 6: do time is utilized in online purchase of groceries

	frequency	percentage
Strongly agree	42	28.4%
Agree	58	39.2%
Neutral	40	27.0%
Disagree	4	2.7%
Strongly disagree	4	2.7%

Do you think time is utilized in online purchase of groceries? *



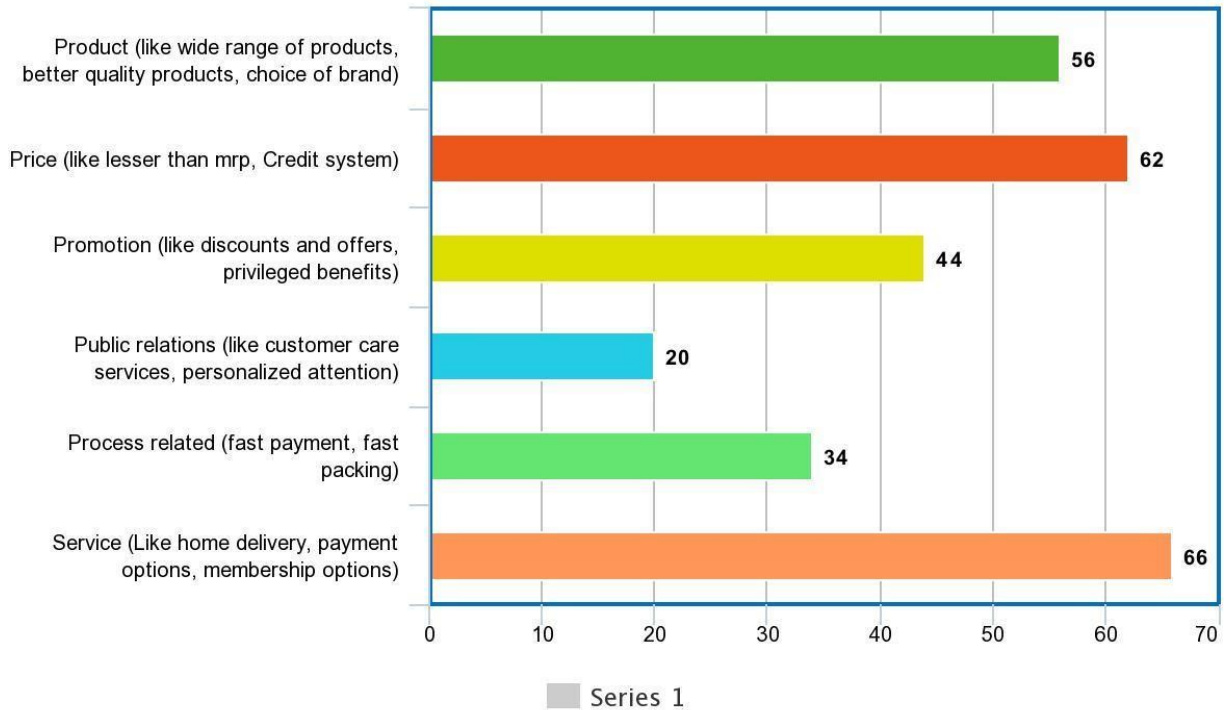
■ Strongly agree
 ■ Agree
 ■ Neutral
 ■ Disagree
 ■ Strongly Disagree

meta-chart.com

Interpretation: majority of the respondents i.e;39.2% agree that time is utilized in online purchase of groceries.

Table 7: factors influencing customers to prefer online options to buy groceries

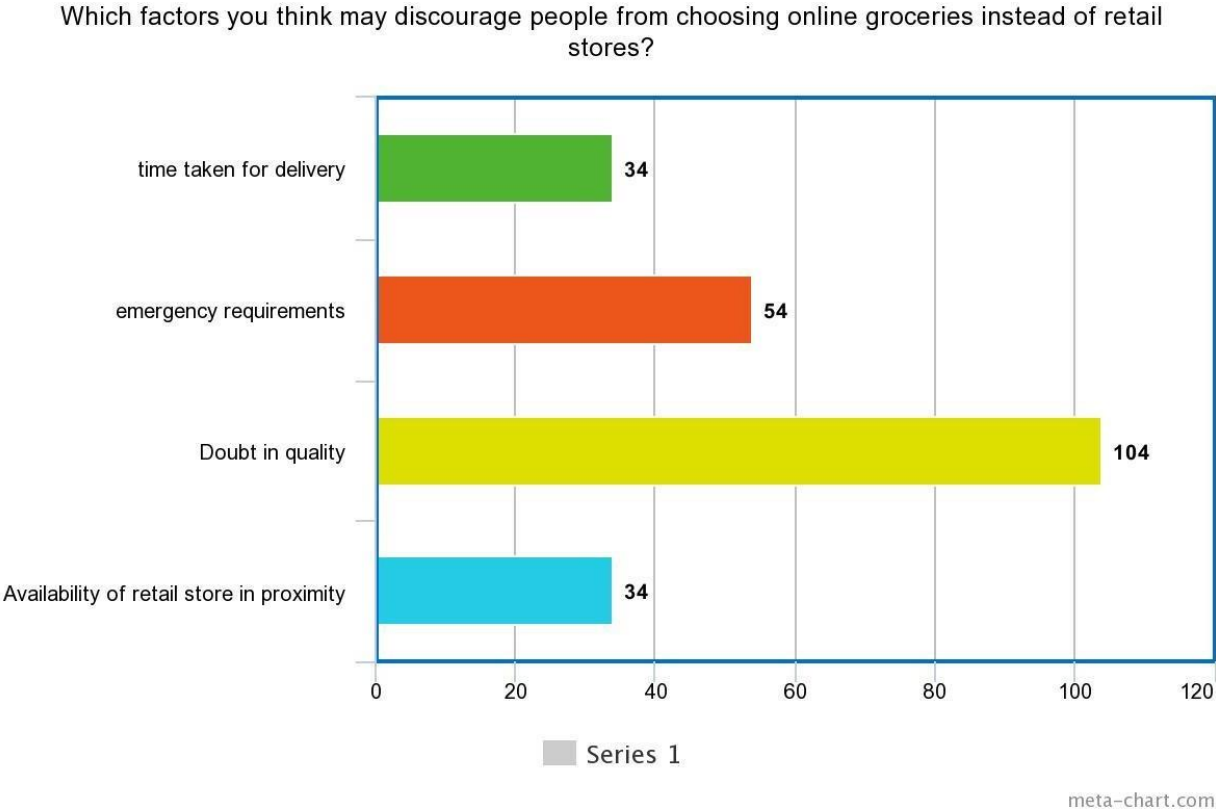
Which of the factors influenced you to prefer online options to buy groceries?



meta-chart.com

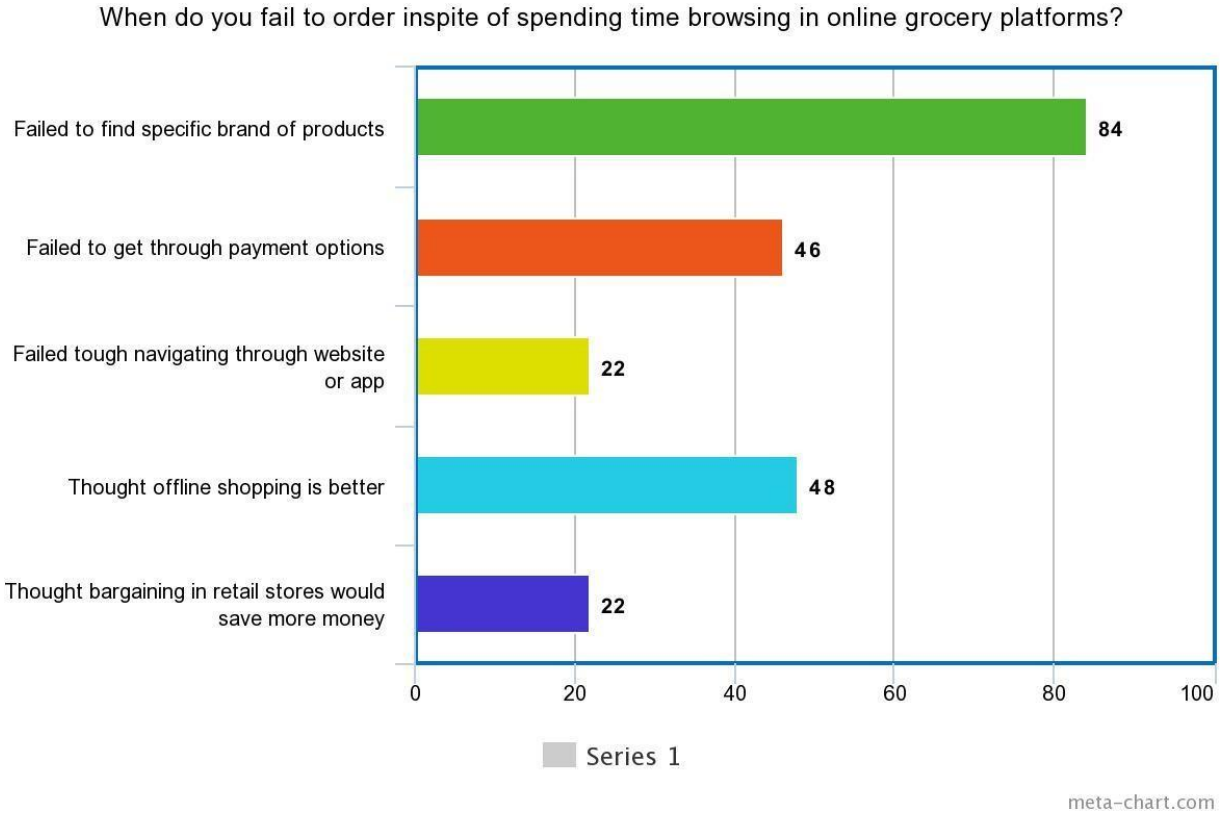
Interpretation: services provided by the online groceries portals are the reason why the customers get motivated towards online shopping than through traditional shopping.

Table 8: factors that discourage people from choosing online groceries instead of retail stores



Interpretation: The buyer have a trust issues about the quality of the project. Quality assurance is whatleaves in dilemma whether to purchase or not.

Table 9: inspite of spending time browsing in online grocery platform what is the reason where customer fail to order



Interpretation: it is observed that most of the respondents feel there is no match of their needs with these online portals and that is why they fail to order inspite of being spending time browsing in online groceries platforms.

Table:10 Factors influencing customer satisfaction towards Big-Basket.

Model	R	R square	Adjusted R Square	Std. error of the estimate
1	.390 ^a	.065	.054	.33620

a. Predictors: (Constant), Time taken for delivery,emergency

anova

Model		Sum of square	Df	Mean square	F	Sig.
1	Regression	4.582	7	1.086	4.674	.000 ^b
	Residual	73.856	386	.173		
	Total	78.438	393			

a. Dependent Variable: Satisfaction b. Predictors: (Constant), Time constraint, Emergency requirements, Quality Assurance, Proximity to the store

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
(constant)	2.605	.237		10.975	.000		
Time constraint	.041	.059	0.35	.727	.712	.573	1.732
Emergency Requirements	.014	.046	.027	.375	.002	.568	1.745
Quality Assurance	.145	.056	.143	2.748	.005	.555	1.831
Availability of the store	-.042	.043	-.112	-1.631	.205	.610	1.534

a. Dependent Variable: Satisfaction

Interpretation: A Linear regression analysis was conducted to assess whether Time constraint, Emergency requirements, Quality Assurance, Availability of the store significantly predicted the

Customer satisfaction towards the big-basket in Guntur region.

Multicollinearity:

Variance Inflation Factors(VIFs) were calculated to detect the presence of multi-collinearity between predictors. From table:4 The VIFs are less than 10. It shows there is no multicollinearity among the factors. The results of linear regression model were significant, $F(7,386) = 4.674$, $P < .001$, $R^2 = 0.65$, indicating that approximately 65% of the variance in satisfaction is explained by Time constraint, Emergency requirements, Quality Assurance, Availability of the store. The time constraint did not significantly predict satisfaction, $B = 0.041$, $t = 0.727$, $p = 0.712$ based on this sample, one unit increase in time factor does not have a significant effect on satisfaction. The emergency requirements did significantly predict satisfaction, $B = 0.014$, $t = 0.375$, $p = 0.002$ based on this sample, if there is a unit increase in emergency factor, the satisfaction increases by 0.014. The Quality Assurance did significantly predict satisfaction, $B = 0.145$, $t = 2.748$, $p = 0.005$ based on this sample, if there is a unit increase in quality, the satisfaction increases by 0.145. The Availability of the store did not significantly predict satisfaction, $B = 0.042$, $t = 1.631$, $p = 0.205$ based on this sample, one unit increase in proximity does not have a significant effect on satisfaction.

CHAPTER 6:- CONCLUSIONS

6.1 CONCLUSIONS

In this chapter main results from the analysis are summarized as the thesis research questions are being answered. Managerial implications are discussed according to the recommendations. Finally, some further research is suggested.

To finish the circle of this thesis the objectives and research questions are stated once again and are answered according to what has been discussed in the analysis chapter.

The overall purpose of this thesis is to conduct an initial study on the e-commerce grocery basket business “ big basket “ in Guntur region. The thesis is focused on identifying challenges facing the business. Specifically the thesis aims to explore, identify and analyze challenges of big basket. In addition, we also suggest some recommendations to manage these challenges.

RECOMMENDATIONS

Based on relevant literature we have summed up 10 recommendations on how the grocery basket business companies could become more successful:

1. “Learn by doing and evolve your e-business operations strategy over time” (Enders & Jelassi, 2009 p.88)
2. ”Proactively address the inherent online/offline channel conflicts and allocate the costs specific to each channel” (Ibid)
3. ”Offer online shoppers a customized yet simple shopping experience” (Ibid)
4. ”Leverage data from the online channel for both online and offline businesses” (Ibid)
5. “Companies have to know their Internet retailing consumers” (Bell et al., 2012, p.29-31)
6. ”Companies should exploit the mouth-to-mouth communication by consumers” (Ibid)
7. ”Customer acquisition strategies must differ for different geographical areas” (Ibid)
8. “Don't grow too soon, too fast” (Geunes et al., 2005 p.249)

9. "Partner with existing brick-and-mortar companies" (Ibid)

10. "Attract and retain customers; communicate the value clearly" (Ibid)

In addition, all grocery basket companies should have a plan how to manage e.g. if the homepage should crash. In line with Rigby's (2011) digital driver table, the grocery industry seems to have very low digital drivers compared to other industries. These companies should therefore develop their digital drivers (price, selection, convenience, trust). They should also continue developing new products that give a wider variation and flexibility for customers.

Regarding channel conflict, this can be managed by for example looking at other companies that have done it. In other words, do a benchmark study on the mentioned companies Tesco or Wal-Mart and see how they have promoted their physical channel with their online channel. Benchmarking could also be relevant for finding more revenue streams as there is many other e-commerce companies out there that are doing a great deal of profit based on online channels.

Regarding pure-players, our suggestion here is that a long term solution is that they must cooperate with a brick-and-mortar. Geunes et al. (2005) mention that it is nearly impossible to survive as a pure-player. In addition, most pure-players also have low finance force and are dependent on wholesalers. Therefore it should be profitable not to compete with the wholesalers but instead of reinforcing their model with e.g. a joint venture with any of them.

Regarding their supply chain, the authors recommend that grocery basket companies reinvent, or failing that, at least change/develop their current supply chain model. A simplified suggestion of how to change the supply chain, inspired from Turban et al. (2002) model,

MANAGERIAL IMPLICATIONS

In order to change the business model or the supply chain, the grocery basket companies must first be aware that their model needs to change. As has been stated above, the business model is functional but not optimal. In changing the model the whole organization at the companies must believe there is need to change (Tidd & Bessant, 2009). This can be hard to accomplish and a new/updated vision (Kotter, 2007) should be presented from e.g. the CEO or founder of a grocery basket company.

Furthermore, in order to continue being in front of the grocery basket market the companies must promote an innovative culture/environment in the organization (Tidd & Bessant, 2009; Rooke and Torbert, 2005). In order to manage the company in this direction a great level of commitment from top managers as well as middle management is needed.

Carrying out a change in the supply chain as suggested will have many implications. Firstly, grocery basket companies will have to re-direct their focus from product development to the supply chain. Secondly, pure-players have to establish a link to producers or companies that are in direct contact with producers or wholesalers in order to cut the intermediary. Thirdly, they all have to establish a warehouse with distribution that can deliver the baskets home to the customers.

FURTHER RESEARCH

We have seen that a major problem in the business is within flexibility and/or variation, as grocery basket companies try to develop new products to satisfy customer needs. We therefore highly suggest further research within this area. This thesis does not include other current e-commerce supply chain solutions and thus it would be useful to execute for example a benchmark study on similar companies in the ecommerce market.

Furthermore, some potential environmental improvements were mentioned in passing. In our current society, the environmental issues are being highlighted and having a strong effect on environment can thus have big impacts on the brand. It could be a huge environmental improvement potential in the grocery basket business. Therefore future research may analyze if the grocery basket business can improve environmental factors and e.g. lower CO2 emissions.

In this thesis we only look at the grocery basket business and therefore will leave room for other e-commerce specializations. Moreover, we suggest that there is room for even further empirical research as we have not interviewed companies in other e-grocery businesses and/or other countries.

Another issue which we have not studied in depth is the delivery of groceries. Many of the grocery basket companies seem to use refrigerated vehicles and therefore they believe they have an intact cold chain. However, if customers are not home the groceries are still left outside and therefore in these cases the cold chain is not fully solved. Therefore further research in this area would be appropriate e.g. following up on Kämäräinen et al.'s (2001) research on reception boxes. There also seems to be an issue in flexible time spans on delivery of the groceries which could be relevant for further research.

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APPENDIX – SURVEY QUESTIONS

NUMBER	TYPE	QUESTION	OPTIONS
1	Single choice	gender	a)male b)female
2	Single choice	age	a)below 20 b)20-30 c)30-40 d)40 or above
3	Single choice	Marital status	a)married b)unmarried
4	Single choice	occupation	a)businessman b)employee c)student d)housewife e)others
5	Single choice	Income level(per month)	a)below 20000 b)20000-50000 c)50000-100000

			d)100000 or above
6	Single choice	Education level	a) class 10th b)undergraduate c)postgraduate d)none
7	Multiple choice	Which channels do you prefer to get the groceries?	a)kirana store b)daily or weeklybazaar c)e groceries d)supermarket
8	Single choice	How frequently do you buy groceries	a)once in a month b)twice in a month c)once in aweek d)twice in a week e)everyday
9	Single choice	How much amount do you spend in purchasing groceries each time?	a)less than 500 b)500-1000 c)1000-5000 d)5000 or above
10	Multiple choice	What made you aware of online purchase of groceries	a)t v ads b)social media c)print media d)suggestions from friend and relatives
11	Single choice	Do you think time is utilized in online purchase of groceries	a)strongly agree b)agree c)neutral d)disagree e)strongly disagree
12	Multiple choice	How do you think time is utilized during online purchase of groceries?	a)making right choice of brand and navigating easil ythrough browser b)no need of going to stores to get groceries c)avoiding standing in long queues d)easy matching of other with the available resources in website
13	Multiple choice	Which of the factors	a)product (like wide

		influenced you to prefer online options to buy groceries	<p>range of products, better quality, choice of brand</p> <p>b) price (like lesser than mrp, credit system)</p> <p>c) promotion (like discounts and offers, privileged benefits)</p> <p>d) public relations (like customer care services, personalized attentions)</p> <p>e) process related (fast payment, fast packing)</p> <p>f) service (like home delivery, payment options, membership options)</p>
14	Multiple choice	Which factors you think may discourage people from choosing online groceries instead of retail stores?	<p>a) time taken for delivery</p> <p>b) emergency requirements</p> <p>c) doubt in quality</p> <p>d) availability of retail stores in proximity</p>
15	Multiple choice	When do you fail to order in spite of spending time browsing in online grocery platforms	<p>a) failed to find specific brand of products</p> <p>b) failed to get through payment options</p> <p>c) failed to navigate through website or app</p> <p>d) thought offline shopping is better</p> <p>e) thought bargaining in retail stores would save more money</p>

A FIELD PROJECT REPORT
A STUDY OF CONSUMER BUYING BEHAVIOUR ON LAPTOPS
WITH REFERENCE TO GUNTUR

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
BACHELOR OF BUSINESS ADMINISTRATION
TO

N SAI KIRAN (221FC01119)
T HARISH (221FC01120)
A KEERTHI (221FC01122)
H BHARGAVI (221FC01123)
P SOWMYA BRAMARAMBIKA (221FC01124)

UNDER THE GUIDANCE OF

DR. SK. MAHABOOB SYED

ASSISTANT PROFESSOR



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL 2023



VIGNAN'S

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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled A STUDY OF CONSUMER BUYING BEHAVIOUR ON LAPTOPS WITH REFERENCE TO GUNTUR submitted by N SAI KIRAN, T HARISH, A KEERTHI, H BHARGAVI, P SOWMYA BRAMARAMBIKA bearing the Regd. No. 221FC01119, 221FC01120, 211FC01122, 211FC01123, 211FC01124 from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

SIGNATURE OF THE GUIDE

HOD/MBA

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OBJECTIVES OF THE STUDY:

- To know the personal views of people regarding choices among various branded PC Laptop.
- To study which branded PC Laptop is mostly preferred by people as per their choices.
- Comparison between various branded PC Laptop.
- Find out factor influencing the people at the time of purchasing Laptop

OUTCOMES OF THE STUDY:

1. The research on the laptops makes us aware that people prefer to buy laptops from authorized retailers more than that from any other form of outlet.
- 2 It is found that there is no significant relationship between the laptop choice and the gender of the buyer.
3. We also found that there is a significant relation between the degree and the kind of laptop selected.
4. We could also recommend that educational qualification has a significant impact on the choice of laptop brand.
5. Annual family income has a significant impact on the choice of laptop brand selected.
6. The interaction of the variables educational qualification and family income has a significant impact on the choice of laptop brand.
7. The interaction of the variables family income and work experience has a significant impact on the choice of laptop brand.
8. The major factors from factor analysis are as follows:
 - Convenience features Factor
 - Heavy usage features Factor
 - Style features Factor

- Gaming features Factor
- Easy movability features Factor

ABSTRACT

The technology is changing so fast with the development of computer hardware. It has observed that last two decade the purchase of laptop has increased significantly. Now laptop purchase is feeling like purchases of fast-moving consuming item. This signifies that the people are very much interested to handle technological instruments in their day-to-day activities. The laptop is the main sources of communication worth intra and intercommunication among the people. The laptop companies in Guntur are interested to study the buying behavior while purchasing towards laptop. In order to develop a framework for the study consumer behavior it is helpful to begin by considering the evolution of the field of consumer research and the different paradigms of thought that have influenced that discipline. As describe in this article, a set of dimensions can be identified in the literature, which can be used to characterize and differentiate, the various perspective on consumer research.

CHAPTER-1

INTRODUCTION

1.1 Overview of Laptops:

A laptop is a personal computer designed for mobile use and small and light enough to sit on a person's lap while in use. A laptop integrates most of the typical desktop computer, including a display, a keyboard, a pointing device (a touchpad, also known as a trackpad, and/or a pointing stick), speakers, and often including a battery, into a single small and light unit. The rechargeable battery (if present) is charged from an AC adapter and typically stores enough energy to run the laptop for two to three hours in its initial state, depending on the configuration and power management of the computer. Laptops are usually notebook-shaped with thicknesses between 0.7–1.5 inches (18–38 mm) and dimensions ranging from 10x8 inches (27x22cm, 13" display) to 15x11 inches (39x28cm, 17" display) and up. Modern laptops weigh 3 to 12 pounds (1.4 to 5.4 kg); older laptops were usually heavier. Most laptops are designed in the flip form factor to protect the screen and the keyboard when closed. Modern tablet laptops have a complex joint between the keyboard housing and the display, permitting the display panel to swivel and then lie flat on the keyboard housing. Laptops were originally considered to be "a small niche market" and were thought suitable mostly for "specialized field applications" such as "the military,

the Internal Revenue Service, accountants and sales representatives". But today, there are already more laptops than desktops in businesses, and laptops are becoming obligatory for student use and more popular for general use. In 2008 more laptops than desktops were sold in the US.

1.2 OBJECTIVES

The research study tends to follow and achieve specific objectives. The objectives of this particular study are:-

- To know the personal views of people regarding choices among various branded PC Laptop.
- To study which branded PC Laptop is mostly preferred by people as per their choices.
- Comparison between various branded PC Laptop.
- Find out factor influencing the people at the time of purchasing Laptop

1.3 Coverage Problems:

The IT categories of the company are very wide comprising of a number of brands, all of which cannot be covered in a single study .So, this study is restricted to mainly to some of the selected brands are mentioned.

1.4 Data collection Problems:

Since quite a good proportion of the data used is secondary in nature, this poses the constraints on the validity and reliability of the data. Moreover in the case of Primary data collection also, there may be subjective biases on the part of the respondents. Errors may creep while the collected data is recorded and interpreted.

Not a complete picture of the preference and pre purchase evaluation behavior of customer:

The IT sector is a very vast sector and the purchase and usage preference and pre purchase evaluation behaviors of consumers in this category is influenced by so many factors so some factors have been selected and research has been done, but these are not the only factors which represent the accurate results. Consumer decision making is always a

central theme in marketing research. Understanding customer preferences is very important whether you are selling a product or offering a service. Products with features absent in other competitors can increase its demand. However, there is also argument that new features do not always improve product evaluation. Many studies aim to find product features that customers feel important or desirable. After these features have been identified, suggestions on how to improve and market the products can then be made. The rapid developments made by the manufacturers of laptop owe much of their commitment to the technological advancements in the last decade. Minimum barriers to entry in this ever expanding market has only led to increasing competition with the fallout that prospective Laptop customers are flooded with irresistible offers marked by unique product attributes. The need for Laptop manufacturer to remain sensitive to product features as demanded by prospective customer, need not be overemphasized. This research has employed a popular quantitative technique known as Conjoint Analysis to capture the buyer attributes by analyzing the data obtained from responses generated.

Computer technology to the consumer market brought with an evolution likes of radios and televisions in the 20th century. It served as a catalyst in jumpstarting not only how consumers obtain information but also the rapidity, quality and density with which they retrieve it. Computers serve as a source of entertainment in addition to its role as resource and productivity tool. The science and Technology are developed in this 21st Era. In this modern world we people give much importance for Electrical and Electronic devices, without that we cannot make our life easier in this busy world. indistinguishable products to a population of consumers that are now more educated, informed decision. The study was to determine if a relationship existed between the brand of laptop consumers selected and a variety of demographic and evaluative buying criteria considered in the process. The first of several variables analyzed in this study was the brand of laptop selected in the purchase decision. Additional variables included both tangible, product-related factors like price and features as well as intangible, brand-related attributes like brand image and outside recommendation. The demographic variables examined included age, education level and the degree of technical competence. The result provided laptop vendors a unique

perspective on the consideration and selection phase. The results further enabled useful segmentation of the population to better target messaging and promotions that will resonate with the appropriate audience. There is tremendous business value in vendors gaining insight into the consumers' minds around this topic as it can drive better marketing activity to influence awareness, consideration, preference and ultimately purchasing campaigns. While consumers enjoy the benefit of being more educated with public access to free information regarding laptops, manufacturers continue to conduct studies on consumer behaviors behind closed doors.

Little to no market segmentation exist publicly that states that the laptop buyer really is. No public studies had been located at this point of this dissertation development, as market research studies are traditionally private .Have easier access to more information to compare and contrast competitive products and ultimately make a much more fact-based, Laptop is significant in every shops and companies. This unit provides brief insight into the meaning and perspective of Consumer behavior as Well as understanding why it is important to study consumer. The term consumer behavior is defined as the behavior that consumer display in searching for purchasing, using, evaluating and disposing of product andservices.

CHAPTER-2

REVIEW OF LITERATURE

Wahida Farzana (2012) this study is to explore how consumers' psychological factors (Motivation, perception, and attitude) are associated with brand equity (brand loyalty, brand association, perceived quality, and brand awareness) of laptop. The result revealed that, consumers' motivation to use laptop and brand association criteria work separately. They consider battery lifetime (brand association) as important feature while satisfying those purposes. Annamalai Solayappan, Jothi Jayakrishnan (2010) their research showed that branded laptop play a prestigious role in the consumer segment. Due to the computer world everything is in the hands of the consumer. Everything in the world seems to be digital. Everyone needs a computer to drive a smooth and fast race. Especially, branded computers will try to safeguard the competitive race. So, the various factors discussed may determine the consumer to purchase branded computers. Miss Photjanaporn Wongwan (2007) study about factors affecting consumers' purchasing decision for laptop in Muaeng district. The finding that the purpose of using related only the age of laptop, laptop using frequency, time duration, location its not related to education, income, occupation and sex. Mr. Narongchai Sutheeprasert (2005) study about purchasing behavior on laptop in Bangkok found that the laptop usage behavior totally where at internal shop, university and residence with the purpose of doing the report, for entertainment and internet. Mr. Thanaphat. Huansuriya (2003) study about the factor determining choice of buying laptop. The finding indicates that the major factor stipulating consumes choose are gender, term of payment, price of the computer.

Sultan. M. F et.al. (2016) buying preference of youth is the area which is in observation of marketers since considerable amount of time specially in last decade. Moreover, they are treated as most informed and technologically sound market. But most of the research work carried out related with their preference focused upon their preference regarding fast moving consumer goods and with mobile phone and its accessories. This research is systematically conducted in order to determine the preference of youth.

Kanwar. R (2012) In his research article stated that are highly differentiated laptops in the consumer industry. No longer does one vendor dominate the market, enjoying their product

being seen as exceedingly superior to its competition. The commoditization of the market has diminished a vendor's ability to strongly differentiate themselves among consumers.

Sharma, Pinki (2012) this study presented a brief overview of Indian Laptop industry. The paper highlighted the laptop usage from student's point of view. The research paper further makes an attempt to identify and evaluated various factors which influence purchase indent of management and engineering students. Finally, this paper came out with some simple and practical suggestions to improve laptop features and that will help laptop manufacturers to develop brand management strategies and to make proper positioning of their brands.

Dietrich and List (2012) said in his theory that customer preferences are not permanent and that consumers change their preferences over time. They indicated that an agent forms their preferences by adopting a particular motivational state by focusing consciously or otherwise on certain properties of the alternatives as the motivationally salient properties. An agent may change their preferences when the motivational state changes. That is, when new properties of the alternatives become motivationally salient or previously salient properties cease to be salient.

J. Balaji and Rao (2012) this article said that Conjoint Analysis is a widely used market research technique in product development, product designing and pricing research. This tool is effectively applied by market researchers to measure and predict customer preferences of a product. Conjoint analysis is a methodology in which a decision-maker has to choose from a number of options that vary simultaneously from between two or more attributes. Researchers describe products or services by sets of attribute values or levels and then measure respondents purchase interest.

Behzadien, Hasan and Razavi (2011) also conducted the study to understand the required features of a laptop for a manager to develop marketing strategies. The study concluded that the features looking for are processor speed, size, graphics card, and price.

According to louden, D.L. and Della Bitta,A.J., consumer behavior is a decision process and physical activity individuals engage in when evaluating, acquiring, using or disposing of goods and services

Peter F. Ducker says, "The purpose of any business is to create a customer. It is the customer who determines what a business it is the customer and he alone, who through being willing to pay for goods or services, converts economic resources into wealth, things into goods. What a business thinks it produces is not of first importance. What the customer thinks he is buying- what he considers value, is decisive, it determines what a business is, what it produces and whether it will prosper' therefore, the basic requirement of marketing is

to study the consumer/buyer behavior. **Dr. Ansir Ali Rajput, Sabir Hussain Kalhoro (2012)** presented in this article has significant impact on both price and quality, one thing has been noticed during the survey that people do give more focus to price rather quality because of low income level. People have more alternatives in products that are the reason people go for lower price products. The results clearly indicated that product price has a positive relationship with consumer buying behavior but product quality. **Wahida Farzana (2011)** this study is to explore how consumers' psychological factors (Motivation, perception, and attitude) are associated with brand equity (brand loyalty, brand association, perceived quality, and brand awareness) of laptop. The result revealed that, consumers' motivation to use laptop and brand association criteria work separately. They consider battery lifetime (brand association) as important feature while satisfying those purposes. Consumers' attitudes are shaped up by others, especially by family members while buying high-involvement products. Respondents show a positive association between their attitudes with one of the highest ranking laptop Apple. Like other products, consumers' perception for choosing laptop relies upon different sources of information. **Annamalai Solayappan, Jothi Jayakrishnan (2010)** their research showed that branded computers play a prestigious role in the students segment. Due to the computer world everything is in the hands of the students. Everything in the world seems to be digital. Everyone needs a computer to drive a smooth and fast race. Especially, branded computers will try to safeguard the competitive race. So, the various factors discussed may determine the student to purchase branded computers. **Lavidge and stenier (2008)**, proposed such a model for the predictive measurement for advertising effectiveness. They postulated that potential buyer must first be made aware of the existence of a product. During the decision process the individual moves from awareness to the ultimate purchase of the product along a cognitive effective and cognitive dimension and behavior.

Services Marketing by **Zeithaml and Bitner (2012)**, The book emphasized on various ingredients of services marketing such as consumer behaviour in services, services designs and standards, delivering and performing service and managing service promises. The book focused on various challenges and issues of service marketing, the GAPS model of service quality and customer defined service standards. The book discussed service quality models and service preference models in detail. The book also recommended uniformity in quality standards should be implemented.

Kay, R. H. and Lauricella, S (2011) highlights the impact of unstructured vs. structured use of laptops for 177 university students and revealed that structured use of laptops resulted in significantly more time spent on note taking and academic activities and significantly less time spent on sending personal emails, instant messages and playing games during class. Fried, C.B. (2008) Examine in his study the impact of laptop usage in the class and noticed a favourable improvement in students working.

Mellon, C. (2010), Present a study on laptop usage rate inside and outside the classroom and the respective effect of laptop usage in improving student's performance level and improving work quality.

Dr. G. Muralimanohari & Dr. T. Shenbhagavadivu, 2018, examine the scope of smart class room teaching in schools and the importance of usage of laptops is high and makes the functioning of school activities more effective.

With the increasing disposable income, per capita consumption for electronic goods and other products is increasing. Consumers are eager to improve their standard of living with high quality products and get ride from spurious and sub-standard products (**Rajaselvi, 2010**).

As a result, Electronics products sector experienced boom in the market today. Consumers' demographic profile, purchase perceptions, and their attitudes (**Douglas, 1976**) towards products or brands influence their purchase decisions. **Jarvenpaa and Todd (1996/1997)** identified major four factors affecting buying electronics products: product understanding, shopping experience, customer service, and consumer risk. Consumer's preference for mobility and wireless connectivity at low cost resulted in the growth of the Laptop market compared to desktops (**Aditya & Abhinav, 2009**). Laptop's portability, sleek and easy-to-handle nature saw them take away a substantial chunk of the Indian market (**Manjari, 2010**). **Ray (2009)** studied present usage pattern, extracted factors that influence the customers' buying decisions and their relative importance towards laptop purchase. He validated a model for customer purchase decision making. In which he concluded that customers' perception about the company (i.e. brand, quality, service) depends on the price of the offer, product features, promotional offers and market maturity. **Gogoi & Kumar (2010)** conducted a study in Guwahati and found that MBA students found highly conscious

and well aware about their preference for laptop brand, configuration of the product, battery life, outlook and after sale service facilities

while price and availability of product is not a big issue for them.

According to **Kanwar (2012)** there are seven factors influencing consumers' laptop purchase decisions: core technical features, post purchase services, price and payment conditions, peripheral specifications, physical appearance, value added features and connectivity and mobility.

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Farquhar, (1989) [1] considers that building a strong brand within consumers' minds means creating a positive brand evaluation, an accessible brand attitude, and a consistent brand image, the accessible brand attitude actually referring to what the others term as awareness.

Keller, (1993) [2] Brand awareness is the first and prerequisite dimension of the entire brand knowledge system in consumers' minds, reflecting their ability to identify the brand under different conditions: the likelihood that a brand name will come to mind and the ease with which it does so.

Rinal B Shah, (2012) [3] it was found that perceived quality and brand loyalty had a significant positive direct effect on brand equity in purchases of laptops. It had the strongest impact which indicated the essential role of development of perceived quality and brand loyalty in minds of customers to build brand equity for laptop brands. While exploring how consumers' psychological factors (Motivation, perception, and attitude) are associated with brand equity (brand loyalty, brand association, perceived quality, and brand awareness) of laptop, Wahida Farzana, (2012) [4] found that consumers' motivation to use laptop and brand association criteria work separately.

According to Vijay R. Kulkarni, (2013) [5] Brand & Features, Price, Visibility & Service Center, Reliability & Responsiveness, Warranty, Guarantee & after Sales Service, are the factors which impact the buying behavior of the post graduates students in making purchases of laptops.

CHAPTER-3

RESEARCH METHODOLOGY

Definition of Research:-

RESEARCH in common parlance refers to a search for knowledge .Also can be defined as a scientific and systematic search for pertinent information on a specific topic. Research is a careful investigation or inquiry especially through search for new facts in any branch of knowledge.

TYPE OF RESEARCH

The research design comprise of the plan and structure of investigation conceived so as to arrive at the responses to the research queries. It there by addresses the aims and objectives of the study, both descriptively and analytically.

SAMPLING TECHNIQUE

The sampling technique adopted for the study is Random sampling technique according to the convenience of the researcher. A questionnaire was administered to different students and working professionals to obtain data for the purpose of analysis.

SAMPLE SIZE

Data is collected using a sample of 120 .

SAMPLE DESCRIPTION

The sample mainly consists of data from the primary sources that are utilized for the purpose of this study. This is done by means of administrating questioners to different peoples. Secondary data like company journals, records, research report etc. were also relied on for retrieving further information.

For the purpose of the study Exploratory Research Design is used. Multistage sampling method is adopted for the study.

The state AndhraPradesh has divided into a number of clusters according to their districts. From each districts randomly consumers are selected for our study. Survey method is used

for collecting the data. A well-structured questionnaire is designed for the study and due care is taken to avoid any kind of ambiguity. The sample for the study is 120 respondents. Nominal scale is used for all the variables. The study was conducted in Guntur city.

CHAPTER-4

COMPANY PROFILE

History of Laptop Computers-

It is a little hard to determine what was the first portable or laptop computer, the first portable computers did not look like the book-sized and folding laptops that we are familiar with today, however, they were both portable and lapable, and lead to the development of notebook style laptops. I have outlined several potential firsts below and how each qualifies, many of the off-site links provide good photos of the computers that will let you see the progression indesign.

The first laptop:

Designed in 1979 by a Briton, William Moggridge, for Grid Systems Corporation, the Grid Compass was one fifth the weight of any model equivalent in performance and was used by NASA on the space shuttle program in the early 1980's. A 340K byte bubble memory lap-top computer with diecast magnesium case and folding electroluminescent graphics displayscreen.

Gavilan Computer: As The First Laptop

Manny Fernandez had the idea for a well-designed laptop for executives who were starting to use computer. Fernandez, who started Gavilan Computer, promoted his machines as the first "laptop" computers in May 1983. Many historians consider theGavilan as the first fully functional laptopcomputer.

The First Laptop Computer -Osborne 1

The computer considered by most historians to be the first true portable computer was the Osborne 1. Adam Osborne, an ex-book publisher founded Osborne Computer

and produced the Osborne 1 in 1981, a portable computer that weighed 24 pounds and cost \$1795. The Osborne 1 came with a five-inch screen, modem port, two 5 1/4 floppy drives, a large collection of bundled software programs, and a battery pack. The short-lived computer company was never successful.

More History of Laptop:

- Also released in 1981, was the Epson HX-20, a battery powered portable computer, with a 20-character by 4 line LCD display and a built-in printer.

- In January of 1982, Microsoft's Kazuhiko Nishi and Bill Gates begin discussions on designing a portable computer, based on using a new liquid crystal display or LCD screen. Kazuhiko Nishi later showed the prototype to Radio Shack who agree to manufacture the computer.

- In 1983, Radio Shack released the TRS-80 Model 100, a 4 lb. battery operated portable computer with a flat and more of a laptop design.

- In February 1984, IBM announced the IBM 5155 Portable Personal Computer.

- Three years later in 1986, Radio Shack released the improved and smaller TRS Model 200.

- In 1988, Compaq Computer introduces its first laptop PC with VGA graphics – the Compaq SLT/286.

- In 1989, NEC UltraLite was released, considered by some to be the first "notebook style" computer. It was a laptop size computer which weighed under 5 lbs.

- In September 1989, Apple Computer released the first Macintosh Portable that later evolved into the Powerbook.

- In 1989, Zenith Data Systems released the Zenith MiniPC, a 6-pound laptop computer.

In October 1989, Compaq Computer released its first notebook PC, the Compaq LTE.

- In March 1991, Microsoft released the Microsoft BallPoint Mouse that used both mouse and trackball technology in a pointing device designed for laptop computers.

- In October 1991, Apple Computers released the Macintosh PowerBook 100, 140, and 170 - all notebook style laptops.

- In October 1992, IBM released its ThinkPad 700 laptop computer.

- In 1992, Intel and Microsoft release APM or the Advanced Power Management specification for laptop computers.

- In 1993, the first PDAs or Personal Digital Assistants are released. PDAs are pen-based hand-held computers.

Important Buying Factors: When Planning to Buy a Laptop

Buying a new laptop is an investment for sure, and you can make the best possible choice only by thoroughly assessing your requirements. Whether you're buying a laptop for the first time or have been using one for ages, before venturing on a new purchase, there are several factors that need to be considered. To make things easier for you, we've listed here the most important factors:

Processor (CPU):

The first bullet point in all those "specification" handouts that a laptop sales person will show you would most likely mention the processor in the system. The processor is one of the main components in a laptop and directly affects performance as well as battery life. Over the past years, laptop processors were comparatively slower when pitted against desktop alternatives, but not anymore. Today, faster multi-core processors are common in laptops. The processor type differs depending on size, purpose or area of application of the laptop. Most laptops come with Intel or AMD processors, with either single- or multi- core architectures. Considering average applications such as MS Office or other applications like Photoshop, a processor with a minimum clock speed of 1.6 GHz is essential. Unlike desktops, laptops cannot conveniently be upgraded, and so it's always better to choose a faster processor with the future in mind.

Memory (RAM):

Once you've decided on the processor you require, you need to do justice to it by letting it perform to its full potential by providing adequate system memory. RAM, the random memory needed for your operating system, running programs and their data, contributes to the overall system response time. Consider a situation where you have one of the fastest computers around, but not enough memory to hold the programs and their data that you wish to run. Much of the program code and the data will have to be held on disk and brought into memory when needed. At the same time, Data that is not currently being worked on will be stored temporarily on disk. As the time taken to move data to and from a disk is much greater than moving from memory to the processor, this will slow the system down considerably. In case this stretches your budget, find out if it will be possible to upgrade later, or if it has to be done by a technician. These days, with resource hungry applications, we advise a minimum of 2GB RAM as standard.

Display:

The display abilities of a laptop are determined by the screen itself, as well as the graphics processor. Screens come in standard sizes and resolutions. Typically, larger displays have a higher resolution, but then this impacts the portability of a laptop. Wide screen displays are also gaining popularity as they help with better viewing and comfortable working. The graphics processor, on the other hand, determines performance that is visible when it comes to 3D graphics and gaming. Laptops come with onboard as well as dedicated graphics solutions. The difference between the two is that while on board solutions provide low end or very basic performance, dedicated graphics solutions from NVIDIA and ATI significantly enhance performance and allow hi-end applications (newer generation games) and other 3D-intensive applications to run more smoothly.

Ports:

Every now and then, we have to connect additional peripherals to our laptops. These may be wireless cards, USB drives, printers, mice or other gadgets. An adequate pool of available ports is very useful both for desktops as well as laptops. Most modern day devices are designed to connect to USB ports. If you have devices which use Fire Wire or other connections such as Bluetooth or infrared, like many mobile phones, PMPs or video cameras do these days, make sure your laptop supports them by having the right connectors. An expansion slot for PC cards is also a good idea. This comes in handy to accommodate an internal modem, wireless card, additional Ethernet ports or a better sound card. With high definition video and audio coming to laptops, an HDMI port is also becoming common these days. HDMI replaces the old S-Video port and gives advantages such as single cable connection for both audio and video. Headphone and microphone jacks are common, but some laptops come with dual headphone jacks that can be used to connect your laptop to

different devices or even to utilise its multi-channel output.

Drives:

Hard drives can be broadly classified into two different categories:

1.HDD (Hard Disk Drive)2.ODD (Optical Disk Drive)

Your storage requirement entirely depends on your usage. A hard drive's configuration is fairly straight forward in terms of size. These days, laptops come with 250 GB storage on a single HDD, but still you have to decide whether you really need all that space. Another critical factor that determines your overall system speed is the drive's rotation speed — a drive with a higher spin rate yields faster data access times. However, these are more prone to damage as well. This is one factor you must keep in mind while arriving at your decision. Try and assess how much space you will need in your system, and then multiply by three. Optical drives have evolved considerably over the years. You can either have a simple CD-ROM drive for installing software, all the way up to the latest high definition Blu-ray DVD burners as part of your configuration. In most cases, laptops now come standard with a dual layer DVD burner. Blu-ray drives are starting to show up, but are extremely expensive.

Networking:

One of the basic reasons to have a laptop is to be able to carry out all your tasks while on the move. This involves your work for which you need to send/receive emails. Connecting to the internet or a local network is a crucial function that you need to have for your laptop. Most laptops today include a built-in 56 kbps modem and Fast Ethernet (RJ45) port that handle data rates up to 1,000 Mbps. WiFi has now become a common feature in laptops. There are several standards for wireless connectivity, but a very basic connection would require 802.11b/g support having a data rate of up to 54Mbps.

Size and Weight:

You can add up the best of everything and arrive at a monster of a laptop! But then, that's what portability is all about balancing your configuration for optimal performance and capacity on the one hand, and portability on the other. Although ultra portable laptops offer light weight solutions and a smaller size, they also sacrifice on processing speeds, ODDs, expansion slots, etc. Therefore, when looking for a laptop, consider these factors before making a final decision. Also consider the weight of the accessories, especially the AC adapter, because at times, laptops are light but after bundling accessories, the whole package can become quite heavy to carry. If you travel frequently, or carry a lot of heavy things while on the move, a lightweight laptop with a small form factor is what you need.

BatteryLife:

The best looking laptop is no good if it doesn't offer you adequate battery time. This holds true even if the product you are considering is an Apple Macbook Air. Try to find the listed battery life for the standard battery, and see if it suits your needs. It would be wisetolookforasystemwithatleasttwohoursofbattery lifeundernormalconditions.

If you need extended battery life, then look for larger battery packs or media bays that can double as extra battery slots when required.

Warranty Plans:

Laptops are more prone to breakdowns due to their portability. When buying a system, make sure to get at least a year's warranty from the OEM. If you'll be using the system heavily, a system that comes with a three year warranty is ideal. Consider several models while you are out there shopping. Consider all models that meet your buying criteria, and compare them on features and prices. Your decision should not depend on someone else's preferences, but on your own. After all, it's you who is going to use the laptop — don't be shy to call dealers and customer support of the OEMs to find out more about their equipment. Check out the model physically whenever possible. Ask your friends

who may have bought laptops recently or are currently using the one you wish to buy. Narrow your choices down to a few models, and then seek the best deal before finally buying your dream laptop.

Market leaders for Laptops in India

When buying a laptop it's a good idea to have some knowledge of the laptop brands in India. From humble beginnings in the 1980s, the India laptop market has expanded in leaps and bounds in recent years, and now includes all the major brands. Dell and HP dominate the market, but Sony Vaio is the fastest growing laptop brand in India.

Here's an overview of the main laptop brands in India and how they compare to each other.

Acer

Acer is a Taiwanese electronics manufacturer. The company entered the Indian market in 1999. Acer's laptops are popular because they're cheaper than many other laptop brands but still offer a lot of features and impressive configurations. In fact, Acer laptops can be seen as offering the same features as HP laptops, but at a lower price. As a result, Acer represents good value for money particularly as far as budget laptops are concerned. Of course, build quality is lacking compared to the more costly brands. It's desirable to take a long warranty.

ASUS

Another popular-value for money Taiwanese brand in India,ASUS laptops are amongst the cheapest on the market. They're also amongst the most innovative. ASUS has been established in India slightly longer than Acer, but only started aggressively expanding in the laptop sector around 2006. Earlier, the company was known in for its motherboards.

ASUS laptops are regarded as being much better designed than Acer's. ASUS uses cutting edge technology, which is most apparent in its netbook and ultraportable ranges.

Lenovo

Chinese-based computer giant, Lenovo, purchased IBM's PC business in late 2004. As IBM was the first computer company in India, this gave Lenovo an excellent entry point into the growing Indian market in which it's now placed fourth. The company quickly went about leveraging IBM's ThinkPad brand before adding its own products. These products largely focus on functionality and reliability. Expect powerful configurations and very durable construction.

Samsung

Samsung, although a well known electrical appliance manufacturer, is a relatively small and new entrant into the laptop market in India. Samsung started selling laptops in late 2008. Recently, the brand has been gaining recognition and growing in popularity. The design of Samsung laptops isn't the most inspiring, but these laptops tend to perform well and are reasonably priced.

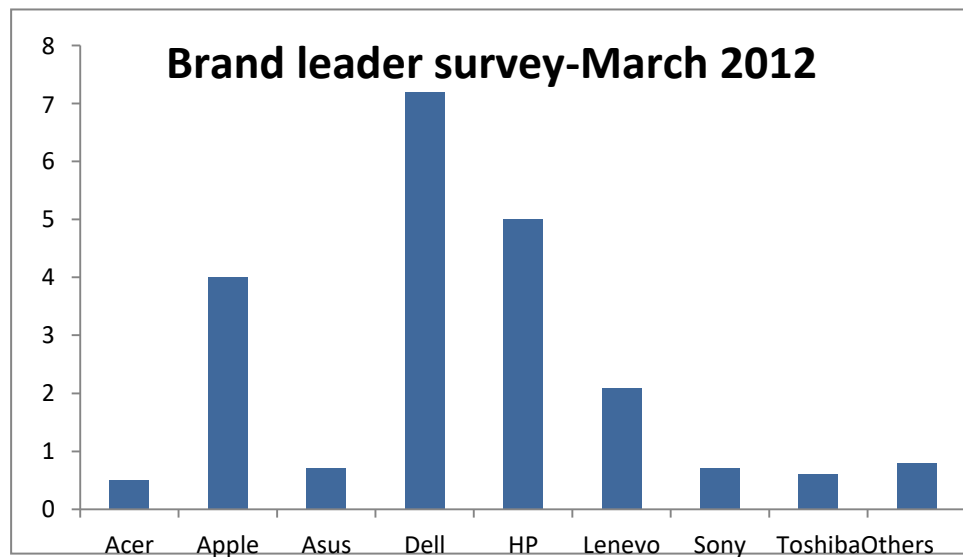
Sony

Sony is a premium laptop brand that established its presence in India in 1994. The company has many loyal followers who appreciate its unique quality and technology. Its hot selling and stylish VAIO range is a favorite with the fashion conscious. The screens on Sony laptops are particularly well designed.

Toshiba

Japanese laptop brand Toshiba, one of the oldest players in the global IT market, set up its Indian subsidiary in 2002. The company is known for making laptops that combine

maximum functionality and quality. Its products are extensively tested and notably reliable. Toshiba excels in netbooks, ultraportables (comparable to ASUS but with less battery life), and gaming laptops. Yet, its mainstream laptops are also of a high quality and well design.



According to the brand leader survey- march 2012, Dell is enjoying the major market share followed by HP, Apple, Lenevo, Sonyetc. which is shown in the above diagram.

Consumer:

An individual who purchases products and services from the market for his/her own personal consumption is called as consumer.

Consumer Behaviour:

Consumer Behaviour is a branch which deals with the various stages a consumer goes through before purchasing products or services for his end use. An individual buys a product when there is a need for the product, social status and for the gifting purpose. An individual does not buy a product when there is No requirement, Income/Budget/Financial constraints, Taste. A consumers purchase products mostly in Festive season, Birthday, Anniversary, Marriage or other special occasions.

There are in fact several factors which influence buying decision of a consumer ranging from psychological, social, economic and so on.

In a layman's language consumer behaviour deals with the buying behaviour of individuals.

The main catalyst which triggers the buying decision of an individual is need for a particular product/service. Consumers purchase products and services as and when need arises.

According to Belch and Belch, whenever need arises; a consumer searches for several information which would help him in his purchase.

Following are the sources of information:

➤ PersonalSources

- CommercialSources
- PublicSources
- PersonalExperience

Perception also plays an important role in influencing the buying decision of consumers.

Buying decisions of consumers also depend on the following factors:

- Messages, advertisements, promotional materials, a consumer goes through also called selectiveexposure.
- Not all promotional materials and advertisements excite a consumer. A consumer does not pay attention to everything he sees. He is interested in only what he wants to see. Such behaviour is called selectiveattention.
- A consumer would certainly buy something which appeals him the most. He would remember the most relevant and meaningful message also called as selective retention. He would obviously not remember something which has nothing to do with hisneed.

Stages in Consumer Decision Making Process

An individual who purchases products and services from the market for his/her own personal consumption is called as consumer.

To understand the complete process of consumer decision making, let us first go through the following example:

Tim went to a nearby retail store to buy a laptop for himself. The store manager showed him all the latest models and after few rounds of negotiations, Tim immediately selected one for himself.

In the above example Tim is the consumer and the laptop is the product which Tim wanted to purchase for his end-use.

Why do you think Tim went to the nearby store to purchase a new laptop?

The answer is very simple. Tim needed a laptop. In other words it was actually Tim's need to buy a laptop which took him to the store.

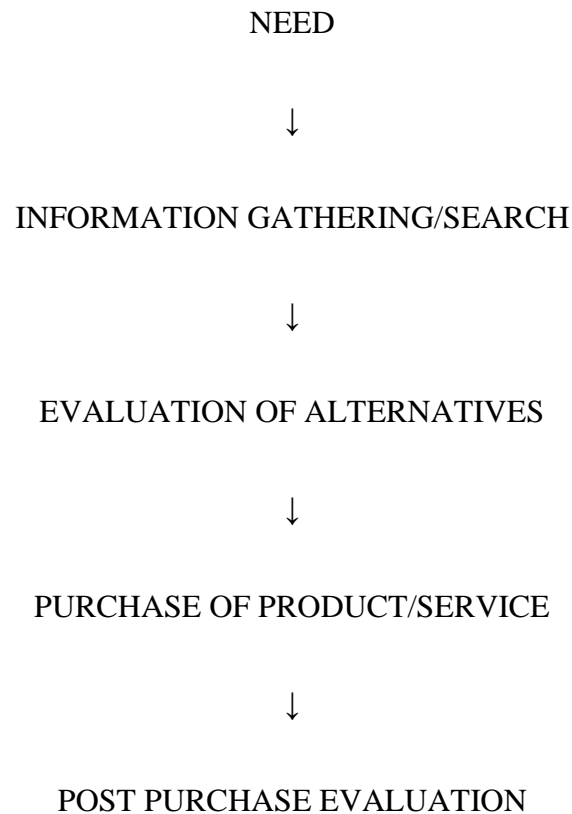
The Need to buy a laptop can be due to any of the following reasons:

- His old laptop was giving him problems.
- He wanted a new laptop to check his personal mails at home.
- He wanted to gift a new laptop to his wife.
- He needed a new laptop to start his own business.

The store manager showed Tim all the samples available with him and explained him the features and specifications of each model. This is called information. Tim before buying

the laptop checked few other options as well. The information can come from various other sources such as newspaper, websites, magazines, advertisements, billboards etc. This explains the consumer buying decision process.

Several stages before purchasing a product or service:



Need:

Need is the most important factor which leads to buying of products and services. Need in fact is the catalyst which triggers the buying decision of individuals. An individual who buys cold drink or a bottle of mineral water identifies his/her need as thirst. However in such cases steps such as information search and evaluation of alternatives are generally missing. These two steps are important when an individual purchases expensive products/services such as laptop, cars, mobile phones and so on.

Information search:

When an individual recognizes his need for a particular product/service he tries to gather as much information as he can.

An individual can acquire information through any of the following sources:

- Personal Sources - He might discuss his need with his friends, family members, co workers and other acquaintances.
- Commercial sources - Advertisements, sales people (in Tim's case it was the store manager), Packaging of a particular product in many cases prompt individuals to buy the same, Displays (Props, Mannequin etc)
- Public sources - Newspaper, Radio, Magazine
- Experiential sources - Individual's own experience, prior handling of a particular product (Tim would definitely purchase a Dell laptop again if he had already used one)

Evaluation of alternatives

The next step is to evaluate the various alternatives available in the market. An individual after gathering relevant information tries to choose the best option available as per his need, taste and pocket.

Purchase of product

After going through all the above stages, customer finally purchases the product.

Post purchase evaluation

The purchase of the product is followed by post purchase evaluation. Post purchase evaluation refers to a customer's analysis whether the product was useful to him or not, whether the product fulfilled his need or not?

Factors influencing consumer behaviour:

1. Cultural Factors:

Cultural factor divided into three sub factors (i) Culture (ii) Sub Culture (iii) Social Class

Culture:-

The set of basic values perceptions, wants, and behaviours learned by a member of society from family and other important institutions. Culture is the most basic cause of a person's wants and behaviour. Every group or society has a culture, and cultural influences on buying behaviour may vary greatly from country to country.

Sub Culture :-

A group of people with shared value systems based on common life experiences and situations. Each culture contains smaller sub cultures a group of people with shared value system based on common life experiences and situations. Sub culture includes nationalities, religions, racial group and geographic regions. Many sub culture make up important market segments and marketers often design products.

Social Class:-

Almost every society has some form of social structure, social classes are society's relatively permanent and ordered divisions whose members share similar values, interests and behaviour.

2. Social factors:

A consumer's behaviour also is influenced by social factors, such as the (i) Groups (ii) Family (iii) Roles and status

Groups:-

Two or more people who interact to accomplish individual or mutual goals.

A person's behaviour is influenced by many small groups. Groups that have a direct influence and to which a person belongs are called membership groups.

Some are primary groups includes family, friends, neighbours and coworkers. Some are secondary groups, which are more formal and have less regular interaction. These includes organizations like religious groups, professional association and trade unions.

Family:-

Family members can strongly influence buyer behaviour. The family is the most important consumer buying organization society and it has been researched extensively.

Marketers are interested in the roles, and influence of the husband, wife and children on the purchase of different products and services.

Roles and Status:-

A person belongs to many groups, family, clubs and organizations.

The person's position in each group can be defined in terms of both role and status.

For example, M & X plays the role of father, in his family he plays the role of husband, in his company, he plays the role of manager, etc. A Role consists of the activities people are expected to perform according to the persons around them.

3. Personal Factors

It includes (i) Age and life cycle stage (ii) Occupation (iii) Economic situation (iv) Life Style (v) Personality and self concept.

Age and Life cycle Stage:-

People change the goods and services they buy over their lifetimes. Tastes in food, clothes, furniture, and recreation are often age related. Buying is also shaped by the stage of the family life cycle.

Occupation:-

A person's occupation affects the goods and services bought. Blue collar workers tend to buy more rugged work clothes, whereas white-collar workers buy more business suits. A Co. can even specialize in making products needed by a given occupational group. Thus, computer software companies will design different products for brand managers, accountants, engineers, lawyers, and doctors.

Economic situation:-

A person's economic situation will affect product choice

Life Style:-

Life Style is a person's Pattern of living, understanding these forces involves measuring consumer's major AIO dimensions. i.e. activities (Work, hobbies, shopping, support etc) interest (Food, fashion, family recreation) and opinions (about themselves, Business, Products)

Personality and Self concept:-

Each person's distinct personality influence his or her buying behaviour. Personality refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment.

4. Psychological Factors

It includes (i) Motivation (ii) Perception (iii) Learning (iv) Beliefs and attitudes

Motivation:-

Motive (drive) a need that is sufficiently pressing to direct the person to seek satisfaction of the need.

Perception:-

The process by which people select, Organize, and interpret information to form a meaningful picture of the world.

Learning:-

Changes in an individual's behaviour arising from experience.

Beliefs and attitudes:-

Belief is a descriptive thought that a person holds about something

Attitude, a Person's consistently favourable or unfavourable evaluations, feelings, and tendencies towards an object or idea

ACTUAL COLLECTION OF DATA

Both secondary and primary sources of data are utilized for the purpose of this study.

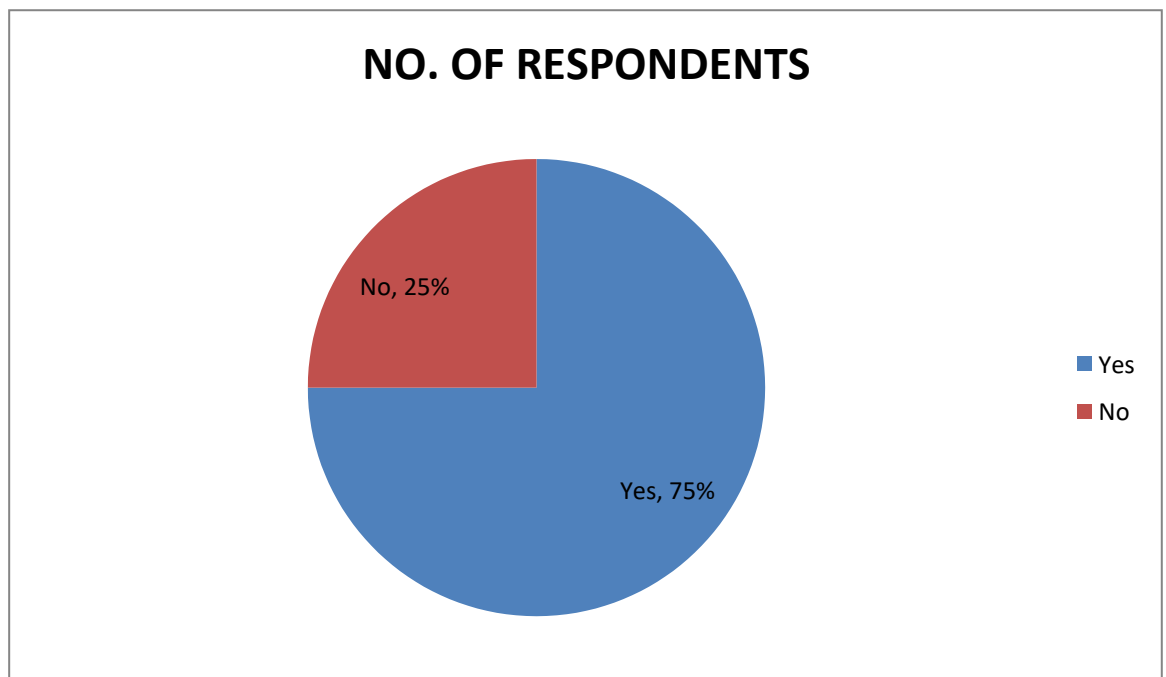
Primary data is collected by means of administering a questionnaire to the different peoples. Secondary data is collected from various records, manuals and other sources.

Sr. no	Particulars	Description
1	Title	A study on customer purchase decision towards laptops
2	Sample size	20
3	Sample unit	Students and working professionals
4	Sampling procedure	Random sampling
5	Research design	Descriptive
6	Research instrument	Questionnaire

CHAPTER-5
Data Analysis and interpretation

➤ Do you have a laptop?

SR.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGES
1	YES	115	75%
2	NO	5	25%
3	TOTAL	120	100%

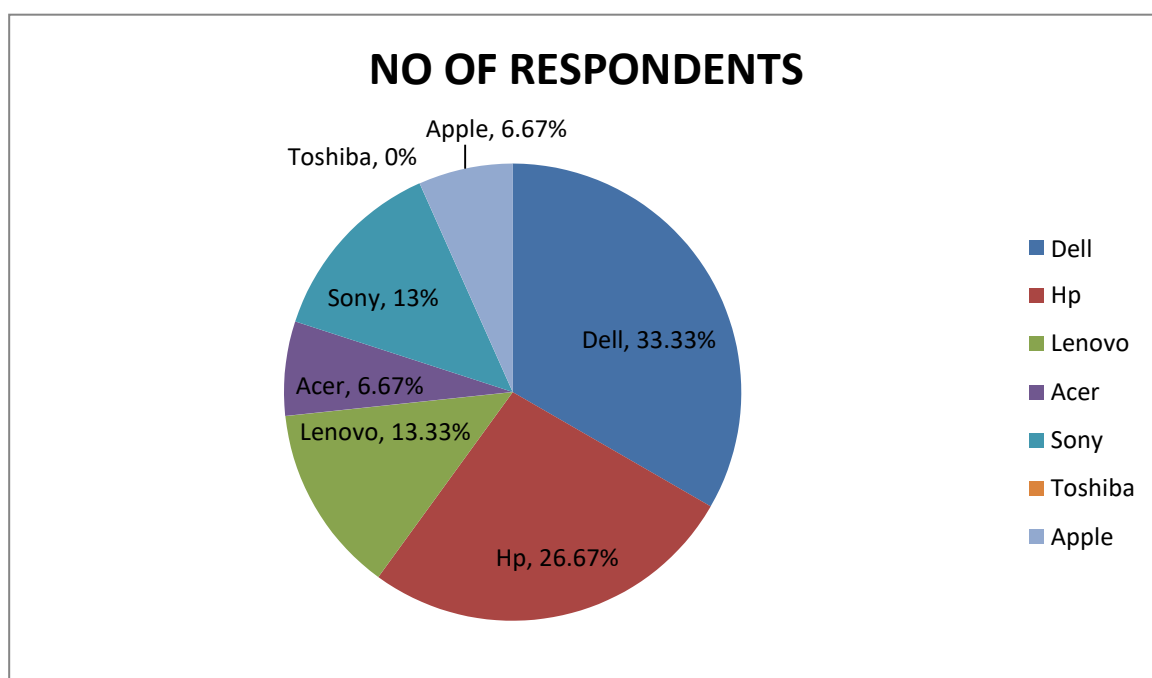


Interpretation:

The above table indicates that 75% of the people have laptop and 25% people do not have laptop.

➤ If-yes||which brand doyou have?

SR.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGES
1	Dell	45	33.33%
2	Hp	24	26.67%
3	Lenovo	32	13.33%
4	Acer	12	6.67%
5	Sony	32	13.33%
6	Toshiba	05	0%
7	Apple	15	6.67%
8	Total	120	100%

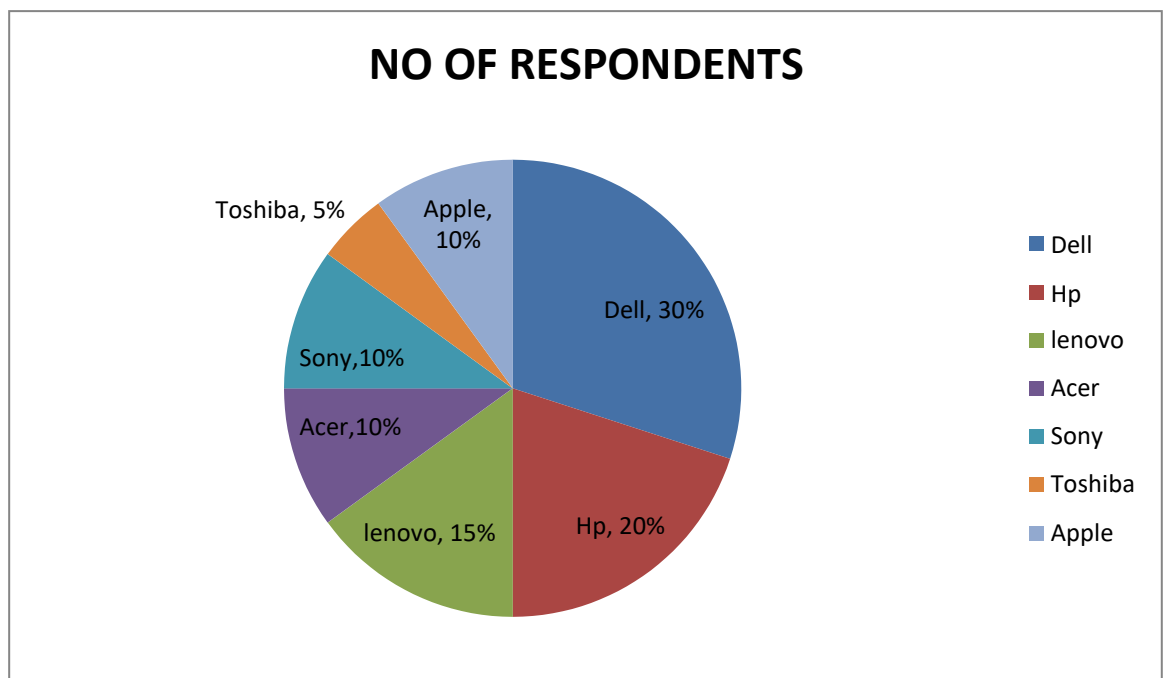


Interpretation:

The above table indicates that 33.33% people have Dell, 26.67% people have Hp, 13.33% people have Lenovo, 6.67% people have Acer, 20% have people have Sony.

➤ What are the various brands of laptops that you are aware-of?

SR.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGES
1	Dell	60	30%
2	Hp	14	20%
3	Lenovo	13	15%
4	Acer	12	10%
5	Sony	32	10%
6	Toshiba	1	5%
7	Apple	12	10%
8	Total	120	100%

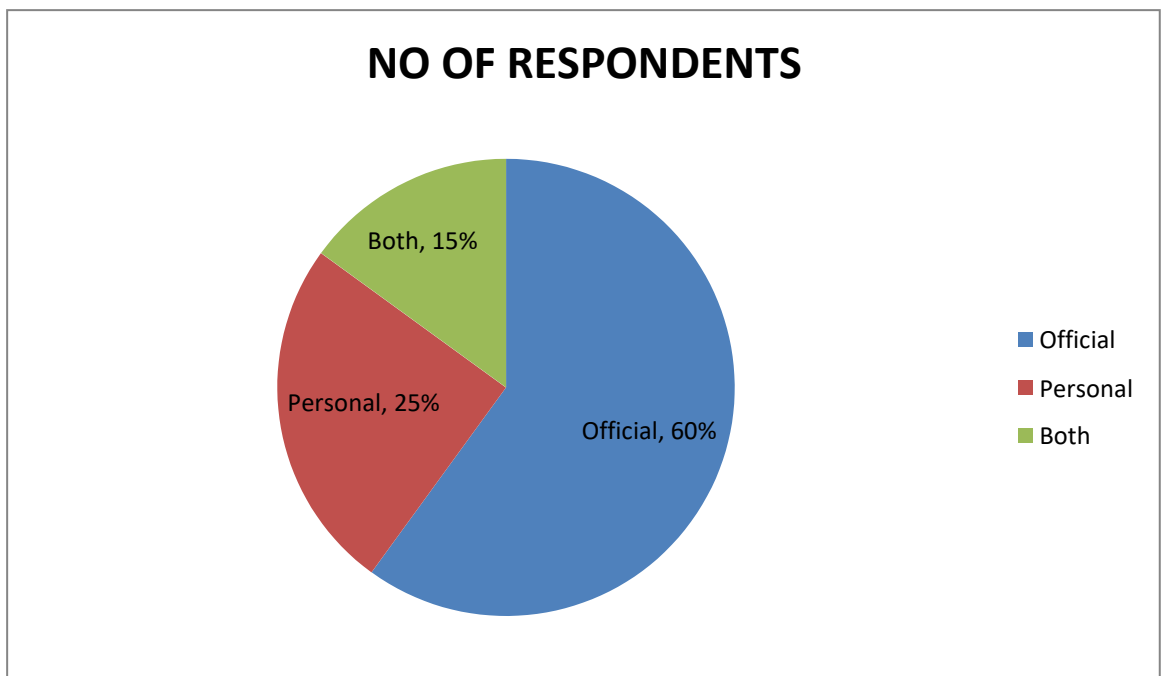


Interpretation:

The above table indicates that 30% of the people are aware of Dell, 20% are aware of Hp, 15% are aware of Lenovo, 10% are aware of Acer, 10% are aware of Sony, 5% are aware of Toshiba and 10% of people are aware of Apple.

➤ What is the purpose of you purchasing alaptop?

SR.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGES
1	Official	112	60%
2	Personal	5	25%
3	Both	3	15%
4	Total	120	100%

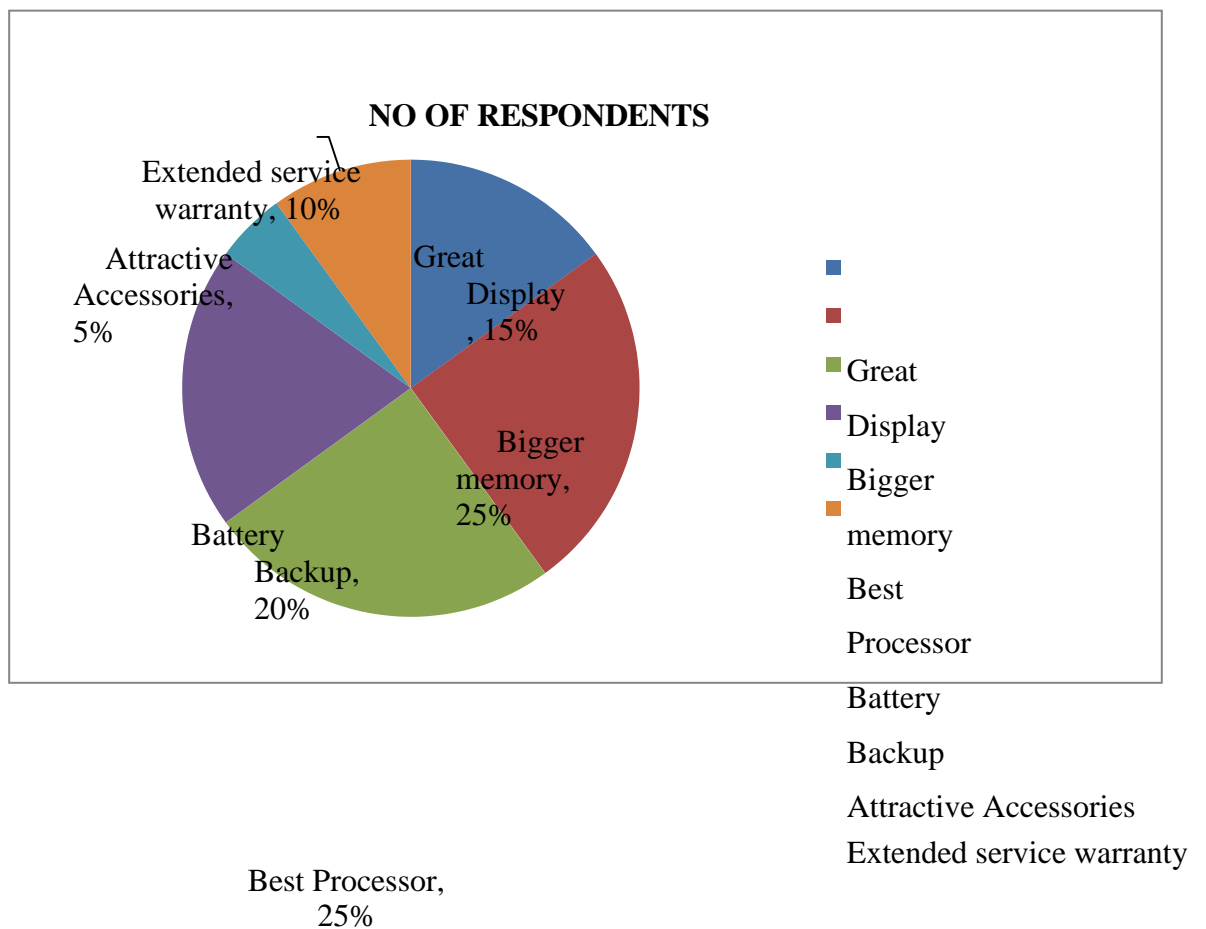


Interpretation:

The above table indicates that 60% of the people purchases laptop for Official use, 25% people purchases it for Personal use and 15% people uses it for both official as well as personal.

➤ What is the main feature that you look at while purchasing alaptop?

SR.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGES
1	Great Display	23	15%
2	Bigger memory	15	25%
3	Best Processor	15	25%
4	Battery Backup	34	20%
5	Attractive Accessories	21	5%
6	Extended service Warranty	32	10%
7	Total	120	100%

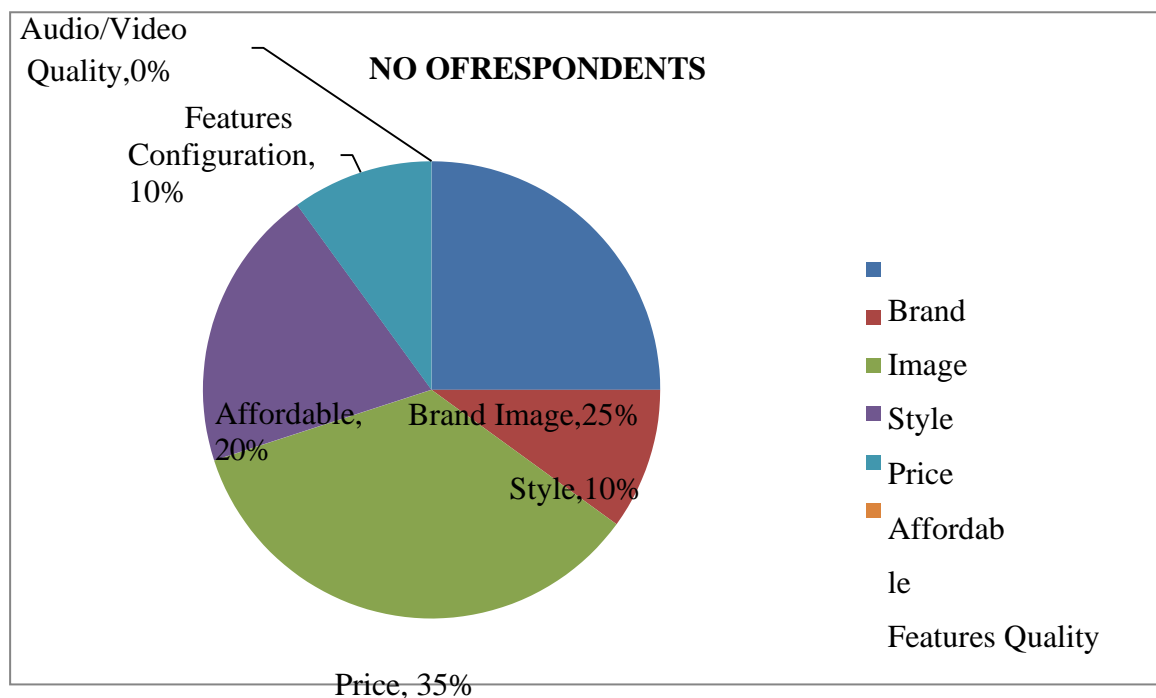


Interpretation:

The above table indicates that 15% people like to have Great Display, 25% people like to have bigger memory, 25% people like Best Processor, 20% people like to have Battery Backup, 5% people like to have Attractive Accessories, 10% people like to have extended Service Warranty.

➤ What are the various attributes that you look at while purchasing a laptop?

SR.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGES
1	Brand Image	25	25%
2	Style	22	20%
3	Price	57	35%
4	Affordable	4	20%
5	Features	12	10%
6	Audio/Video Quality	0	0%
7	Total	120	100%

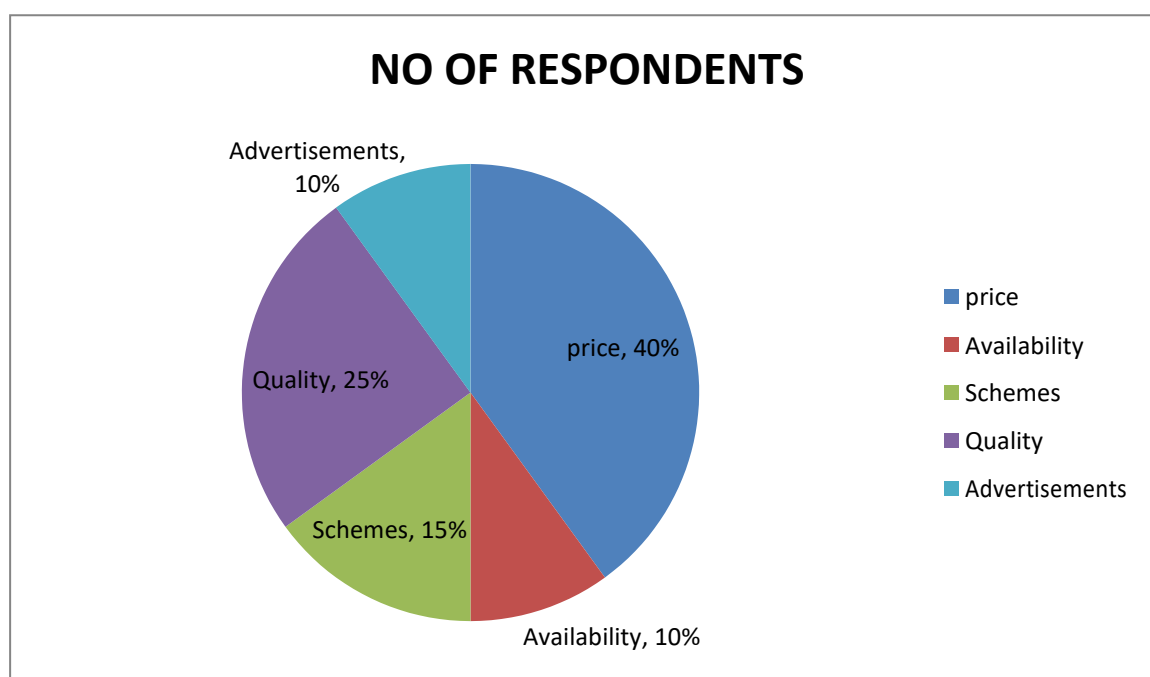


Interpretation:

The above table indicates that 25% of the people likes Brand Image, 10% people's by Style, 35% people's by Price, 20% people's are by affordable, 10% of people Feature configuration and 0% of people's behavior is influenced by Audio/Video Quality.

➤ What are the buying Factors which influences your buyingDecision?

SR.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGES
1	Price	48	40%
2	Availability	22	10%
3	Schemes	23	15%
4	Quality	35	25%
5	Advertisements	12	10%
6	Total	120	100%

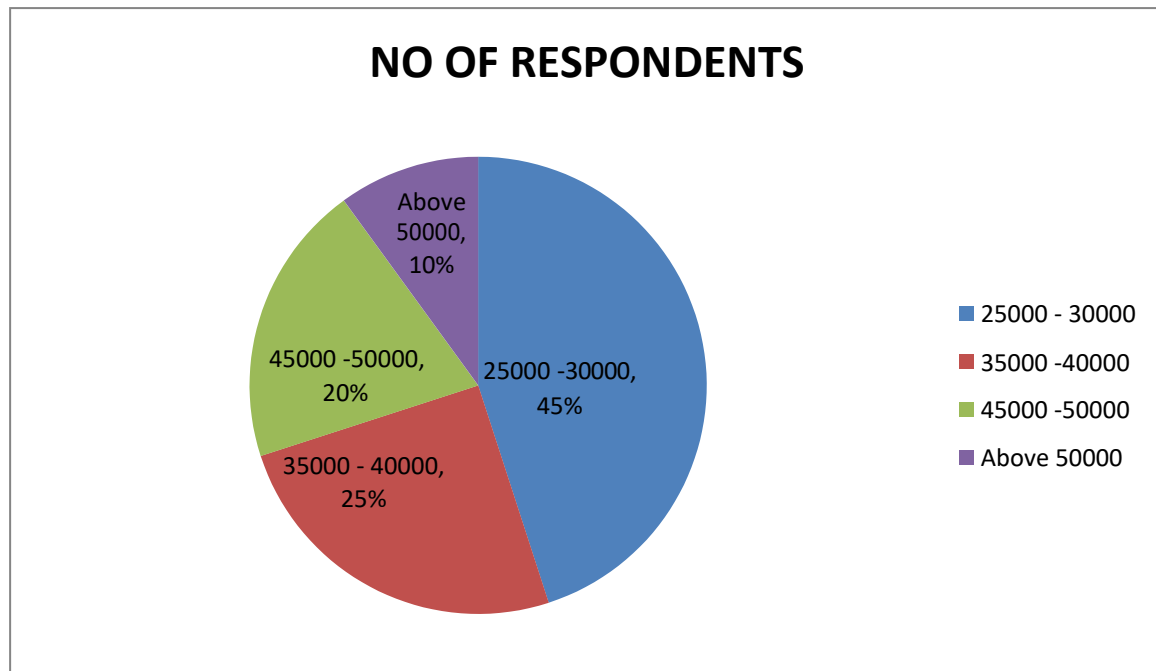


Interpretation:

The above table indicates 40% of the people are influenced by price, 10% by availability, 15% are by Schemes, 25% by quality and 10% by Advertisements.

➤ What is the price range will you be prepared to pay for a laptop of your choice?

SR.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGES
1	25,000 – 30,000	69	45%
2	35,000 – 40,000	45	25%
3	45,000 – 50,000	24	20%
4	Above 50,000	12	10%
5	Total	120	100%



Interpretation:

The above table indicates that 45% of the people like to pay 25,000 – 30,000, 25% like to

pay 35,000 – 40,000, 20% like to pay 45,000 – 50,000 and 10% would like to pay Above 50,000.

Recommendations

1. The research on the laptops makes us aware that people prefer to buy laptops from authorized retailers more than that from any other form of outlet.
- 2 It is found that there is no significant relationship between the laptop choice and the gender of the buyer.
9. We also found that there is a significant relation between the degree and the kind of laptop selected.
10. We could also recommend that educational qualification has a significant impact on the choice of laptop brand.
11. Annual family income has a significant impact on the choice of laptop brand selected.
12. The interaction of the variables educational qualification and family income has a significant impact on the choice of laptop brand.
13. The interaction of the variables family income and work experience has a significant impact on the choice of laptop brand.
14. The major factors from factor analysis are as follows:
 - Convenience features Factor
 - Heavy usage features Factor
 - Style features Factor
 - Gaming features Factor
 - Easy movability features Factor
 - Security features

Conclusion

Despite of various difficulties and limitations faced during myproject on the topic –A STUDY OF CUSTOMER PURCHASE DECISION TOWARDS LAPTOPS. I have tried my level best to find out the most relevant information to complete the assignment that was given to me. After completion of my project I have gained several experiences in the sales marketing as how a customer is influenced while purchasing a laptop. I have got the opportunity to meet various people, which fluctuate in different situation and time. Project has given me the opportunity to study consumer behaviour. This Research has given me a chance to apply my theoretical knowledge to the real world. In spite of few limitations in the project I found that the work was challenging and fruitful. It gives enough knowledge about the laptop market, competitors and it also helps to know buyer's Behaviour.

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Questionnaire

1. Do you own a laptop? If yes which brand it is?

Yes

No

Acer

Apple

Dell

Sony

HP

Toshiba

Lenovo

2. What are the various brands of laptops you are aware of?

Acer

Apple

Dell

Sony

HP

Toshiba

Lenovo

3. What is the purpose of you purchasing a laptop?

Personal

Official

Both

4. What are the various features that you would like to have in your laptop?

- | | |
|---|--|
| <input type="checkbox"/> Great Display | <input type="checkbox"/> Battery backup |
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Bigger memory | <input type="checkbox"/> Attractive accessories |
| <input type="checkbox"/> Best processor | <input type="checkbox"/> Extended service warranty |

5. What are the various attributes that you look at while purchasing a laptop?

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Brand image | <input type="checkbox"/> Features configuration |
| <input type="checkbox"/> Price | <input type="checkbox"/> Style |
| <input type="checkbox"/> Affordable | <input type="checkbox"/> Audio/Video quality |

6. What are the factors which influence your buying decision?

- a) Price
- b) Schemes
- c) Quality
- d) Advertisements

7. What price range will you be prepared to pay for such a laptop?

25,000 – 30,000 35,000 – 40,000

45,000 – 50,000 Above50,000



A FIELD PROJECT REPORT

ON

“A STUDY ON CUSTOMER SATISFACTION AT HDFC BANK”

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

**(V CHANDRA LAKSHMI MANASA, P NAGA MANOGNA, M INDRAPRIYA DHARASHINI,
G RAJESH, K NEELIMA)**

(Regd. No.221FC01008, 221FC01009, 221FC01010, 221FC01011, 221FC01012)

Under the esteemed guidance of

Dr. S.V.G Apoorva

Assistant Professor



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the field project entitled “A STUDY ON CUSTOMER SATISFACTION AT HDFC BANK” submitted by **V Chandra Lakshmi Manasa, P Naga Manogna, M Indrapriya Dharashini, G Rajesh, K Neelima** bearing the Regd. No. **221FC01008, 221FC01009, 221FC01010, 221FC01011, 221FC01012** from the Department of Management Studies, Vignans Foundation for Science, Technology and Research and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

SIGNATURE OF THE GUIDE

HOD/MBA

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CHAPTER 2	Literature Review
CHAPTER 3	Methodology and Objectives
CHAPTER 4	Industry and company profile
CHAPTER 5	Data Analysis and Interpretation
CHAPTER 6	Findings , Suggestions and Conclusion
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INTRODUCTION

What is the customer satisfaction?

It is a measure of a customer's satisfaction (how pleased the customer is) with a service or product received from an agency. Satisfaction does not only depend on the quality and type of customer experience, but also on its expectations.

Definition of a customer:

- Someone who has a mutual relationship with an agency and effected by an agency
- Require and depends on one or more products or services from an agency.

Consumers, service users or customers are usually referred to as personal services customers. Clients can be groups or individuals. Organizations that are motivated to provide excellent service to their customers gather feedback from consumers and work on delivering the best customer experience. Customer- focused organizations can:

- Listen to the customers as they design advertisements determining their expectation.
- Focus on evaluating customer feedback and customer service activities and performance measurement.

Why is it important?

It is necessary in the banking industry for several reasons:

- The existence of community service organization mainly depends on satisfaction of consumer's needs.
- Leaders in this sector are organizations that strive to exceed minimum standards and customer expectations.
- Customers assess the quality of service delivery and help those sectors in shaping service development

It is important to measure customer satisfaction and obtain feedback on organizational performance in accordance to improve the quality and continuous improvement of the service.

Factors influencing customer satisfaction

Accessibility

The company needs to ensure that customer doesn't have any barriers and friction while they are accessing the products. Customers must have effective access to products and services. Making sure that the customer could reach the company and obtain good services easily. Always being available to assist the customer to make a purchase decision or to fulfill a customer query.

Navigation

One of the simple and straightforward process is navigating and browsing the company store. By helping the customers in identifying suitable products quickly and providing the users with what they want with an effective keyword search or filters with an integrating solution is one of the key foundation of a company. There will be repeated sales when the website is easy to navigate. There will be loss of potential customers when the website is difficult to navigate as it lead to customer frustration.

Page load speed

One of the important factors is page load speed because customer will move on to another store if the company website is slow. Therefore the faster the website loads, happier the visitors. Shoppers who experience a slow website is less likely to return to the site and buy products also they would tell a friend about the poor online shopping experience. This will lead to decrease in visitors and customers.

Language

Language is another key factor because customer won't have a good experience if the company doesn't speak their preferred language. It is pivotal for the company's business to speak to the customer in their preferred language. The company should avoid confusion so they should use more user-friendly language to connect well with a customers. There will be no great customer satisfaction without a great communication.

Convenience

This is another key factor of a positive customer experience. This influences on where to go, with whom to engage, how customers make decisions about what services to use and what services to buy.

NEED OF THE STUDY

- To attain knowledge on customer satisfaction.
- To know the perception of customers towards HDFC Bank's.
- To study the satisfaction level of customers towards services and products offered to them.
- To study the problems faced by the customers.
- To improve customer service.

OBJECTIVES OF THE STUDY

- To find out which facilities influence customers the most while selecting a bank.
- To compare various products and services provided by bank.
- To find out the customers preference out of the different products and services offered.
- To find out the satisfaction level of the customers towards the bank.
- To find out if the customers prefer which sector of banks

Research Methodology:

Research is completely based on a logical and systematic way. The study of the overall questions explains with the help of scientific techniques, specific procedures, collecting data from customer and analysing these with logical and scientific tools. Appropriate information is important to conduct this research. Hence information was collected from the customer

COMPANY PROFILE

HDFC BANK

The Reserved Bank of India approved "in principle" the first housing development company in the year 1944, HDFC who were the first among the others to establish a private sector bank as part of the liberal Indian banking sector by RBI. . On August 1944, it was registered with an office based Mumbai and received the name of "HDFC bank limited". In January 1995, HDFC Bank began operating as a planned commercial bank.

HDFC is proud of its incredible performance not only in India but also in other international markets. It is well known as the premier executive housing finance company in India. To be the leader in mortgage credit market the company has maintained a reliable growth from its inception in 1977. HDFC has secured a broad client base from the corporate sector for its home-based credit facilities and retail mortgage expertise in advanced and other market segments. It is well positioned to promote the bank in the Indian market because of its strong market reputation and its highly qualified experience in the financial markets.

In 1995, the facile mission, 'World Class Indian Bank' had been the starting point for the HDFC bank to begin its operations. They soon came to the realisation that an individually driven mind that put great emphasis on the product quality and service excellence would be the only way to achieve their mission. As for today, the bank can proudly declare that they are not far from reaching their goals

Mission Statement:

Reposition the bank as the best Indian financial service group and take a strong global commitment to customer satisfaction, shareholder and employee satisfaction. Also play a leading role in the expansion & diversification of financial services with a focus on development.

Vision Statement

- Through high sustained earnings per share, maximize the share holder value.
- Be a pioneer of development finance (housing) in the country.
- To be a banking institution with mutual cultural attention and dedication.
- A satisfying and excellent work environment offering continuous learning opportunities.

Quality Policy

- Best customer service.
- Unbiased decisions in all dealings.
- Be ready to take on a challenge and be innovative.
- Team work.
- Honest and disciplined in the policy provided by the system.

SWOT Analysis

Strength

- The second largest private bank in India is HDFC. Across India this private sector has 13,160 automated teller machines HDFC Bank is successfully running 4,963 branches in 2,727 cities.
- HDFC ATM bank cards are a popular choice online transactions and shopping, one of the reasons being that the cards are internationally compatible with all MasterCard/ Visa, Visa electron / Maestro and American express cards. In compassion to other private banking branches HDFC have a high of customer satisfaction rate.
- HDFC provides highly skilled staff who are able to help customers make sensible investments. Working in private banking can be a stressful and draining job however the attrition rates at HDFC making it one of the better companies to work for within the private banking sector.
- HDFC has a good recognition among the people and they have received a lot of awards
- The guidance of HDFC Bank's financial advisors are good when it comes to guide the customers to make the right investments.

Weakness

- In contrast, HDFC still have difficulties with competitors for example in rural areas ICICI bank has a stronger presence and popularity.
- Individuals using private banking in rural areas feel safe and secure with their bank, which makes it difficult for HDFC to be considered for banking with them.
- HDFC has created doubt in investors' minds and may have lost out on investors due to their constant increasing and decreasing of share prices.
- There is lack in performance in the banks product categories and it is not reached in the market.
- High end clients are only been focused by the banks. Middle class and others are been ignored most of the time.

Opportunities

- When it comes down to debt HDFC have more opportunities compared to the other government banks this is due to the fact that they have worked to recover from its bad debt and improve it's bad debt portfolio.
- HDFC have many branches in different countries and continue to prosper and gain more opportunities abroad.
- The company has the opportunity for a growth in profit rate, due to the fact that the assets quality parameters are beneficial when compared to government banks.
- Due to strong financial positions there are greater scope for acquisitions and strategic alliances.

Threats

- ICICI still remain a threat to HDFC which makes it difficult to widen market share.
- Government banks are constantly working on ways to become more modernized which is increasing the competition between government and private banks such as HDFC.
- Foreign banks have received up to 74% from the RBI for bank investments within India this will threaten banks such as HDFC

- Private Banks, new age banks and non-banking financial companies are increasing in India.
- There is an increase of 0.18% to 0.20% in the non-performing assets (NPA) of HDFC. Even though it is a minor change in terms of financial health of the bank it isn't a good sign.

PRODUCTS AND SERVICES PROFILE

PERSONAL BANKING

Loan Product	Deposit Product	Investment & Insurance
<ul style="list-style-type: none">• Construction Equipment• Health Care• Vehicles• Home loans• Retail business banking• Loan Against Property• Personal loan• Auto Loan• Loan Against Security• Credit card• 2-wheeler• Education• Gold• Commercial• Tractor	<ul style="list-style-type: none">• Safe Deposit Lockers• Fixed deposit• Demat a/c• Saving a/c• Current a/c	<ul style="list-style-type: none">• Knowledge Centre• Equity and Derivatives• Mudra Gold Bar• Insurance• Mutual Fund• Bonds• General and Health Insurance

Cards	Payment Services	Access To Bank
<ul style="list-style-type: none"> • Credit Card • Debit Card • Prepaid Card 	<ul style="list-style-type: none"> • Net Safe • E–Money Electronic Funds Transfer • Online Payment for Direct Tax • Merchant • Prepaid Refill • Direct Pay • Visa Money Transfer • Bill pay 	<ul style="list-style-type: none"> • Instant Alert Mobile Banking • ATM • Phone Banking • Net Banking • One View • Branch Network • Email Statements

WHOLESALE BANKING

Corporate	Small and Medium Enterprises	Financial Institutions and Trusts

<ul style="list-style-type: none"> • Funded Services • Internet Banking • Non Funded Services • Value Added Services 	<ul style="list-style-type: none"> • Specialized Services • Funded Services • Internet Banking • Non Funded Services • Value added services 	<p>BANKS</p> <ul style="list-style-type: none"> • Fund Transfer • ATM Tie-ups • Clearing Sub-Membership • Tax Collection • RTGS – sub membership • Corporate Salary a/c
--	--	---

NRI SERVICES

Accounts & Deposits	Remittances
<ul style="list-style-type: none"> • Accounts for Returning Indians • Rupee Saving a/c • Foreign Currency Deposits • Rupee Current a/c • Rupee Fixed Deposits 	<ul style="list-style-type: none"> • Africa • North America • South East Asia • Middle East • UK

	<ul style="list-style-type: none"> • Europe • Others
--	--

Investment & Insurances	Loans
<ul style="list-style-type: none"> • Private Banking • Portfolio Investment Scheme • Mutual Funds • Insurance 	<ul style="list-style-type: none"> • Loans Against Deposits • Home Loans • Gold Credit Card • Loans Against Securities

Payment Services	Access To Bank
<ul style="list-style-type: none"> • Net Safe • Online Donation • Direct Pay • Visa Money • Bill Pay 	<ul style="list-style-type: none"> • ATM • Net Banking • One View • Email Statements • Branch Network • Phone Banking

Areas of Operation

- All over India. (Headquartered in Mumbai, Maharashtra)
- Bahrain
- Hong Kong
- Dubai

Future Growth & Prospects

HDFC Bank has increasing net profit of 20% year on year backed by robust growth in loan book. They are one of the most profitable private institution banks and one of the largest. There is an increase in the net interest income of 22% and a stable net interest margin of 4.3%. Further there was an increase in the Non-interest income of 27%

Additionally there is a massive growth in the bank's operating leverage. Significantly there is a decline in its core cost-to-income of 39.5% as against 41.2%. There is a controlled growth in the digital initiatives and branch network. HDFC Bank made some contingent provisions on its agriculture lending books which leads to the increase in the provisions by 64%.

In comparison to the year 2017 there is an increase of 24% in the total advances in the year December 2018 as HDFC Bank reported total advances of Rs780, 951 Cr. There is a robust growth of 24% each in the domestic retail and corporate in total advances. The Bank continues to grow its loan book at much ahead of system and their performance is commendable.

There is a growth of 13% Year of year in Banks current and savings account compared to the growth in time deposits was much stronger as there is an increase of 29% . Due to this the CASA ratio declined slightly to 41% as compared to 42% in last quarter. At the end of December 2018 the impeccable asset quality with gross and net non-performing assets are at 1.4% and 4% respectively. The bank is maintaining this continuously.

For many years HDFC Bank has been the most consistent performer on the street. They are the most profitable bank and they are continuously growing day by day and they are delivering earnings growth in the high-teens. Ahead of the industry the growth of the loan is continuously strong, its margin is steady and asset quality remains as pristine as ever. Not only withstanding its huge size, HDFC Bank is also gaining market share at a growing pace aiding sustainable high earning growth.

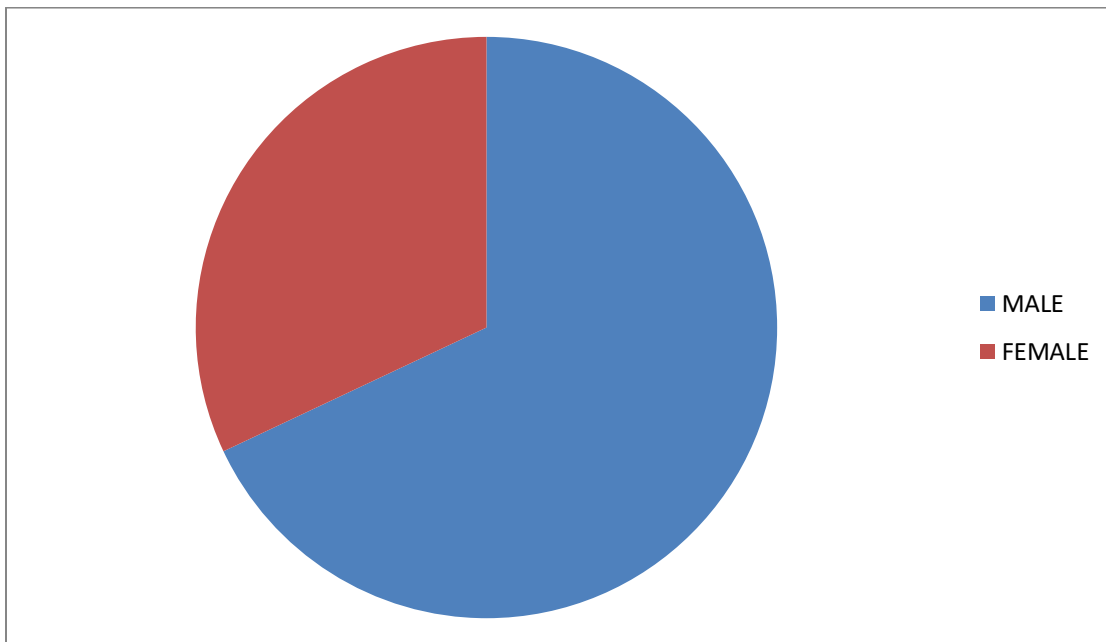
DATA ANALYSIS AND INTERPRETATION

1. Customers divided on gender.

MALE	68
FEMALE	32

Analysis:

As per survey out of 100 respondents, there are 68% of male respondents and 32% of female respondents.



Interpretation:

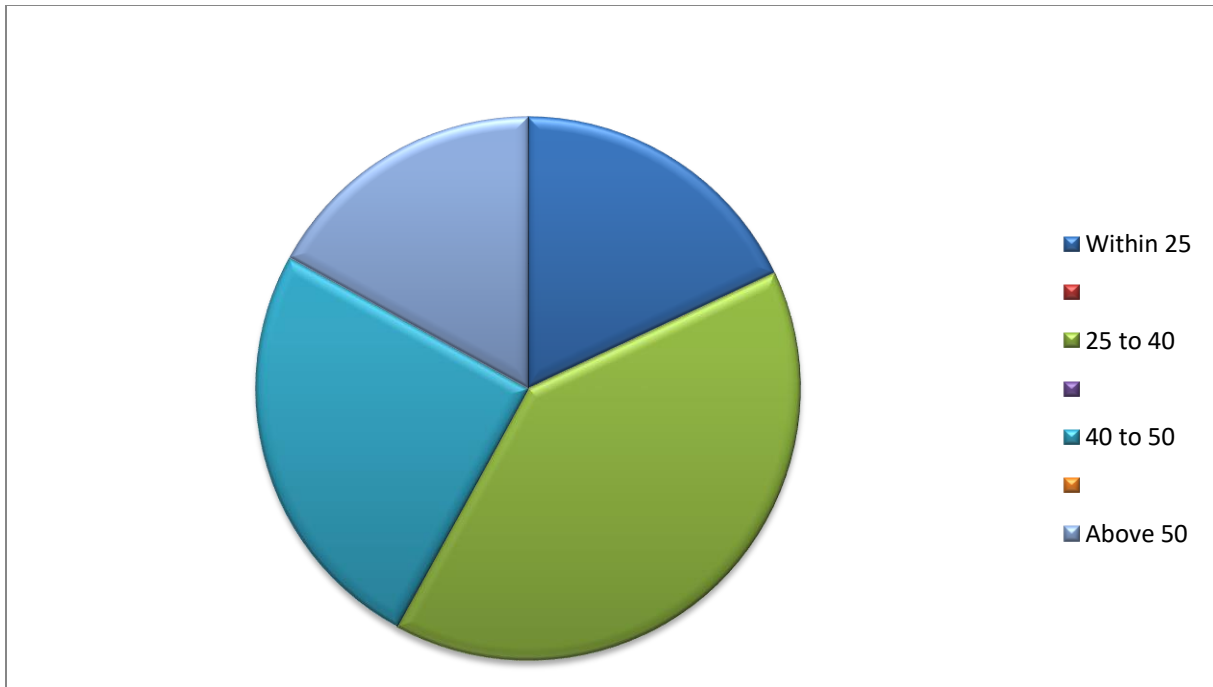
- For this survey among 100 respondents 68% of responders (majority) are males.
- Only 32% respondents are female.

2. Customers divided on age.

Within 25	18%
25 to 40	40%
40 to 50	25%
Above 50	17%

Analysis:

As per survey out of 100 respondents, 18% of respondents were within the age of 25, 40% of respondents were from the age of 25 to 40, 25% of respondents were from the age of 40-50 and 17% of respondents were above 50.



Interpretation:

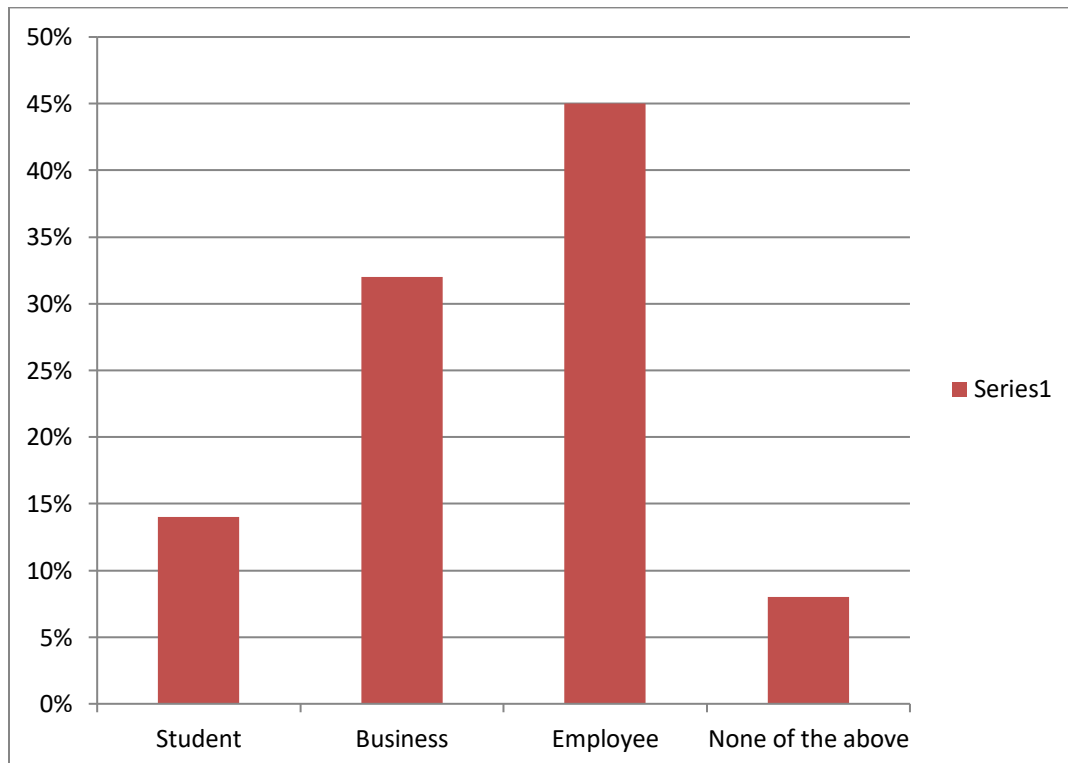
- For this survey the highest majority of the respondents, 40% of respondents (majority) between the ages of 25-40.
- The second highest majority of respondents are between the age of 40-50.

3. Respondents divided on occupation.

Student	14%
Business	32%
Employee	45%
None of the above	8%

Analysis:

As per survey out of 100 respondents, 14% of responders were students, 32% of responders had their businesses, 45% of responders were employees and 8% of responders didn't fall in any of these categories.



Interpretation:

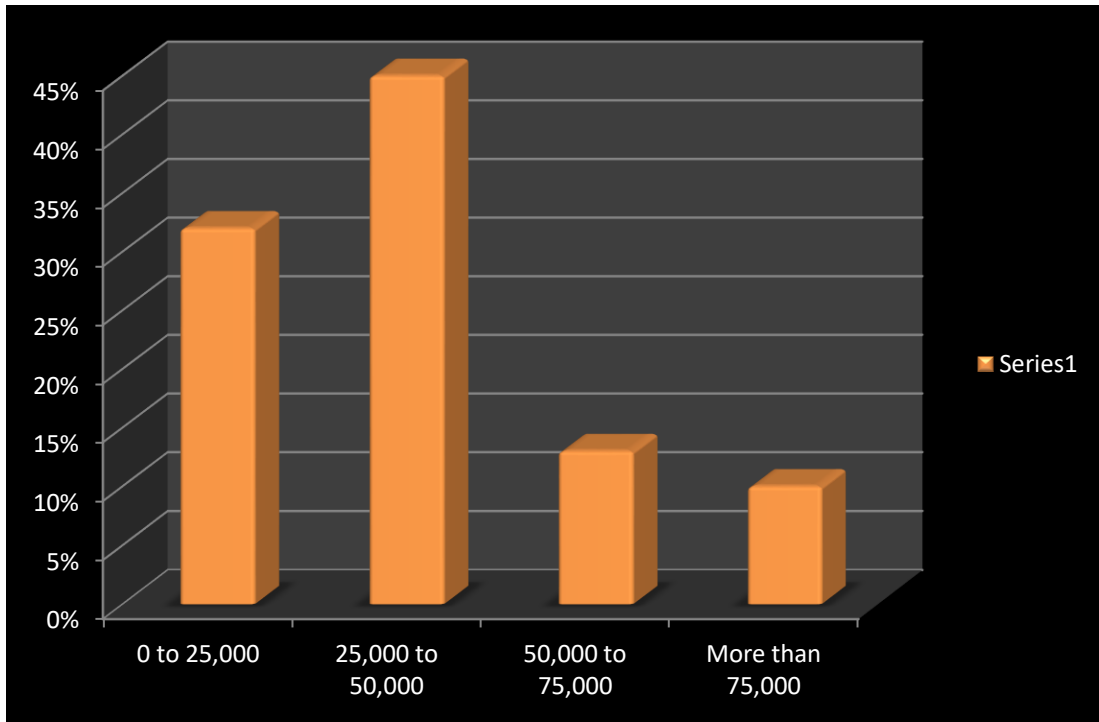
For this survey majority, 45% of respondents (majority) are employees when it comes to occupation.

4. Respondents divided income.

0 to 25,000	32%
25,000 to 50,000	45%
50,000 to 75,000	13%
More than 75,000	10%

Analysis:

As per survey out of 100 respondents, 32% of responders were earning between 0 to 25,000, 45% of responders were earning between 25000 to 50,000, 13% of responders were earning between 50,000 to 75,000 and 10% of responders were earning more than 75000.



Interpretation:

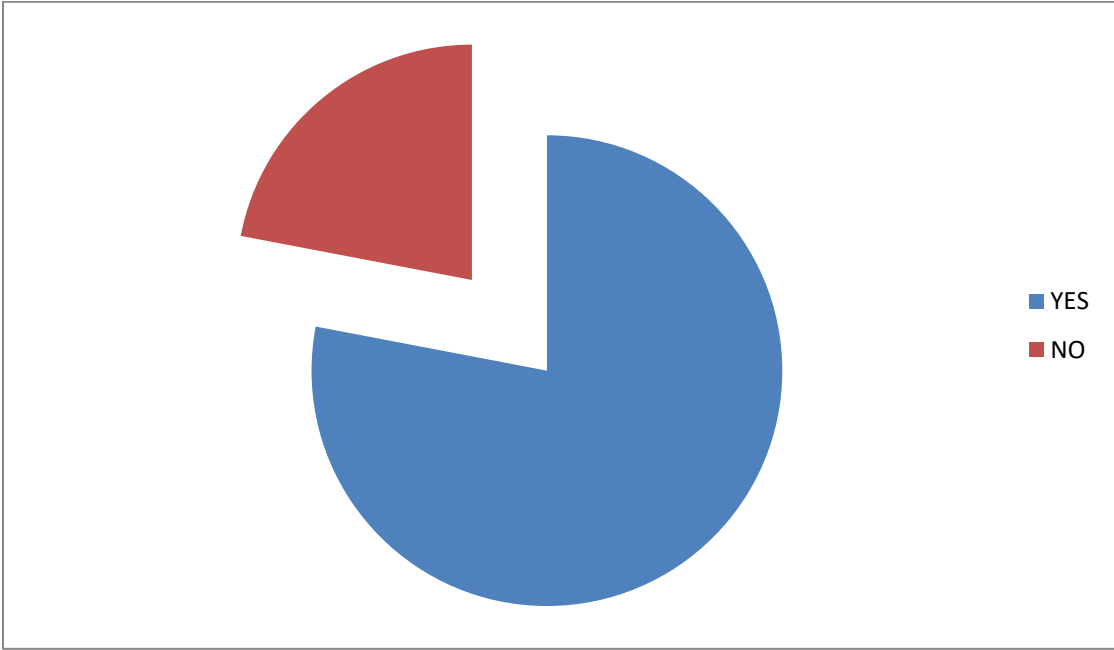
For this survey majority, 45% of respondents (majority) have an income between 25,000 to 50,000.

5. Is the appearance of the branch neat and orderly

YES	78%
NO	22%

Analysis:

As per survey out of 100 respondents, 78% of responders say yes the branch is neat and orderly and 22% of responders say no the branch is not neat and orderly.



Interpretation:

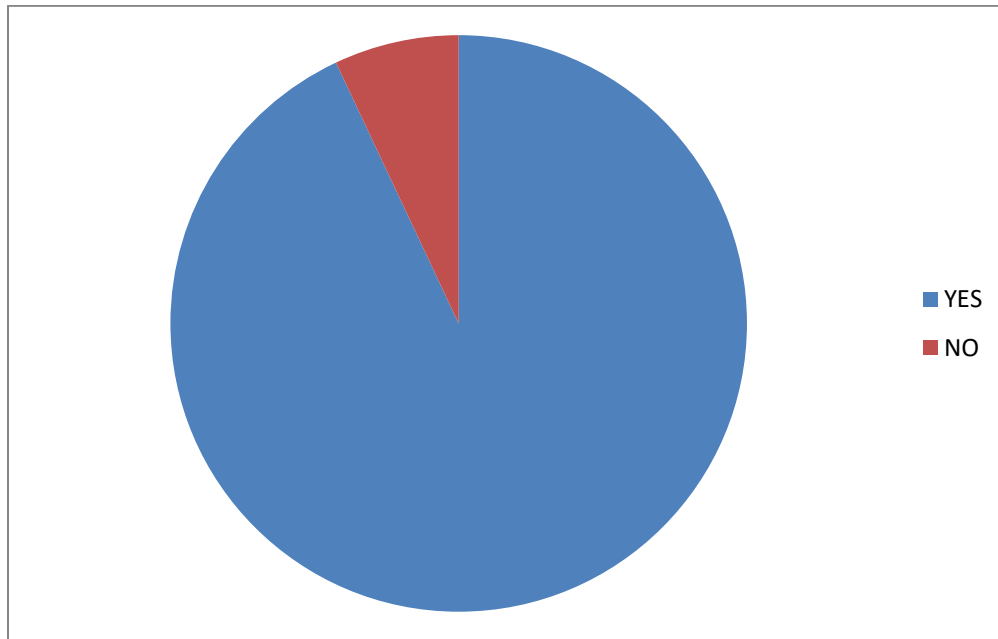
According to this survey 78% of respondents (majority) say yes the appearance of the branch is neat and orderly.

6 . How convenient are the working hours of the bank and is located at a convenient location.

YES	93%
NO	7%

Analysis:

As per survey out of 100 respondents, 93% of responders say yes the branch has convenient working hours and is located at a convenient location and 7% of responders say no the branch has no convenient working hours and nor is located at a convenient location.



Interpretation:

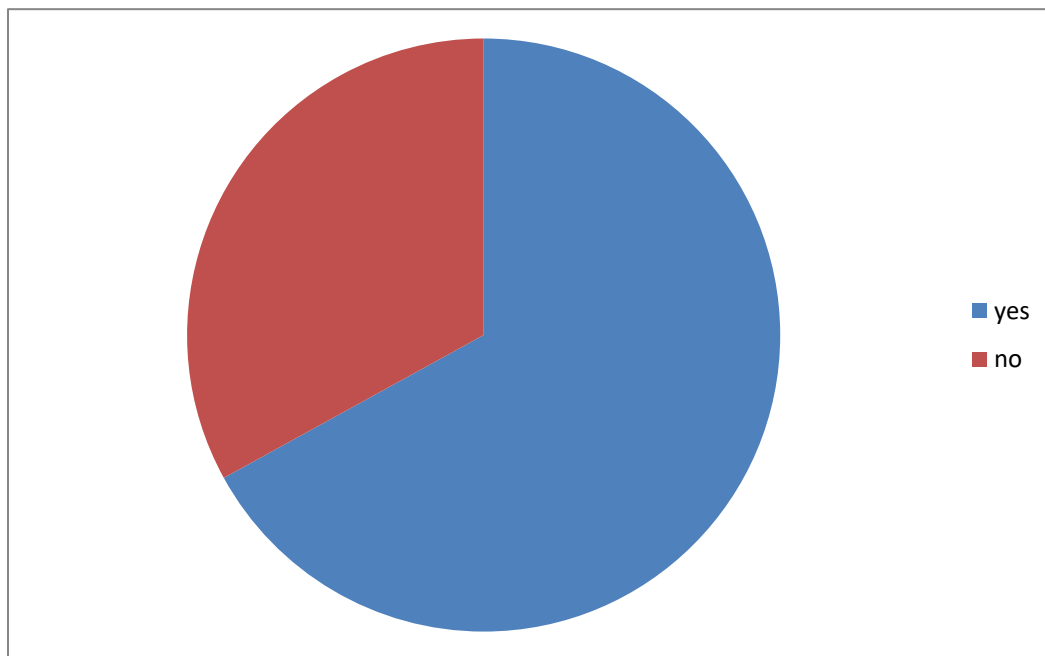
According to this survey 93% of respondents (majority) say yes the branch has convenient working hours and is located at a convenient location.

7. Would you recommend HDFC Bank to a Colleague/Friend/Family Member

Yes	67
-----	----

No	33
----	----

Analysis: As per survey out of 100 respondents, on the basis of if they would recommend HDFC Bank to a colleague/Friend/Family Member 67% of responders said yes and 33% of responders said no.



Interpretation:

According to this survey 67% of respondents (majority) said yes they would recommend HDFC Bank to a Colleague/Friend/Family Member.

FINDINGS :

- For this survey among 100 respondents 68% of responders (majority) are males.
- For this survey the majority of the respondents, 40% of respondents (majority) between the ages of 25-40.
- For this survey majority, 45% of respondents (majority) are employees when it comes to occupation.
- For this survey majority, 45% of respondents (majority) have an income between 25,000 to 50,000.
- According to this survey 78% of respondents (majority) say yes the appearance of the branch is neat and orderly.
- According to this survey 93% of respondents (majority) say yes the branch has convenient working hours and is located at a convenient location.
- According to this survey 67% of respondents (majority) said yes they would recommend HDFC Bank to a Colleague/Friend/Family Member.

SUGGESTIONS

As it is said, there's always room for improvement keeping this in mind customer satisfaction level could be increased at HDFC Bank by focusing on the following:

- Empowering the employees.
- Providing great self – service support.
- Segment the client base and create personalized customer experiences.
- Staying consistent across all touch points.
- Educating the customers on financial literacy.
- Improving financial technology.
- Not just being a lender, but also being an advisor for small businesses.

CONCLUSION

Overall HDFC Bank has a great working environment. All the new entrant is trained completely on the services and products offered by HDFC Bank. The advisor/sales manager of HDFC Bank market the policies better due to the extensive training that is given to them. HDFC should attempt in creating more awareness by advertising itself in India. A bit more of focus on customer satisfaction, slight improvement in sales techniques, an increase in advertising activities and a little modification to the existing portfolio would surely help HDFC Bank to capture a larger market in India.

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A FIELD PROJECT REPORT

A STUDY ON EMERGENCE OF E-COMMERCE AND ITS IMPACT ON INDIAN RETAIL MARKET

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR

BACHELOR OF BUSINESS ADMINISTRATION

TO

CH MANIDEEP (221FC01125)

V DILEEP KUMAR (221FC01126)

M SWATHI (221FC01128)

M MURALI (221FC01129)

T AVINASH REDDY (221FC01130)

UNDER THE GUIDANCE OF

DR. SK MAHABOOB SYED

ASSISTANT PROFESSOR



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

Department of management studies

Vignan's foundation for science technology & research

Vadlamudi, Guntur, Andhra pradesh, india-522213

APRIL 2023



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled A study on emergence of e-commerce and its impact on Indian retail market submitted by CH MANIDEEP, V DILEEP KUMAR, M SWATHI, M MURALI, T AVINASH REDDY bearing the Regd. No. 221FC025, 221FC01126, 211FC01128, 211FC01129, 211FC01130 from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

SIGNATURE OF THE GUIDE

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Literature review

sharma and mittal (2009) in their study "prospects of e-commerce in india", mentions that india is showing tremendous growth in the e-commerce. Undoubtedly, with the middle class of 288 million people, online shopping shows unlimited potential in india. The real estate costs are touching the sky. Today e-commerce has become an integral part of our daily life. There are websites providing any number of goods and services. e-commerce portals provide goods and services in a variety of

Categories. To name a few: apparel and accessories for men and women, health and beauty products, books and magazines, computers and peripherals, vehicles, software, consumer electronics, household appliances, jewelry, audio, video, entertainment, goods, gift articles, real estate and services. Ashish gupta, senior managing director of helion venture partners and one of the first backers of flipkart as an angel investor: "flipkart has been absorbing companies that have some potential (let's buy,

Myntra). In that process, some of the bets will go wrong, for sure. But that is par for the course. The company (flipkart) is unconsciously taking bets that allow it to either grow or eliminate competition. That reduces marketing spend and improves economics."

Miyazaki and fernandez (2001) substantiated that the prior experience was found to affect the intention and behavior significantly and in a variety of ways. The results of this study imply that the technology acceptance model should be applied to electronic commerce search with caution. In order to develop a successful and profitable webshop understanding customers' needs is essential.

It has to be ensured that products are as cheap in a web shop as purchased from traditional channels. According to Sharma and mittal (2009) in their study "prospects of e-commerce in india" mentions that india is showing tremendous growth in the e-commerce.

Undoubtedly, with the middle class of 288 million people, online shopping shows unlimited potential in india. The real estate costs are touching the sky. Today e-commerce has become an integral part of our daily life. There are websites providing any number of goods and services.

The e-commerce portals provide goods and services in a variety of categories. To name a few: apparel and accessories for men and women, health and beauty products, books and magazines, computers and peripherals, vehicles, software, consumer electronics, household appliances, jewelry, audio, video, entertainment, goods, gift articles, real estate and services. Samadi and ali (2010)

Compared the perceived risk level between internet and store shopping, and revisit the relationships among past positive experience, perceived risk level, and future purchase intention within the Internet shopping environment.

Abhijit mitra. (2013), "e-commerce in india - a review", international journal of marketing, financial services & management research. Concluded that the e-commerce has broken the geographical limitations and it is our evolution - commerce will improve tremendously in next five years in India.

d.k.gangeshwar. (2013),” e- commerce or internet marketing: a business review from indian Context”, international journal of u- and e- ser vice, science and technology. Concluded that the e- commerce has a very bright future in India although security, privacy and dependency on technology are some of the drawbacks of e-commerce but still there is a bright f future toe- commerce.

Martin dodges. (1999),”f ending the source of amazon.com: examining the hype of the earth’s biggest book store”, center for advanced spatial analysis. Concluded that amazon.com has been one of the most promising e-commerce companies and has grown rapidly by providing quality service.

Vijay govindarajan is one of the world’s leading experts on strategy and innovation.

Govindarajan, coxe distinguished professor at dart mouth college’s tuck school of business and marvin bower fellow at harvard business school, is also a best - selling author. The biggest oppor-tunity in india is e-commerce. Why? Three important factors will drive this: 1) mobile phone penetration; 2) A young demogr aphic that is used to order in things using the mobile platform;

Growth of consumerism with more indians with higher disposable income. We will see many new innovative business models in three- commerce space in the next five years. no doubt we will see new innovative high-growth companies—Indian equivalents of alibaba.

E- commerce in india

India had an internet user base of about 354 million as of june 2015 and is expected to cross 500 million in 2016. Despite being the second- largest user base in word, only behind china (650 million, 48% of population), the penetration of e-commerce is low compared to market s like

The United States (266 million, 84%), or france (54 m, 81%), but is growing at an unprecedented rate, adding Around 6 million new entrants every month. The industry consensus is that growth is at an inflection point .in india, cash on delivery is the most preferred payment method, accumulating 75% of the e- retail activities. Demand for international consumer products (including long- tail items) -country supply from authorized distributors and e-commerce offerings.

Largest e- commerce companies in india are flipkart, snapdeal, amazon india, paytm.

Mar ket size

India' se- commerce mar ket was worth about \$3.9 billion in 2009, it went up to \$12.6 billion in 2013. In 2013, the e- retail segment was worth \$2.3 billion. About 70% of india' se- commerce market is travel related. According to google india, there were 35 million online shoppers in india in 2014 q1 and is expected to cross 100 million mark by end of year 2016. Cagr vis- à- visa global growth rate of 8–10% .electronics and apparel are the biggest categories in terms of sales. By 2020, india is expected to generate \$100 billion online retail revenue out of which \$35 billion will be through

fashion e-commerce. Online apparel sales are set to grow four times in coming years.

Key drivers in Indian e-commerce are:

Large percentage of population subscribed to broadband internet, burgeoning 3G internet users, and a recent introduction of 4G across the country.

Explosive growth of smartphone users, soon to be world's second largest smartphone market, rising standards of living as a result of a fast decline in poverty rate.

Product or service alliances

□ Flipkart

Flipkart has launched its own product range under the name "Digitalip", Flipkart also recently launched its own range of personal healthcare and home appliances under the brand "Citron". During its initial years, Flipkart focused only on books, and soon as it expanded, it started offering other products like electronic goods, air conditioners, air coolers, stationery supplies and lifestyle products and e-books. Legally, Flipkart is not an Indian company since it is registered in Singapore and majority of its shareholders are foreigners. Because foreign companies are not allowed to do multi-brand e-retailing in India, Flipkart sells goods in India through a company called Ws Retail. Other third-party sellers or companies can also sell goods through the Flipkart platform. Flipkart now employs more than 15,000 people. Flipkart allows payment methods such as cash on delivery, Creditor debit card transactions, net banking, e-gift voucher and card swipe on delivery. Flipkart is presently one of the largest online retailers in India, present across more than 14 product categories & with a reach in around 150 cities and delivering 5 million shipments per month.

Exclusive products

Motorola Mobility, previously owned by Google but then sold to Lenovo, in an exclusive tie-up with Flipkart launched its budget smartphone Moto G in India on 5 February 2014. More than 20,000 units were sold within hours of launch on Flipkart. After this, Flipkart was looking for a long-term tie-up with Motorola Mobility. They also launched their Android smartphone, the Moto X, on 19 March 2014. Flipkart later sold the Moto X, cheaper than Motorola, for ₹13,500 on 13 May 2014. The sale of high-end smartphone Xiaomi Mi 3 produced by Xiaomi Tech was launched in India on an exclusive tie-up with Flipkart. The first batch was sold out within 39 minutes on 22 July 2014, the second in 5 seconds on 29

July 2014. The sale proceeded on pre-registration mode where more than 150,000 buyers booked for the 5 August 2014 sale. This got sold off in less than 2 seconds. Following this, Xiaomi Tech sold 20,000 units in the next sale on 12 August 2014.

On 2 September 2014, Flipkart held a flash sale of the Xiaomi Redmi 1S budget Android smart phone which was launched in India in July 2014. 40,000 units priced at Rs 5999 each were sold within seconds. A further 40,000 units were sold within 4.5 seconds on Sept 9, 2014. The third Redmi 1S sale on Sept 16, 2014 sold 40,000 units in 3.4 seconds; in the 4th round of sale of Redmi 1S, 60,000 units sold in 5.2 seconds on Sept 23, 2014. On 30 September 2014, 60,000 units sold in 13.9 seconds. Redmi Note in India exclusively through Flipkart; 50,000 units sold in 6 seconds on 2 December 2014. In July 2014, Flipkart launched its own set of tablet, mobile phones & phablet. The first among these series of tablet phones was the Digiflip Proxt 712 tablet. In July 2014, Flipkart launched its first networking router, under its own brand name called Digiflip WR001 300mbit/s wireless router. In September 2014, Flipkart launched its in-house home appliances and personal healthcare brand Citron. The label includes a wider range of cooking utilities and grooming products.

Achievements in e-commerce

In September 2015, Sachin Bansal and Binny Bansal entered the India Rich List debuting at the 86th position with a net worth of \$1.3 billion each. Co-founder of Flipkart, Sachin Bansal, got Entrepreneur of the Year award 2012-2013 from Economic Times, leading Indian economic daily. Flipkart.com was awarded Young Turk of the Year at CNBC TV18's 'India Business Leader Awards 2012' (IBLA).

Flipkart.com - got nominated for India Mart Leaders of Tomorrow awards 2011.

Failure in music industry

In October and November 2011, Flipkart acquired the websites mime360.com and Chakpak.com. Later, in February 2012, the company revealed its new flyte digital music store. Flyte, a legal music download service in the vein of iTunes and Amazon.com, offered DRM-free MP3 downloads. But it was shut down on 17 June 2013 as paid song downloads did not get popular in India due to the advent of free music streaming sites.

Acquisitions



2010: weread, a social book discovery tool.

2011: mime360, a digital content platform company.

2011: chakpak.com, a bollywood news site that offers updates, news, photos and videos. Flipkart acquired the rights to chakpak's digital catalogue which includes 40,000 filmographies, 10,000 movies and close to 50,000 ratings.

Flipkart has categorically said that it will not be involved with the original site and will not use the brand name.

2012: let sbuy.com, an indian e-retailer in electronics. Flipkart has bought the company for an estimated US\$25 million. Let sbuy.com was closed down and all traffic to let sbuy has been diverted to flipkart.

2014: acquired myntra.com in an estimated ₹20 billion (2,000 crore, about US\$319 million) deal.

2015: flipkart acquired a mobile marketing startup - up appiterate as to strengthen its mobile platform.

□ ~~am~~

Amazon is the largest internet based company in the United States. Amazon.com started as an online bookstore, but soon diversified, selling DVDs, VHSs, CDs, video and MP3 downloads/streaming, software, videogames, electronics, apparel, furniture, food, toys, and jewellery. The company also produces consumer electronics notably, Kindle, Fire tablets, Fire TV and Phone and is a major provider of cloud computing services.

Amazon has separate retail websites for United States, United Kingdom & Ireland, France, Canada, Germany, the Netherlands, Italy, Spain, Australia, Brazil, Japan, China, India and Mexico, with sites for Sri Lanka and South East Asian countries coming soon. Amazon also offers international shipping to certain other countries for some of its products. In the year 2011, it had professed an intention to

launch its websites in Poland, and Sweden. In early June 2013, Amazon.com had launched their Amazon India marketplace without any marketing campaigns. In July, 2013, Amazon had announced to invest \$2 billion (₹12,000 crore) in India to expand business, after its largest Indian rival Flipkart too had announced to invest \$1 billion.

Exclusive products

The Amazon Kindle is a series of e-readers designed and marketed by Amazon.com. Amazon Kindle



devices enable users to browse, buy, download and read e-books, newspapers, magazines and other digital media via wireless networks to the Kindle store. The hardware platform, developed by Amazon subsidiary Lab 126, began as a single device and now comprises a range of devices, including e-Readers with e-ink electronic paper displays, and android-based tablets with color LCD screens. All Kindle devices integrate with the Kindle store to acquire content and as of February 2016, the store has over 4.3 million e-books available in the US. The One Plus One launched as an Amazon exclusive in India last year, but now the device is available for purchase on rival e-commerce store Flipkart. Moto G (Gen 4) and Moto G Plus (Gen 4) will be available exclusively on Amazon.

Achievements in e-commerce

On the mobile app side, Amazon had the fastest growing app download rate in 2015. In October alone, downloads increased 200 per cent. Amazon web traffic was the highest in October as per ComScore data, at 30 million visits. Amazon active customers have gone up 230 per cent year on year. The awards were conferred at eTailing India's flagship conference and exhibition 2014, an event that brought together major stakeholders in the retail and e-commerce business in the country. The "path-breaking debut of the year" award went to Amazon.in.

Failure

Amazon starts using India Post and screws up its delivery system in India. At the time when the competition among online shopping portals in India is at its highest level possible and each player is pooling in millions from funding's and trying to beat each other with never-before discount and amazing services, Amazon has taken the worst step ever possible. Amazon India has chosen India Post as its primary delivery partner and all "Amazon fulfilled" orders are now being shipped through India Post. Anyone who lives in India or has some experience with the postal system in India needs no introduction about India Post.

Acquisitions

It's no secret that e-commerce giant Amazon has been betting on India as one of its next big markets outside the US. The company is not only investing capital in the region, but also acquiring startups to help expand its presence in the country. On Tuesday, Amazon announced it had acquired Indian payment company Emvantage Payment Pvt. Ltd. Amazon did not disclose the acquisition amount. Similar to Stripe or PayPal, Emvantage allows online merchants to accept credit and debit cards. The company also allowed merchants to set up their own branded pre-paid debit cards and

mobile payments. In order to differentiate itself, company acquired many it & e-commerce startups like pets.com, audible.com, jungle.com, imdb.com, zappos.com, woot etc.

4. Logistics

Speed of delivery is as important as the product quality for a customer. It

Would

Not be wrong to say that logistics could be the defining factor for success of e-commerce companies in retaining their customers. Indian logistics market itself is estimated to grow at a CAGR of 12.17 per cent by 2020. Innovations are very important in this sector, as the demand is always for more reach and faster shipping at lower costs. Yet, the companies will need to invest in automation, while utilizing existing resources well.



Company major new partnerships/services

Developments
In 2015

In logistics

Launched
2015

In

Flipkart	<p>Ekart becomes independent</p> <p>Wsretail Re- acquired</p>	<p>Mapmyindia</p> <p>Blackbuck</p> <p>Qikpod</p>	<p>Nearby app for grocery delivery</p>
Amazon	<p>Partnering with Pickupnow</p> <p>Available in 50 cities</p> <p>Basix stores in Bengaluru</p>	<p>kirana now- with 5 kirana</p>	

Vehicle tracking

Vehicle tracking plays a significant role in providing necessary control and effective route planning for faster delivery. Since the logistics market is highly unorganized in India, under-utilization of resources is not surprising. Increasing adoption of technology in operations is essential to keep up customer satisfaction. Amazon added that fast, reliable and resourceful internet connectivity across devices will help us use technology better for vehicle tracking.

Flipkart benefited by its investment in Blackbuck in capturing data on vehicular movement and utilization, and utilizing the data for better planning. "The efficiency improvement on information gathering and orchestration is a primary focus area for us in the next year as well". Logistics solutions provider Logixt – which caters to Paytm, Mynt, Ra and Amazon among others – even, provides 'heat maps' for giving information on those areas where maximum delays are happening. Logixt is working with cold chain logistics service provider SF for delivering perishables. Our scheduler takes input from the system about the product being transported and accordingly schedules the deliveries. Also, the temperature and other settings required for a particular product could be set via their app used by delivery boys.

flipkart

Delivery within two days: the first few e-commerce websites broke the trust of many Indian customers by not delivering the order product on time. Flipkart realized this problem and in order to bring the customer back to online shopping it came up with the idea of delivering the product in 2 days and if there is a delay then the customer is paid interest on the value of product.

Thirty days return policy: in order to satisfy the Indian customer after the product is delivered, Flipkart came up with the idea of providing a thirty-day return policy. This is done to ensure that the product delivered to the customer is not faulty.

Card swipe on delivery: Flipkart realized that most of Indian customers are not comfortable sharing their credit card details online, as there is always a risk of fraud. For solving this problem it came up with the idea of card swipe on delivery. The delivery guy brings the card swipe machines so that all the transactions happen before the customer.

4.

Logistics partner

E-commerce provides logistic solutions for Indian e-commerce giant Flipkart. Flipkart today is 3 companies: WS Retail, which is the primary retailer on flipkart.com, eKart Logistics, the shipping

Partner for WS Retail and others, and Flipkart itself, which builds, maintains and runs the marketplace. Flipkart tied up with partner stores that act as alternative delivery channels (such as eCom Express, Blue Dart, Gati etc), so that customers can pick up their shipments at their convenience. "By bringing together core capabilities of IoT, devices, data and automation, we have started implementing the automation technology to pick and move packages to designated picking stations, among several other applications that make warehouse processes quicker and smoother."

Procedure

Flipkart team will map their supply chain end to end and know exactly how many hours and minutes would it take for the item to reach from one step to next. E.g. How long would it take to pick an item in our fulfillment centre (FC), how much time would it take to pack it and finally how soon

Can they handover to the logistics partners for transport? Then they proceeded to do a thorough analysis and optimization to achieve the best-possible timelines for each step. In logistics,

They needed to know the exact transport connection timings with their transport time and

reliability. They had to work closely with vendors/airlines to ensure reliable connection and delivery of in-a-day packages without any of the loading. In fact, there were some airline partners which were piloting their express delivery capabilities along with their pilot for in-a-day. Airlines were even helping our partners grow. In the last mile logistics, they had to ensure that the delivery is attempted within the promised time without fail and had dedicated field executives to guarantee the delivery.

Technology used

To promise in-a-day guarantee to the customers, Flipkart developed a new product called promise engine. This engine knew all about our fulfillment capabilities and thus

Exactly where the item would be shipped from (depending on seller's inventory location). Hence, it could calculate an accurate promise date for the customer. This engine also needed to be able to provide multiple delivery speed options to customer to choose from. Once an order is placed, the fulfillment system gave an exact hour and minute's deadline to process the item. This deadline also accounted for the transport connection between the source and the destination.

The deadline feature helps to ensure seamless processing of both in-a-day and regular orders. Flipkart claims that its algorithm on routing makes delivery and pick-up more accurate and faster than anyone else in this business. Flipkart's investment in MapmyIndia has helped the company too. Ekart spokesperson said: "The accurate address data for both sellers and buyers will allow us to better schedule deliveries and pickups."

Amazon

Amazon India, the company received 65 per cent orders from tier II and III cities in 2015. To establish rural distribution centers in rural India, Amazon has been training teams in packaging, checking shipments, tracking deliveries through a mobile app, route planning to make

Deliveries on time etc. Many of these centers have witnessed a five-fold increase in the number of deliveries. Amazon has a 'service partner' program to offer last-mile delivery in remote areas.

"Budding entrepreneurs in these areas act as Amazon.in's local distribution network providers and create the last-mile delivery footprint. This program now covers more than 100 satellite towns and tier II and III towns and villages."

Logistic partner

Cloudtail India Pvt. Ltd, a joint venture between Amazon.com Inc. and N.R. Narayana Murthy's Catamaran Ventures, has become the biggest seller or merchant on Amazon India's platform, underlining how the world's largest online retailer has used loopholes in the law to deploy a mix of the marketplace and the direct-selling business model in India. Cloudtail is now the key growth

driver for amazon india, generating at least 40% of the company's sales in some months, three people familiar with the matter said. Cloudtail is particularly dominant in electronics and fashion sales, two of the three largest categories for amazon india (promoted by amazon seller services pvt. Ltd). since it launched as a seller on amazon in july 2014, cloudtail has expanded aggressively. Its capital was increased to rs.500 crore last month from just rs.500,000 last july, according to documents available with the registrar of companies (roc). The equity capital has been pumped in jointly by amazon asia and catamaran through an entity called prione business services pvt. Ltd. Apart from the rs.500 crore in equity capital, cloudtail has access to secured loans totaling rs.300 crore, roc documents show. At all will be one of the logistics partners for amazon's indian Market place.

Procedure

Amazon has set up a logistics company in india to deliver products directly to consumers, opening a new front in the battle for top honours in the country's fast-growing online retail industry.

Amazon transportation services private limited, a subsidiary of us-based amazon, will ship goods from sellers who transact on the company's online marketplace in india. Such a service is already on offer from flipkart through logistics company ekart, and snapdeal, which bought a stake in delivery firm gojivas last week. The logistics arm has been set up to aid in last-mile delivery as products can be shipped faster. Amazon currently operates nine fulfillment centres, e-commerce jargon for warehouses, in eight indian states. It was the first online marketplace to offer two-day and one-day guaranteed delivery in india, a norm in the us market. Amazon india also

Recently launched easyship, an assisted shipping platform for 12,000 out of its 20,000 sellers, a platform which the company has now taken global. With easyship, our sellers can now choose their courier partners, and ship even on the same day. More than 60% of our customers are eligible for next-day shipping on products fulfilled by amazon. Amazon has struggled with deliveries in cities where snarl-ups are frequent and road signs unreliable. In response, firms have set up logistics networks and use motorbikes instead of trucks. Another service introduced in india in may and considered for export to other markets, seller flex, allows sellers to have the flexibility to store goods and ship them to customers on their own, instead of routing them through amazon. Amazon provides technology and training to ensure goods are packed, labelled and delivered as the company would. While amazon in developed markets may not want to weaken its model for best-selling goods, analysts said, it could consider the made-in-india seller solution to cut down on warehousing and delivery costs for thousands of "non-core" products which are offered, but infrequently bought. "amazon is becoming a lot more flexible about how it services its customers.

Technology used

Amazon.com inc said it has acquired indian payment processor emvantage payment spvt ltd for an undisclosed sum. Emvantage employees will join amazon's india unit that will use the company's technology on its e-commerce website, amazon said in a statement. Online retailer amazon.com inc. Is localizing its technology operations in india by freeing up its engineers to launch new features and customize its smart phone app for shoppers.

significantly improved both the company's user addition and retention rates. More shoppers installed Amazon India's smartphone app than any rival's app in the last three months of 2015, The online retailer said, citing data compiled by App Annie, an analytics company. Downloads of

Amazon India's shopping app tripled in the key shopping month of October compared with the year-ago period. These numbers are significant as a majority of online shopping in India is expected to happen on smartphones over the next five years. Already, Amazon and its rivals Flipkart Ltd and Snapdeal (Jasper Info Tech Pvt. Ltd) get more than 70% of their traffic from smartphones.

Amazon's tech expertise in consumer-facing products, predictive analytics, supply chain, among other areas is one of the reasons it is catching up fast with Flipkart and Snapdeal.

Another change was the sign-up process for mobile customers. "The sign-up process was you enter the email, then password, then you verify it, etc—that was too much. Now, we pre-detect the mobile number and then the new user only has to enter a password. You get an OTP, which is read and entered automatically. This is another feature we have opened up in other markets. Over all, the goal is to understand where there is friction for the customer and then eliminate that. Initially, however, Amazon adopted most of the features of its global app in India. Those features included things such as barcode scanning, which were of no use to Indian shoppers. Apart from irritating customers, the features also caused the app to become very heavy in terms of taking up space on smartphones. This was particularly problematic as a majority of Amazon's current and future customers will own low-end smartphones that offer limited storage space. Clunky apps also don't tend to work best on cheap smartphones.

Marketing strategy

Flipkart

Flipkart's business model is much deeper and much more expansive than could possibly be elaborated here. However, a few key points—

Rationalized supply chain - inbound logistics
Strategic warehousing and distribution capability - operations
Well-aligned fulfillment process - outbound logistics

All the three processes are extremely well integrated - first by a sound strategy, around which the

organizational structure is built. So they have a strategy, and a complementary structure to support their strategy. The third critical success factor for Flipkart is the technology as an enabler. A strong information system is at the core of the organization, which drives visibility and end-to-end integration across their supply chain processes (inbound-operations-outbound) resulting in a well-lubricated efficient machine.

Flipkart must be seen as a logistics company rather than a retail business. Although it sells products to consumers and hence is academically classified as a B2C business, the core of the business lies in its efficient logistics, which allows it to sell products at attractive prices.

However, its competitive advantage is not in its retailing capabilities. In fact, that aspect of the e-commerce business is easily imitable and hence not sustainable. The sustainable competitive advantage of Flipkart lies in its logistics and operations infrastructure - which has a very high barrier to entry: owing to its extensive capital investment and difficult to replicate strategy - Structure - culture mix.

Cons: potential threat of the original replacing the imitated.

It is important to reflect upon the fact that its founder members (the Bansals) have had an early stint with Amazon and have successfully modeled Flipkart's business on Amazon's strategy. So, it would be fair to say that Flipkart imitated Amazon's model to an extent. However, owing to governmental regulation and international trade barriers (read retail restrictions), Amazon has not yet been able to compete with Flipkart on an even keel. (Amazon operates as a market place rather than a retailer). Amazon has all the infrastructure, culture, and technology enablers in place that Flipkart has - and on a much larger scale. One other thing that they have is huge financial muscle power - much larger than what Flipkart has. And the moment when these restrictions on FDI in retail are lifted, Amazon will be a major threat to Flipkart. And all these acquisitions that Flipkart has been making, is to bulk up and brace up for the competition it faces.

Marketing mix of Flipkart

Product in the marketing mix of Flipkart - Flipkart is an online retailing industry and started its operations with the sale of books. For two years, it sold only books through its website as the management and shipment of books was much easier. After its expansion, it started dealing with products like air coolers, washing machines, air conditioner, lifestyle products, stationery supplies, Cellphones, computers, calculators, microwave ovens, water purifiers, laptops, cameras, audioplayers, products relating to health care, dishwashers and e-books. Products sold on Flipkart have the same warranties of the brand if sold outside in a showroom. It has recently launched its personal product Range called "Digitlip". Under this brand, it offers products like computer accessories, camera

Bags, headphones and pen drives. In July, Flipkart introduced its own tablet phones and net working routers under its personal range "Digital". On February 5, 2014 in a special tie up with Motorola Mobility,

flipkart has provided a platform for the launch of 'moto g'. Online shoppers went crazy with the unveiling of this smart phone. This awe-inspiring response resulted in the sales of nearly 20,000 mobiles in a few hours. Continuing their association, 'moto x', an android smart phone, was introduced on march 19. On may 13, 'moto g' was launched at the same site triggering the same response. Continuing this success story flipkart in a tie up with xiaomi tech introduced 'xiaomi mi3' on its platform. In the first phase on 22nd july all the phones were sold in just 39 minutes and in the 2nd phase on 29th july the sold out was complete in only 5 seconds. On 5th august the sale was completed in just 2 seconds. This amazing response and hyper mania has helped in giving flipkart an immense lift up.

Place in the marketing mix of flipkart - flipkart functions entirely in india and it has its headquarters in the garden city of bangalore in karnataka. It is owned by a singapore based company and is registered over there. According to india's foreign policy, a foreign company is not

allowed to retail here. Therefore, in india, flipkart sells the merchandise through an indian company as retailer. Flipkart also provides its own platform to other companies who are interested in selling their goods. The website is very easy and hassle free. Browsing, keeping track of products, getting reviews, ordering goods and payment methods are very convenient for the individuals. At

first flipkart started its operations on the consignment model in which they personally bought the book and couriered it. Later they opened many warehouses where the goods were stored safely. The first warehouse was opened in bangalore and later in delhi, mumbai, chennai, hyderabad, pune, noida and kolkata. As of today, more than five hundred suppliers are working for flipkart. At least 80% of the orders placed are handled and controlled via warehouses.

Shipping companies and courier companies are the real mediators in this set up. The quick and well-organized service is the reason why the company has been able to put its mark on the indian market. Their delivery network is

spread over thirty-seven cities with delivery being possible in any nook and corner. Price in the marketing mix of flipkart - though flipkart started its venture with an investment of just inr 400,000, today its net worth is nearly 1 billion dollars as its sales are increasing day by day. It still

earns revenue of 50% from selling books online. Electronic commerce has become a huge hit because of flipkart. Its price policy is very flexible because of online transactions. Amount to be charged is determined after looking at the innumerable expenses like transport expenses, supplier expenses, packaging costs, courier charges, shipping cost, office expenses, maintenance expenses, discount allowances, depreciation, taxes, advertisement expenses and many other expenses.

Discount up to 35% are allowed periodically to boost up the sales and maintain competitive prices. For payments, Flipkart allows credit card transactions, cash payment after delivery, transaction through debit card, by swiping card on delivery, voucher available as gift and net banking. Promotions in the marketing mix of flipkart - flipkart has changed the concept of multi brand retailing of products through internet in india. Its huge success has proved to be an inspiration for other companies. It

operates mostly through mouth advertising. The satisfied customers have been their best promoters. To have a firm grip on the online world flipkart has used the services of google ad-words and seo.

These marketing tools have made them household names. Downloading the exclusive app of

Flipkart helps in getting alerts about the current offers, order status, price drops, recent launches and various gift coupons. Flipkart has also taken the help of creative and interesting advertisements so that awareness and trust is generated for their website amongst the people. Their first campaign was shown on TV with the concept that books can be delivered with just a single click. Recently an ad

has been launched to increase the social visibility where the tagline is "no kidding no worries".

Trained individuals are hired to fulfill their responsibilities adequately. The systematic planning and level of effort undertaken to reach such heights is commendable.

Amazon Segmentation

E-commerce giants like Amazon use demographic & psychographics segmentation to segment the markets. Amazon's segmentation is based on actual purchase behavior: not what people might have expressed interest in, but what they actually did. Amazon's micro-level segmentation targets each customer individually, allowing the company to convert a visit or sale into long-term, high-value customers.

Customer segmentation often involves creating personas who will buy in a certain way & certain products. Similarly, Amazon targets the middle class & upper class people who have got hands on

experience in the basic technology but don't have time or prefer convenience over shopping from the physical outlets.

Amazon has successfully positioned itself as a glocal (goglobal act local) e-

commerce giant where one can buy anything & get it delivered at any remote locations. Using the catchphrase # aurdikhaon in its most recent campaign in India, it has further helped them carve

A distinct space in the consumer's mind.

Marketing strategy

In order to differentiate itself, the company acquired many IT & e-commerce startups like petco.com, audible.com, jungle.com, imdb.com, zappos.com, woot etc. Which helped them in providing high value to their customers using existing technology of the acquired partners at low cost?

Amazon has also achieved economies of scale through extensive product offerings which include electronics, toys and games, apparels, diy and many more. These offerings help Amazon to keep its prices low thereon

Passing on the benefits to the consumers. Amazon's robust customer-centric approach to analyze the customer buying behavior based upon preferences has helped them to have a competitive edge over

their competitors. More than 50% of the consumers are the repeat buyers at amazon.com. Furthermore, Amazon is one of the longest players to be present in the online sector and has a solid hold in European countries and US. This bot to online is helping the company to expand in new markets.

Brand equity in the marketing strategy of Amazon—from being merely an e-book provider to emerging as the 2nd largest e-commerce company in the world, amazon.com has steadily increased

its spending on advertising and promotion to make its brand stronger and have a higher brand equity. By April 2015, the brand of amazon.com was worth US\$ 176 billion. "A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things. With more than 55%

Repeat buyers, the number of people who know everything about the brand. It is among the 13 most valuable brands in the world.

(for best list).

Competitive analysis in the marketing strategy of Amazon – shortlisting the competitors of Amazon depends on what business sector of Amazon is being considered. Apple would be the largest competitor when considering book or content related delivery such as books, movies, magazines, and audiobooks. The iTunes store will always be a threat to the Amazon store because of Apple's devices like the iPad, iPhone, and MacBook. When considering web services Google would emerge as the largest competitor.

Walmart is the biggest threat to Amazon in the US as reports roll in of various attempts to compete with the large online retailer. Reports of Walmart testing a locker system for consumers where shoppers can order and pay online and pick up at their convenience are surfacing. Walmart is also still testing same-day delivery in four cities and remains the fourth largest online retailer.

Walmart rakes in about \$9 billion in internet sales, which Amazon more than doubles in a quarter. However, Amazon does not have the physical structure base that Walmart has started with.

In developing countries as well as in developed, there are many local portals which give tough competition to Amazon. For example – Snapdeal, Flipkart are some of the competitors of Amazon. Similarly, Groupon, FirstCry are specialized e-commerce portals which take away traffic from Amazon. Thus, these local competitors of each country also react strongly to

Amazon's presence. Market analysis in the marketing strategy of Amazon – the global e-commerce market is still in the evolving phase. With the adaptation of technology in the developing economies customers are now becoming more comfortable with online shopping. Fierce competition from biggies like Alibaba, eBay, Start-ups & local e-commerce players like Flipkart, Snapdeal is more of a result of the overall growth of the industry which is good for the industry.

Customer analysis in the marketing strategy of Amazon – Amazon customers consist of upper & middle class social groups who have inclination towards using e-commerce portals and are comfortable with online shopping. Majority of the customers are professionals or businessmen who are busy with their business/job & find it convenient to purchase anything online rather than visiting the physical outlet in order to save time & money. Furthermore, the customers might also be the ones who are searching for deals. Due to this, the portal is known to have specific days where they give massive discounts to their buyers.

Marketing mix

Product in the marketing mix of Amazon

Amazon is an international e-commerce company, using connections to the internet from various gadgets such as phones and tablets, to allow its customers to browse and purchase products.

immediately. These products are then delivered to the customer, using delivery service companies. Amazon has built up a huge product base, and sells almost everything, including: kindle, books, dvds, mobile phones/ tablets, gaming consoles and games, clothes for men/ women and children, jewellery, gardening equipment. Amazon initially started only with books and it is still date known as the highest book seller in the world. This is why, Amazon also introduced kindle. Kindle is an ebook reader from Amazon and it is the reason that the publishing market is having such a big revolution of converting hard paper to digital ebooks because ease of reading by kindle. Due to success of kindle, Amazon also introduced Kindle Fire – its own tablet PC type in a search entry into a search engine for a specific product, and the chances are that Amazon will stock what you need, and will be on the search list. As they continue to grow, more and more products are added to their inventory. Once established into books, Amazon quickly expanded to other products to maintain its presence in the market. Where eBay is known for tech products, Amazon is known for knowledgeable products. Amazon continues to expand its product base, and in July 2014 it entered the smartphone market, releasing its very own Fire phone followed the release a month earlier of Amazon's very own set-top box system – Amazon Fire TV – which allows streaming from various channels, as well as supporting speech commands when searching.

Place in the marketing mix of Amazon

In the recent past, sites such as Indiaplaza and Allshcoolstuff were forced to close due to the lack of trust when buying goods online. However, the brand image of Amazon enables it to have a far and wide presence and the bottom line of the company is enough to enable massive R&D efforts to secure the website. Amazon has customer service bases in many of the countries where it has an online presence, with most bases being located in the different states of the USA. Amazon employees are friendly and relaxed.

Promotion in the marketing mix of Amazon

While Amazon has broadcast television commercials, these are mostly in the American market. Amazon uses mainly web-based advertising, and they make some use of billboard and smaller methods of advertising. Amazon also uses advertising networks online so that whenever you check something on Amazon, you will see an ad for the same thing somewhere else on some other website. Search engine marketing and getting the company's name high up the search engine's results is also a smart promotional strategy by Amazon. The founder of Amazon had this in mind when creating the company, deciding that it should start with an 'a'. In India, Amazon can be seen solely on the best source of promotion there is – word of mouth. People telling others about the site, or mentioning it in a positive way is a sure way to have a new future customer. However, there are several print media ads to make their presence felt to the people. However, much more is needed in the promotions department from Amazon in India because the traffic of Amazon is being taken over fast by Flipkart.

price in the marketing mix of amazon

. Amazon can also keep their prices competitive due to their use of staff minimum numbers –but Amazon is competitive with its prices, and has little ways of staying ahead of its market contemporaries. For example, if you are looking to buy a book, amazon offers you a new copy, or a used copy as well complete with pricing and condition. Another initiative is to pay to have a premium account, ensuring faster deliveries well trained –ensure that consumer benefit from the lack of overheads, and the result is shown in the prices online.

As more and more people can access broadband connections in india and get online, the competition for the likes of amazon.com will toughen. Amazon's quiet entry into india has seen some growth so far due to its brand image, and it will be looking to keep its prices as low as possible to capture a slice of the growing market place. It faces tough competition from the likes of ebay, flipkart and snapdeal.

Advertising

2015 was the year when e-commerce companies opened up their war chest, built over years, and spent heavily on advertising on garnering market share and brand building. The advertising amount was spent across channels –tv, print and digital media –with tv ad spends getting the lion's share. It was an interesting year. Advertising budget for a startup had a direct correlation with the amount of funds raised by it. For eg. limeroad, grofers and craftsvilla collectively raised close to ₹60

Crores in 2015 of which ₹28.5 crores were spent in advertising.

Let's have a look at the highlights of the advertising spend done by various e-commerce companies in 2015.

With an estimated advertising budget of ₹350 crores, askme group was the biggest advertiser among its peers. The group is backed by Helion Investments and Astra Malaysia.

2. During the festive period (sep – nov), e-commerce firms in india spent ₹500 crores in advertising. The entire advertising spend of e-commerce players, during 2014, was ₹600 crores.

Jeff bezos owned amazon spent ₹224 crore on advertising during the 3 months of festive season whereas flipkart spent almost ₹70 crore during the same period.

Flipkart owned fashion brand, myntra, spent around ₹30 crores on advertising while used-goods marketplace, olx, spent over ₹55 crore during the peak season of sep-nov 2015.

According to tam media research pvt. Ltd., e-commerce firms have spent a total of ₹1,200 crores in the first 9 months of 2015 (till sep 30, 2015).

this was an increase of over 46 percent over the corresponding period in 2014. Close to 70 percent of the advertising budget was spent on prime-time spots whereas over 40 percent of the spend was done on non-fiction channels. Why non-fiction? Companies targeting youth believed that these channels would give them better conversion and reach as compared to traditional entertainment channels.

E-commerce

Spending big – flipkart's annual advertising budget is about rs. 75 cr, while amazon's expected investment in advertising for 2014 is rs. 100-150 cr. In 2013, e-commerce companies spent rs. 1,355 cr on advertising overall. In 2014, nearly rs. 221 cr have already been spent on advertising by the major players of the e-tailers in the first six months. This does not include players in the travel industry such as makemytrip, yatra and cleartrip. Travel contributes 70% to the e-commerce

Market in India. During recent festive season, snapdeal is a clear winner with use of massive budget on advertising and literally flooding all TV shows and movie channels with snapdeal advertisement.

The exact figures are not available but rough estimates amount up to rs. 100 cr being spent on festive season advertising budget.

Print vs. radio vs. television vs. online – in 2014, until now, print has been the most widely used medium of advertising, with e-commerce companies spending rs. 599 cr on it. In a country where 47.2% households have television sets, as compared to 11% of online users, television is the next medium of choice, where online players have spent rs. 170 cr, finally followed by radio at rs. 13.9 cr.

Capturing the market eye-balls in travel

Travel e-commerce is valued at \$8 bn in India, accounting for 70% of the overall market, and growing at a 32% CAGR. Travel websites in India have so far preferred to wage fare wars, competing on the value of sales of fares and hotel bookings rather than direct advertising. Those that have tie-ups with hotels and offer complete travel solutions also compete on the types of packages and their competitive pricing. Flash sales and fare wars have increased the overall travel spends by 20-25% in 2014.

How do e-commerce players manage to spend big amount on advertising?

Almost all the e-commerce players are backed by global and local investors who are pouring millions of dollars in these companies. A large part of this investment is being used by e-commerce players to enhance their brand identity and corner a lion share of online shoppers. Of course, the smaller companies who lack substantial investment are at a loss here. However, some of the smaller,

Niche e-

commerce players are making targeted marketing efforts to channelize their advertising fund to maximize ROI.

Outlook for spend on advertising in 2016

According to a report by Zenithoptimedia, the ad spend in major Asian economies will continue to grow in 2016, albeit at a lower rate of 8.4 percent when compared with 8.9 percent growth of 2015. The slowdown will primarily be due to sluggish ad spending in China which currently accounts for 74% of the total Asian advertising spend. Besides, India and China, the major Asian economies include Indonesia, Malaysia, Pakistan, Philippines, Taiwan and Vietnam.

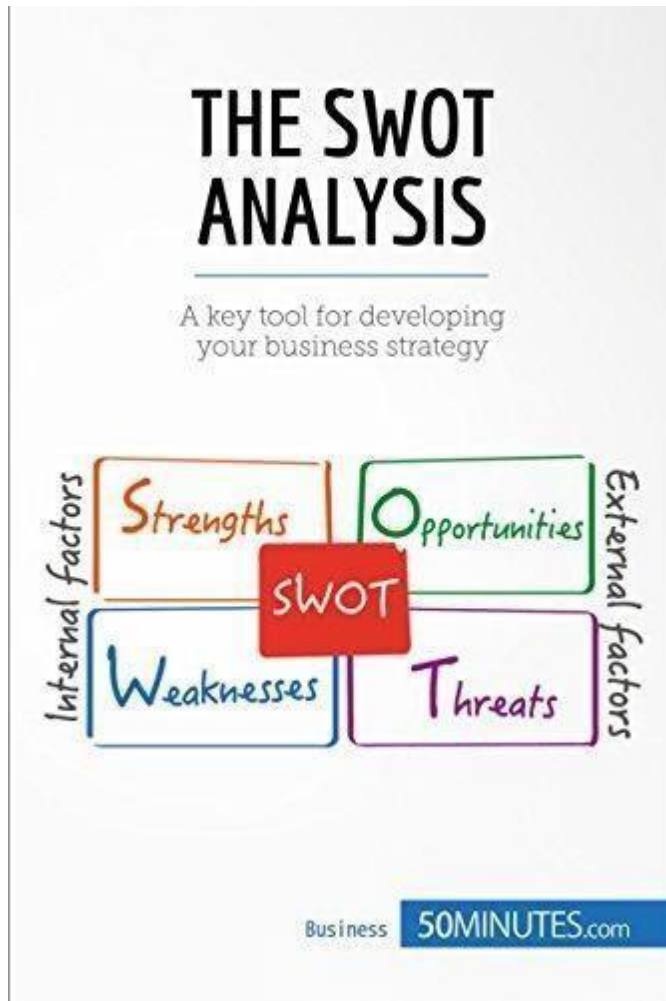
Handling my

Happy creative services, which has been the brand's creative agency since 2010. Mynta, the fashion e-commerce major which Flipkart had acquired in May 2014, will be handled by Loweintas, which had already been the brand's creative agency since March 2014. Flipkart and Mynta continue to operate as separate entities and Mynta's founder Mukesh Bansal is the head of the fashion business for Flipkart and joins the Flipkart board. Flipkart's first TV commercial for the e-retailer, 'Fairytale', was an elaborate 100-second effort. Created in the old English style of fairytales, it was the story of an old woman, a voracious reader, who lives in a cottage and orders her daily read by clicking on a live mouse. The rest of the ads including 'No kidding', 'Shopping Kanaya Address' and the most recent one, 'Flipkart it', have been etched in TV viewers' minds owing to the unique approach of using child actors to communicate the ease of shopping on Flipkart. In 2013, the e-commerce portal announced its entry into the realm of fashion and lifestyle with a new campaign titled 'Fashion has a new address' - an extension of its previous punchline, 'Shopping has a new address'.

Amazon advertising agency

Orchard advertising India is Amazon India's advertising agency. Orchard advertising India highlights the benefits of shopping on Amazon.com with #WeIndians. Conceptualized and executed by Orchard India and directed by Anurag Kashyap, the one-minute video shows Amazon as a reliable place to shop from with original products, easy return policies and on-time delivery. The video comes along with a song with lyrics by Amitabhattacharya and music by Amit Trivedi. #Aardhikhaato #Trotokar, #Anidukaan and now #WeIndians are the famous taglines used for Amazon India advertising.

Swot analysis



Strengths:

India's largest e-commerce retailer: Flipkart is the India's largest e-commerce company & has sold GMV (Gross Merchandise Value) of \$1 billion till now.

Experienced founders: The founders of Flipkart, Sachin & Binny Bansal are ex-Amazon employees. Having prior experience in the e-commerce industry helped the founders to work strategically and differentiate their business in a highly competitive market.

Acquisition: With its series of acquisitions like Let's Buy Co., Chakpak.com, WeRead.com, Mine360 & the recent one Mynt in 2014 has helped the company to expand in the e-commerce space & used the capabilities and existing resources of acquired companies.

High brand recall: Flipkart has established itself as a renowned e-commerce

company in India through TV ads, online branding and through its presence on social media. Brand activities like the "Big Billion Day" have really increased the brand recall of the company.

Own payment gateway & logistics arm: having its own logistics arm - Flipkart & payment gateway PayZippy has helped the company to control its expenses. Thereby passing the benefits to the end customers.

Exclusive & broad range of products: from having exclusive rights to launch some products like Motorola, Xiaomi Mi3 as well as personal designers segments in garment category, has helped the company to differentiate and localize its offerings.

Weaknesses:

Limited distribution channel reach: although its logistics arm has kept cost slow, the reach has been affected which is a weakness for Flipkart. Due to use of outsourcing, global giants like Amazon & eBay can deliver the product anywhere in the country. However, Flipkart is still struggling in this field.

Cost of acquisition: due to stiff competition in the market & low customer retention, the cost of acquisition is high because Flipkart acquires a lot of customers through online

Advertising. As per Flipkart data, the company spends Rs. 400/- on acquiring a new customer on an average.

Power in the hand of buyers: since this industry is flooded with many players, buyers have a lot of options to choose.

Switching costs are also less for customers since they can easily switch a service from one online retail company to another. Same products will be displayed in several online retail websites. Product differentiation is almost absent and the fight then begins on the basis of price only.

Opportunities:

Expansion of business: by targeting other emerging markets, the company can increase their revenues as well as it can have economies of scale.

Expanding their product categories: this will increase their customer base &

at the same time will reduce the cost of acquisition and customer switch.

Changing mentality of Indian customers: with increasing numbers of customers getting comfortable with online shopping & increase in numbers of internet users in India, there is huge potential in this industry.

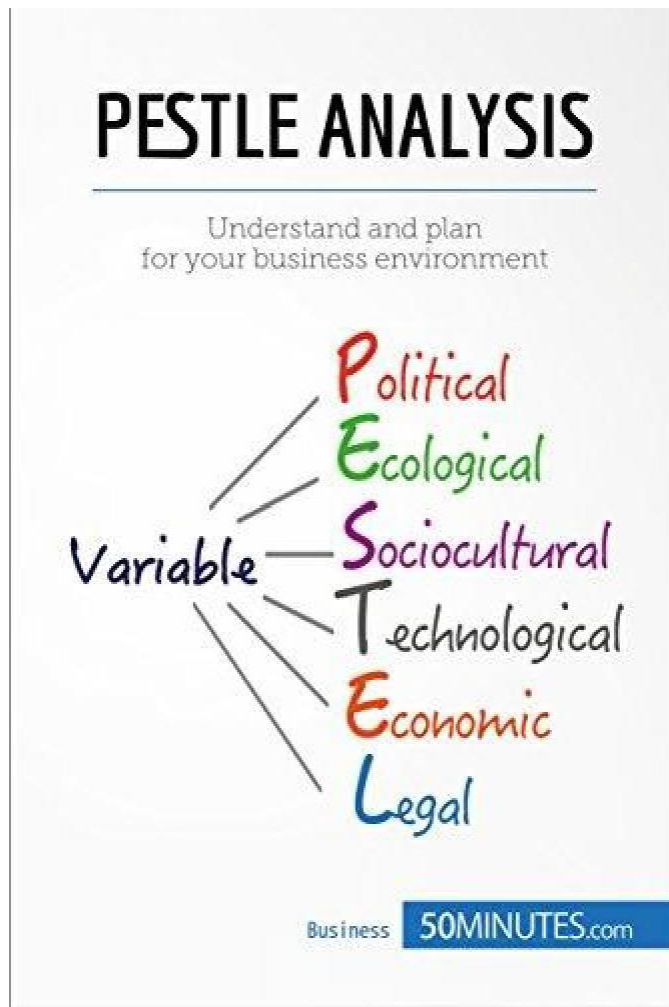
Supply chain: by optimizing their supply chain they can compete with the other players & can manage the loss of sales on account of not making the product available due to delivery constraints.

Establishing in other developing economies: like Amazon, Flipkart can slowly start expanding out of India and establish operations in other countries as well which will help improve revenues.

Threats:

Competition: stiff competition from the global players like Amazon, eBay as well as local players like Snapdeal, Tolexo and Shopclues who are continuously trying to eat each other's market share.

Government regulations on the issues related to FDI in multi-branding retail has been a big hurdle in the success of the e-commerce industry in India.



Political

According to Chaudhary (2016), the Government of India is currently trying to boost the economy of the rural areas by promoting online businesses in these regions. The government's plan may see new regulations in the e-commerce industry, which will influence Flipkart's operations. However, given that India elects a leader every five years, considerable uncertainty on Flipkart's interaction with the government exists because, as Bazzi & Clemens (2013) note, some leaders may be unfriendly to investors, which will negatively impact the company's operations. Furthermore, in 2012, the government opened up the retail sector to the entry of multi-brand MNCs (Patibandla, 2014) to promote FDI (financial-direct investment), among other logistics that could improve India's e-commerce supply chain. However, allowing foreign retailers such as Amazon into the Indian market has resulted in intense competition for Flipkart.



finally, miahra (2017) affirms that flipkart must abide by rules such as the new gst bill that limits flipkart from getting pricing benefits from sellers that are situated in countries with lower tax rates (garg, 2014).

Economic

Indians' rapidly growing economy assures investors such as flipkart of continued markets. Furthermore, the liberalisation of the Indian economy to allow international investors in various industries including Retail will contribute to economic growth. Furthermore, the government requires that foreign companies in India should sell or use specific percentage goods (for retailers) and resources (for manufacturers) respectively that are locally sourced (Patibandla, 2014). Such a strategy is useful to ensure sustainable economic growth. Furthermore, Kumar (2017) states that the number of online consumers is rising daily and there are expectations that approximately hundred million people will have gone digital by 2018; this will facilitate the growth of flipkart.

Socio-cultural

According to Rath & Samal (2015), most of the Indian population is rural, which stands at about sixty-nine percent and, while the urban population contributes to sixty percent of the total GDP. Rath & Samal (2015) expect that within the next 15 years, the urban population will contribute to almost seventy-five percent of the GDP. This trend demonstrates the importance of the urban population to organisations. However, with the current government interventions to develop rural areas, these rural populations will be important to businesses such as flipkart in the future. Currently, flipkart is struggling with its logistics, which, understandably, are concentrated in the urban areas. Nonetheless, as the importance of rural regions, which carry most of the Indian population grows, flipkart will need to expand its logistics.

Technological

According to Padhy & Sampat (2017), flipkart has implemented data analytics systems for efficient business performance. Information systems in the company integrate the information about market opportunities and predict sales that the company is likely to make. This strategy enables the company to take advantage of technological advancements such as big data for competitive advantage.

Further more, by 2019, appr oximat ely eight hundred million people will be using smar tphones, and a

larger percentage will be able to access e-payment platforms or an easier purchase of online products (Kumar, 2017).

Environmental

Despite the fact that Flipkart is an online retailer, its operations are subject to environmental factors. Rising concerns by both government and consumers about sustainable business and low carbon emissions is a major issue (Maron & Toder, 2014). Government promotes sustainable business practices through rules and regulations. Some of the most popular rules pertain to carbon emissions and general

Environmental regulations (Maron & Toder, 2014). In some cases, these rules introduce fines or taxes, to organizations which lower profitability margins for businesses.

Legal

Chaudhary (2016) asserts that there are legal factors that affect operations of Flipkart. In July 2015, Westland Books accused Flipkart of selling "Scion of Fish Vaku", yet Westland alone was given the rights to sell the book by Amazon. This conflict demonstrates the need for Flipkart to be more aware of

Property rights such as licensing and trademarks. Furthermore, the recent Zomato breach resulted in the theft of consumer data, which raises concerns about the ability of online organizations to protect consumer data (Kumar, 2017).

As online business continues to grow, government and corporations alike develop regulations. Some of these rules may complicate business practices or raise operation costs, which can influence profitability margins.

6.6

Pestel - synthesis

The Pestel analysis allows to analyze and anticipate the opportunities and threats of a company's macro-environment (all external variables with an impact on the business). It distinguishes six

Categories of macro-environmental influences. We followed 3 steps:

Brainstorming & information searches in the media

Grouping factors to define trends

Define whether these factors/groups are opportunities or threats

political

Amazon's activities and development could be impacted by more or less aggressive protectionist policies. The United States is not a symbol of trade openness, other economic states follow suit and show their determination and claim their rank of great economic countries. The meetings of Donald Trump (president of the USA) with Xi Jinping (general secretary of the Chinese Communist Party) and Vladimir Putin (president of the Russian Federation) as well as the concerns of NATO indicate that the game of global alliances could change the balance through economic pressures and influence the rights and duties of large international groups like Amazon. It is especially true as substitutions to Amazon remain easily conceivable with finally fewer constraints (as long as the hypermarket and malls still exist). Sometimes political community can indirectly push towards e-commerce. For example, France has a specific government plan named "plan très haut débit" in which the French government wants to accelerate the 4G and optical fiber network deployment. This kind of political decision facilitates the access to the internet, so that all services based on the internet (e-business included).

Economical

Since the economic crisis of the beginning of the 1980-90s (stock market crash of October 1987), the world population consumes less and is back to an almost systematic search for the best deal. People want more comfort, always for the lowest price. The competition game pulls prices down (appearance of the "low cost" concept), and unsurprisingly, after the decrease of computers and internet accesses. Prices emerged systems of optimized supply chain sales such as Amazon (overpressure of intermediaries, removal of physical stores in the city). This movement is still ongoing (e.g., the recent democratization of smartphones and 4G packages) and is maintained by the disappearance of the middle class. Jeff Bezos is in some ways an "Edward Leclerc" (founder of the first French cooperative society and hypermarket chain) at worldwide network level. So we can think that Amazon has in front of it a very favorable economy to continue to grow up.

Social

As previously pointed out, the internet brings in more and more users because:

Subscriptions are becoming more affordable

People (assisted by governments and competition between internet service providers) have a better network coverage

The development of the goods and people movements at a global level means that we need global

networks to monitor them all the time and everywhere. All the countries around the world are opening up to the world, making large, formerly emerging countries new economic powers whose population is eager for new technologies, information and new services (e.g., China, India). Our modern societies (and our governments) tend to restore gender equality. With an ever-increasing life cost, couples see that both people have to work. Therefore, both man and woman are less and less at home. This societal evolution means that household chores such as errands become a waste of time that one would rather spend on leisure if possible. The e-commerce and the "drive-in solutions" area respond to this time optimization need. Beyond the search for "low cost", e-business has changed our societies and is now becoming unavoidable and inseparable from our modern consumption patterns. The consumer changes his habits according to the constraints he experiences in his environment, meaning that the consumer interest in e-commerce is not foolproof. The consumer behavior will evolve further in the coming years depending on the opportunities (e.g., technological developments, new services) that will minimize the impact of his daily constraints. One can also imagine that if the concept of a universal salary were to come into being (test case ongoing in Finland) and became global to the world, the constraints currently applied to the consumer would be turned upside-down and that he could then get some time again to hang out in physical stores and would turn away from e-commerce.

Technology

"All modern societies are characterized by a shortage of time: the more modern a society is, the less time it has. It is not the oil that we will miss one day, but rather the time" says the German sociologist and philosopher Hartmut Rosa. The more we innovate to do the things quicker (the more we save time), the less we have time per task (so the less we enjoy life, so the less we live). According to Hartmut Rosa, "acceleration is not the fault of the technique. One can imagine a world where, thanks to technical progress, it would be possible to release a surplus of time if the rate of growth were not so strong. Technical progress broadens our horizon and our possibilities. It changes the perception of opportunities and obstacles and also changes social expectations, both what we expect from others than what they expect from us. Technology allows the acceleration of the life beat, but does not impose it. It gives us the means to dispose of it freely". But it has yet to be implemented. Hundreds of innovations grew in the recent decades and even more will in the upcoming years. Innovations fuel innovation and today the devices to browse the internet are diverse: computers, tablets, hybrid computers, mobile phones,

Watches, etc. Channels are also more plentiful: adsl, cpl, optical fiber, 3g, 4g, etc. Over all, all these tools are more efficient and more effective. As a result, more data can be processed and potentially more users can be attracted. In addition, artificial intelligence (e.g., alexa) and “aws machine learning services” (making predictions more reliable) make it easier and more commonplace to buy.

“ the dream of modernity is that technology allows us to acquire temporal wealth. The idea behind it is that technical acceleration allows us to do more things per unit of time” wrote Hartmut Rosa.

Around 1900, an average house had 400 different objects. Today, it has about 10,000.

This quantitative

increase leads to have less time to take care of each object. We go faster with our computers, but we spend less time on it because we go from one to another all the time (due to the diversification of

Solutions): computers, tablets, connected watches, connected home, etc. Transportation is the same: switching from the “ 2c” to the “ ds7” allowed us to double our speed. But at the same time, we quadrupled distances when it comes to work, leisure and getting objects always further from home.

This technological springboard has still bright years in front of it because multiple leaps are already announced (cf. [https:// buzzly.fr](https://buzzly.fr)) as for example:

Unlimited data storage for all

The development of all kinds of sensors and connected clothes

The connected reading glasses

The generalization of the digital identity

Phones that will be more powerful than a microcomputer

Mobile phones implanted in the body

The realization of 3D printing for basic objects but also cars fully produced in 3D printing

The generalization of the means of sharing for transport.

And we can't imagine or anticipate the impact of nanotechnologies on innovations, business and the society. It's easy to see how these advances will continue to support Amazon's frenetic growth, unless our environmental concerns and the absolute need to preserve our planet (for our children's future) disrupt our consumption habits.

Environmental

This technical innovation acceleration, accompanied by an ever more targeted marketing favoring social competition, boosts the purchases. There is a real frenzy pushing to renew faster and faster our favorite products. Product lifetimes are shorter (sometimes voluntarily; see recent (in 2017) legal

Proceedings against apple and epson) and the products are of ten no longer "economically repairable"

(the repair cost is of ten higher than the oem production cost). This unbridled consumption draws on the resources of our planet and weakens its balance. It generates, despite the efforts of the Politicians, a lot of pollution during the manufacture, the distribution and the waste treatment. This pollution is at the origin of global warming that we know today and causes more and more natural disasters. CSR initiatives are becoming more and more frequent because, fortunately, more and more people and companies feel concerned and responsible for the future of our children. Even if all Countries (e.g., the USA during the G7) do not deploy the same energy, globally, government votes laws encouraging companies to reduce their ecological impact. These measures have a high cost and non-compliance with these laws potentially has a high power of nuisance on the corporate image of the offending company. American and international groups like Amazon have every interest in accelerating and anticipating their ecological expectations because their image is global and then we can only be convinced that US laws are bound to strengthen on the subject someday. The consumer also wants to participate in this mission. For example, brands of plastic garments such as Patagonia are growing, despite higher prices than the competition. Emails also sport more and more the "please consider the environment before printing" mention at their bottom. It is perhaps also for this reason that the consumer is moving more and more towards digital solutions such as e-commerce, considering that it is probably more environmentally friendly to use a carrier that will deliver several products to several people rather than having everyone to take his own vehicle to buy his object at the nearest mall.

Legal

Laws evolve to try to preserve our planet in the long term but they also evolve to deal with globalization. Since the 19th century with the corporate tax ceiling put in place by the state of New Jersey (USA), the major international groups are looking for the best organization of their "holding" allowing the best possible tax optimization (this is called aggressive optimization). Noting the millions (and sometimes the billions) of taxes that elude governments, they adapt regularly through lawsuits.

And new laws of tax laws more binding for companies. At a minimum, international groups must provision in the event that they are the subject of legal proceedings. They cannot ignore that social protection (even if it is not perfect) has made much progress (as for example in the USA) this last century. Even without mentioning universal arrangements (in terms of wages and social protection) as early as 2019, we can assume that states will have to be very imaginative to finance its social strategy in the upcoming decades. The companies' tax rates could then be revised upwards with a decrease of the net income after tax.

Major players in e-commerce industry :-



Problem definition

In india e-commerce evaluated like a giant with huge opportunity and success rate. There are so many big and small players in market .are they really going to sustain in market for a long Time and is there success rate for them. What are customer expecting for them and are they ready to fulfill their requirements. The study is to understand both parties' requirements and procedure.

Research

Business research can be described as a systematic and organized effort to investigate a specific problem that needs a solution. More specifically, it is a process of planning, acquiring and analyzing relevant data and information. We can define business research as an organized systematic, data-based, critical, objective, scientific problem undertaken with the purpose of finding answers to it. In fact, research provides the needed information that guides managers to make decisions. They can deal, successfully, with problems.

research comprises defining and redefining problems, formulating hypothesis or suggested solutions, collecting, organising, and evaluating data, making deductions and reaching conclusion.

Research methodology

Research is an art of scientific investigation. It refers to a search for knowledge. The advanced learner's Dictionary English lays down the meaning of research as, "a careful investigation or inquiry especially through search for new facts in any branch of knowledge."

Research methodology is a way to systematically solve the research problem. The research begins its formation when the problem or objective of the research is identified for which a research report is conducted.

Types of research:-

Descriptive:- descriptive research includes surveys and fact-finding enquiries of different kind. The major purpose of descriptive research is description of the state of affairs as it exists at present. The main characteristic of this method is that the researcher has no control over the variables; he can only report what has happened or what is happening.

Analytical:- in analytical research, the researcher has to use facts or information already available, and analyze these to make a critical evaluation of material.

Applied:- it aims at finding a solution for an immediate problem facing a society or an organization/business organization.

Fundamental:- fundamental research is mainly concerned with generalizations and with the formulation of a theory. Research studies concerning human behaviour carried on with a view to make generalisations about human behaviour is an example of fundamental research.

Qualitative:- it is concerned with qualitative phenomenon, i.e., phenomena relating to or involving quality or kind. For instance, when we are interested in investigating the reasons for human behaviour (i.e. Why people think or do certain things), we quite often talk of 'motivation research', an important type of

qualitative research.

Conceptual:-conceptual research is that related to some abstract idea(s) or theory.

It is generally used by philosophers and thinkers to develop new concepts or to reinterpret existing ones.

Empirical:-empirical research relies on experience or observation alone, often without due regard for system and theory. It is data-based research, coming up with conclusions which are capable of being verified by observation or experiment.

Research design:-

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data.

Different types of research design are as follows:-

Research design in case of exploratory research studies.

Research design in case of descriptive studies.

Research design in case of diagnostic research design.

Research design in case of hypothesis-testing research design.

In this study descriptive research studies are used because descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or a group and situation etc.

The design in such studies must focus attention on the following or process in descriptive research design is as follows:-

For multiplying the objective of the study.

Designing the methods of data collection.

Selecting the sample

Collecting the data.

Processing and analyzing the data.

(f) reporting the findings.

Sources of data:-

The task of data collection begins after a research problem has been defined and research design plan chalked out. basically two types of data are available to the researcher namely:-

Primary data:- we collect primary data during the course of doing experiments research but in case we do research of the descriptive type and perform surveys, whether sample survey or census surveys, then we can obtain primary data either through observation or through direct communication with respondents in one form or another or through personal interviews.

Secondary data:- secondary data means data that are already available i.e., they refer to the data which have already been collected and analyzed by someone else.

In the present study, primary as well as secondary data has been used.

Sample design:-

In most of the research design it becomes almost impossible to examine the entire universe. So the only alternative is to resort to sampling. This is true for the present study as well. basic principles to be followed in sampling are that the sample chosen must be representative of entire universe to be studied.

Universe and survey population:- universe is the set of objective to be studied. it can be finite and infinite. and survey population is a part of universe that represents the whole universe.

In this present study universe is 120 and survey population is 50 peoples.

Sample size:-

In this present study we have taken the sample size of 50 peoples to get their views regarding online shopping.

Sampling method:-

in the present study, convenience sampling method has been used.

Data collection method:-

In dealing with any real life problem it is often found that data at hand are inadequate, and hence, it becomes necessary to collect data that are appropriate. There are several ways of collecting data which differ considerably in context of a survey, data can be otherwise resources at the disposal of the researcher.

Primary data can be collected through various methods like:-

- Questionnaire method
- Observation method
- Through schedules
- Interview method

In the present study primary data is collected through:- questionnaire.

Secondary data can be collected through various methods like:-

- Magazines
- Newspapers
- Websites books

In the present study secondary data is collected through:-

- Different websites
- Company journals
- Books

data processing

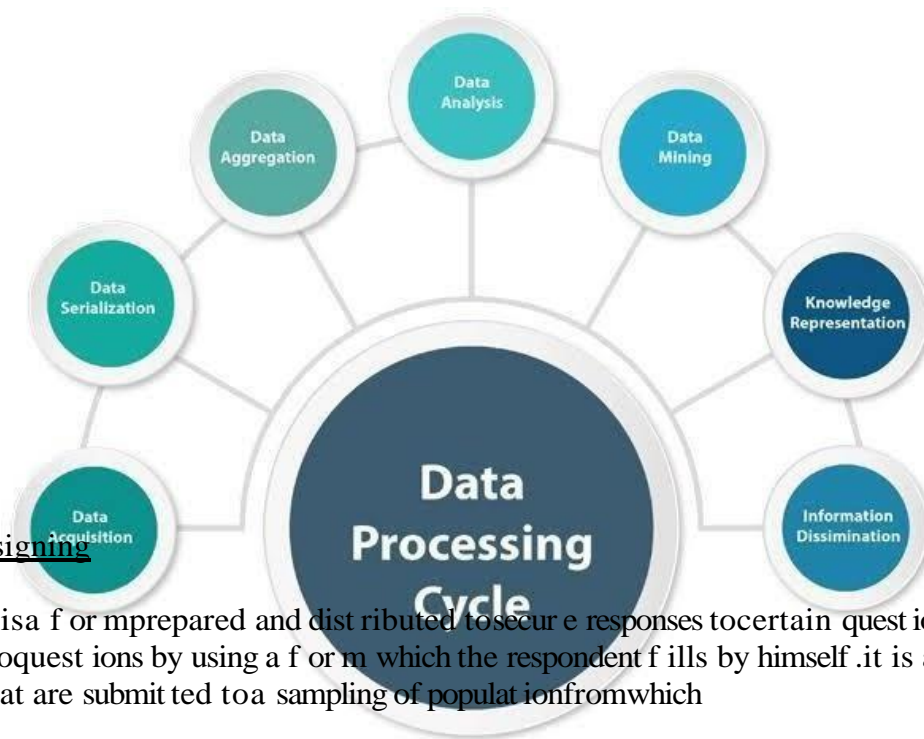
Editing, classification, coding and tabulation are the important stages in research. It is at this stage the mass of data collected during the survey is processed with a view to reducing them to manageable proportions. In other words, the data processing which encompasses editing, coding, classification, and tabulation, is an intermediary stage between the collection of data and their analysis and interpretation.

Thus, these are the three crucial stages in the processing of social survey data. Stages in data processing:-

Editing

Classification

Tabulation
4) coding



Questionnaire designing

. A questionnaire is a form prepared and distributed to secure responses to certain questions. It is a device for securing answers to questions by using a form which the respondent fills by himself. It is a systematic compilation of questions that are submitted to a sampling of population from which

information is desired.

Purpose of questionnaire are two fold:

To collect information from the respondents who are scattered in a vast area.

To achieve success in collecting reliable and dependable data. The questionnaire procedure normally comes into use where one cannot readily see personally all of the people from whom he desires response of where there is no particular reason to see them personally.

Questionnaire design process:

Type of information needed

Method of interview

Contents of individual question

Question structure

Question wording

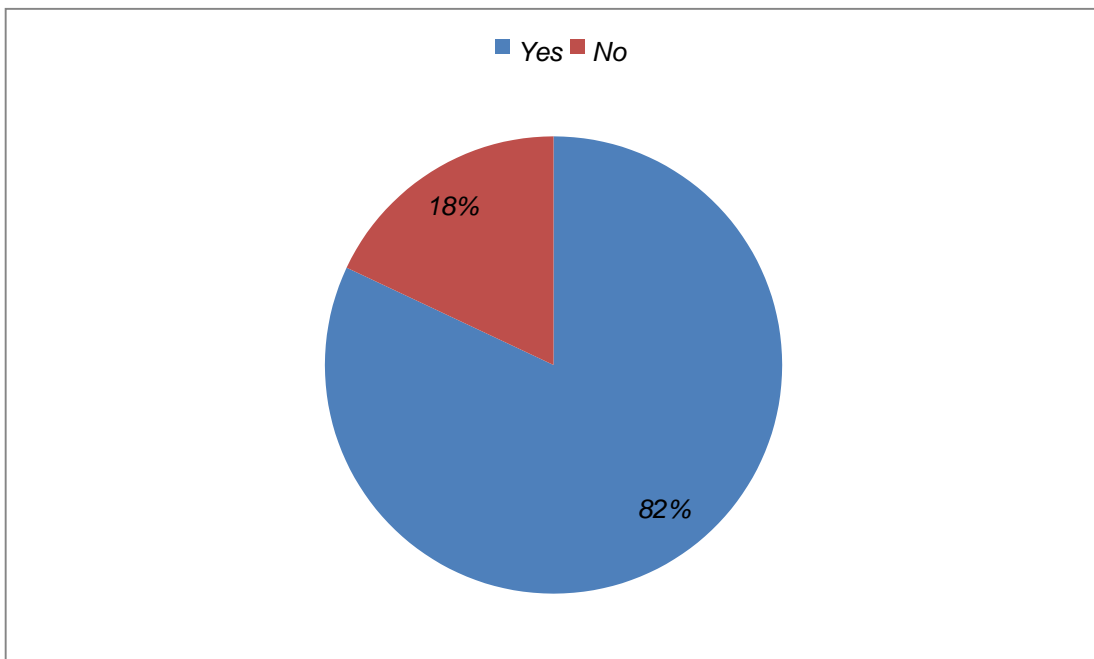
Arranging questions in order.

Research design	Descriptive
Collection of data	Primary data, secondary data
Sample size	50 respondents
Sampling unit	Individual
Sampling type	Convenient sampling
Area of study	Study area is limited to one part
Analysis pattern	Pie charts
Method of data collection	Questionnaire method

Data analysis & interpretation

Have you ever done online shopping?

Options	Respondents	%age
Yes	41	82%
No	9	18%
Tot al	50	100%



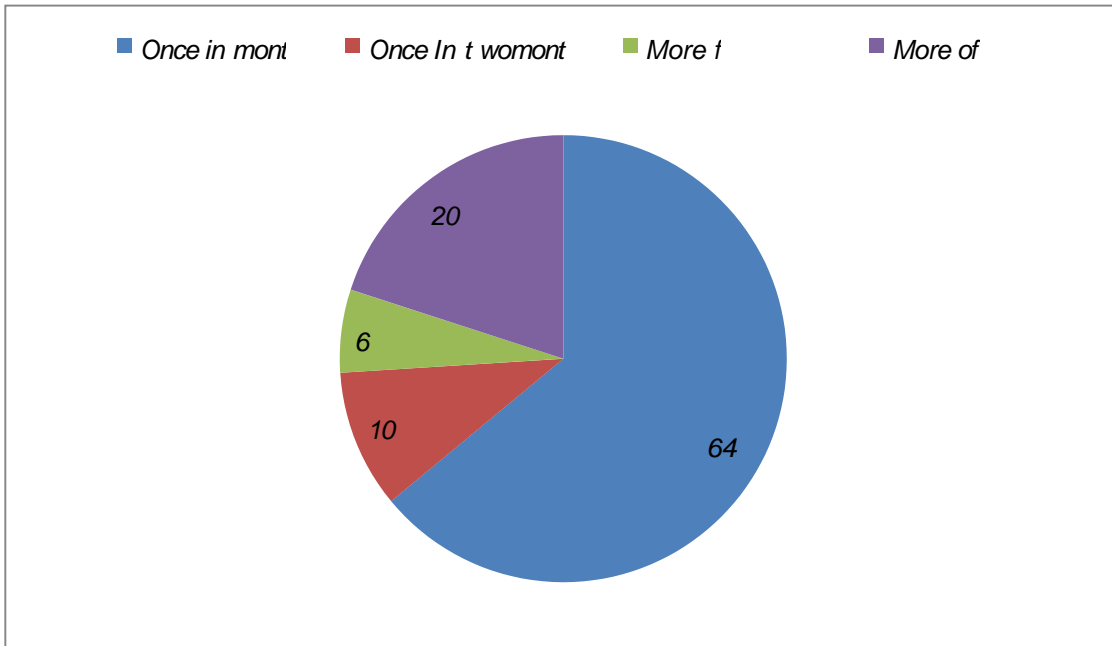
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Interpretation:-

82% of people shows interest in online shopping, on the other hand, 18% of people does not want to shop online.

How often do you shop?

Once in month	32	64%
Once in two month	5	10%
More frequently	3	6%
More of ten	10	20%
Total	50	100%

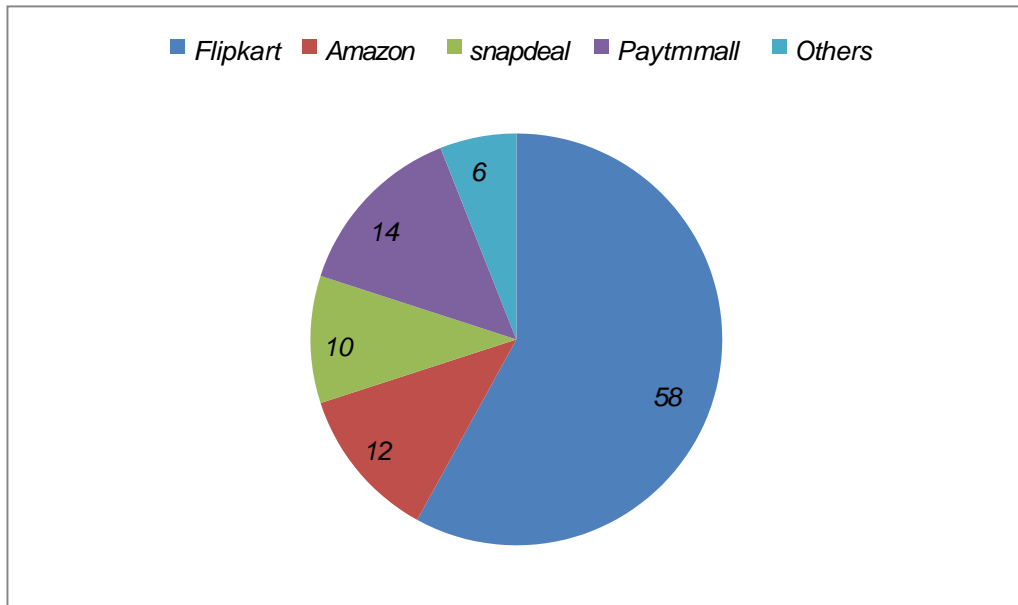


Interpretation:-
 64% of peoples shop online once in month, 10% of peoplesoncein t womont hs,6%ofpeoplesmore frequently,and20%ofpeoplesshoponline moreoften.

Whichonlinesite doyouprefer most?

Options	Respondents	% age
Flipkart	29	58%
Amazon	6	12%
Snapdeal	5	10%
Paytm mall	7	14%

Ot hers	3	6%
Tot al	50	100%



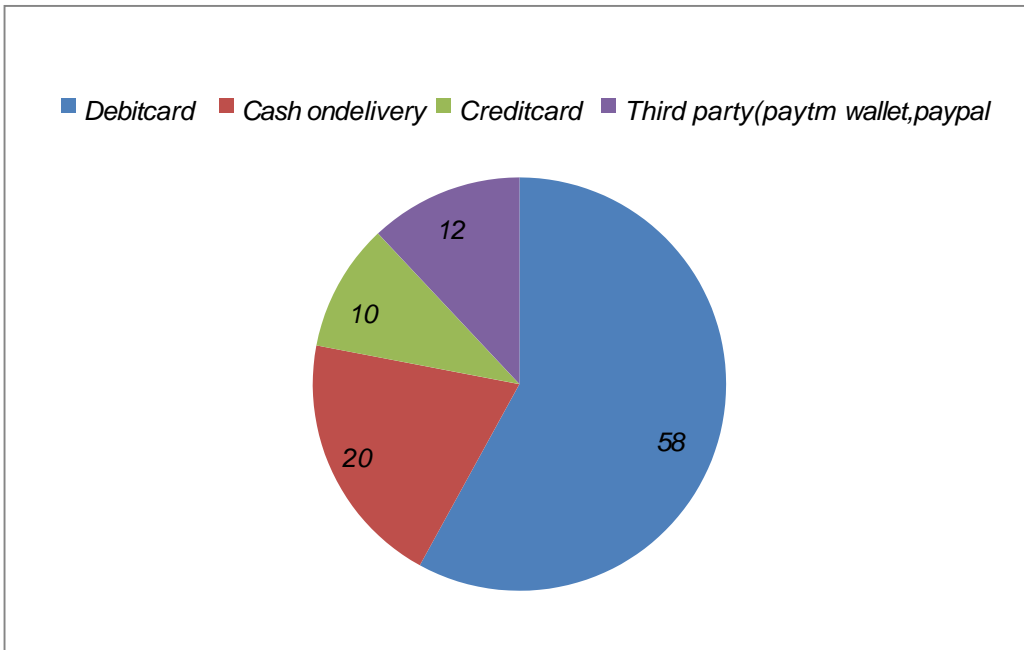
Interpretation:-

58% of peoples prefer lipkart online site while making shopping online, 12%peopleusesamazon,10%ofsnapdeal,14%ofpeoplesusespaytm mall,and 6%ofpeoplesusingotherswebsites.

Howdoyoumakepaymentswhenshoppingonline?

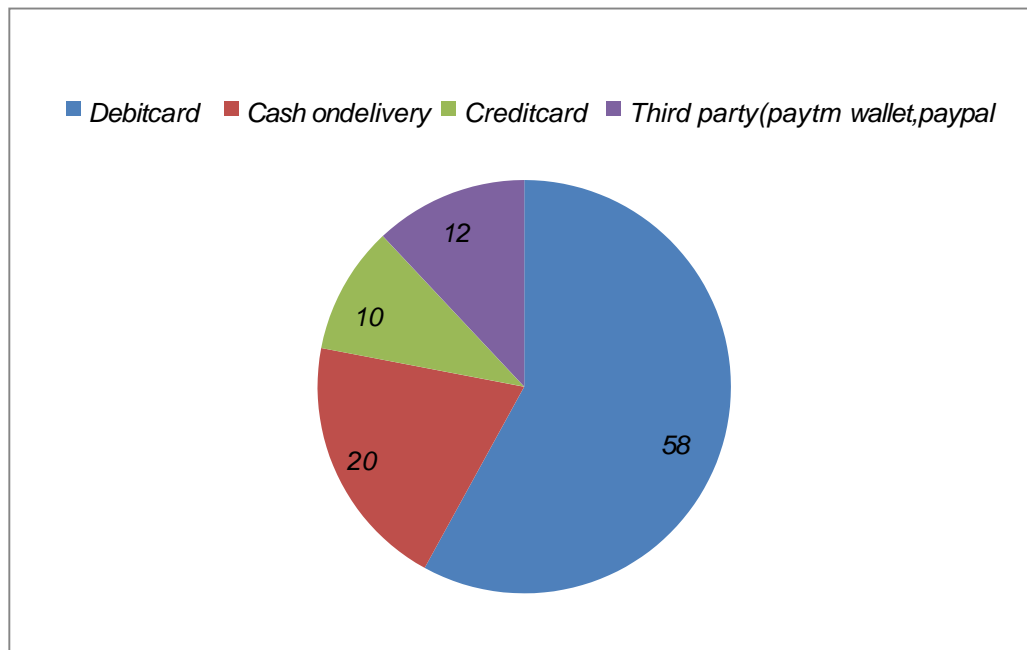
OPTIONS	RESPONDENTS

Debit car d	29
Cash on delivery	10
Credit car d	5
Thir d par ty(payt mwallet ,paypal et C.)	6
Tot al	50



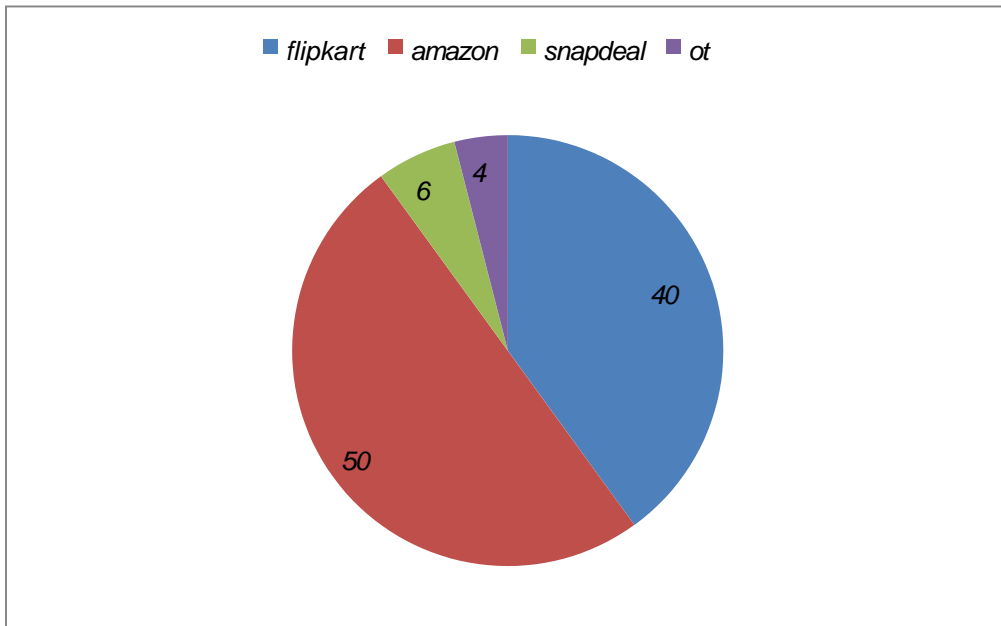
How do you do payments during shopping online?

Options	Respondents
Debit card	29
Cash on delivery	10
Credit card	5
Third party (payment wallet, paypal et C.)	6
Total	50



Which online service is more satisfied in terms of products customer care and delivery?

Options	Respondents
Flipkart	20
Amazon	25
Snapdeal	3
Others	2
Total	50

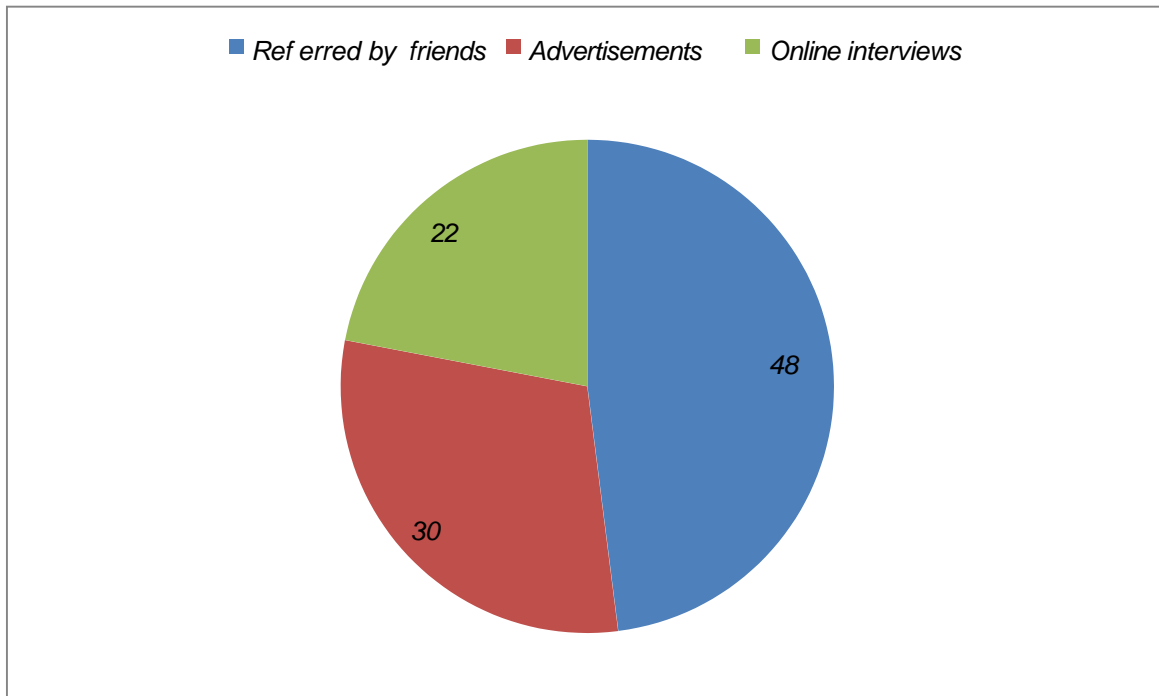


Interpretation:-

40% of people is more satisfied in terms of products, customer care & delivery services from Flipkart, 50% of people with Amazon, 6% of people with Snapdeal, and 4% of people with others.

How do you choose online shopping site?

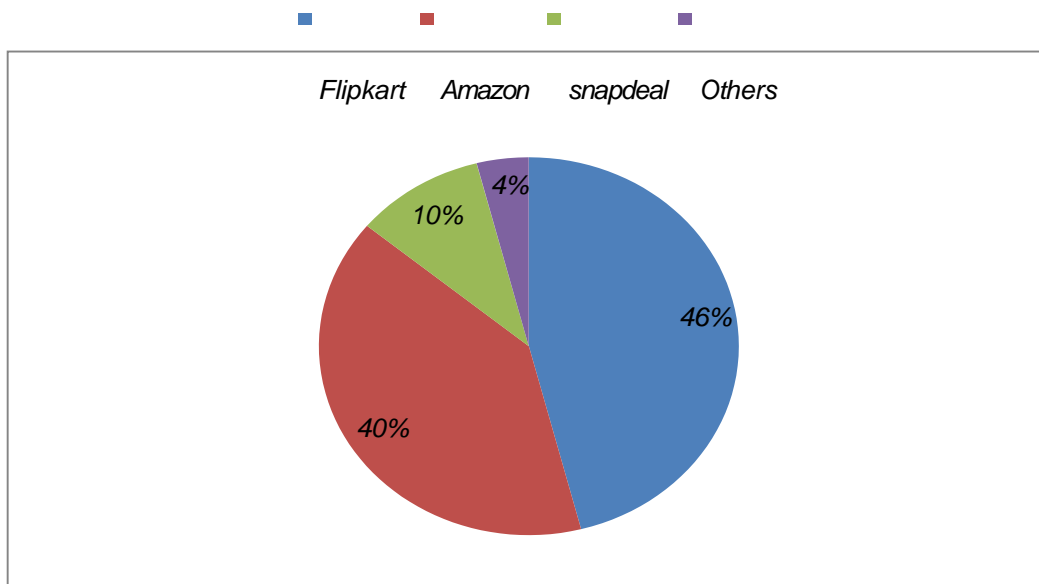
Options	Respondents	% age
Referred by friends	24	48%
Advertisements	15	30%
Online interviews	11	22%
Total	50	100%



Interpretation:-
48% of people choose online shopping site from referred by friends, 30% of people from advertisements, 22% of people from online interviews.

Have you ever encountered problems with online shopping? if yes, by which one?

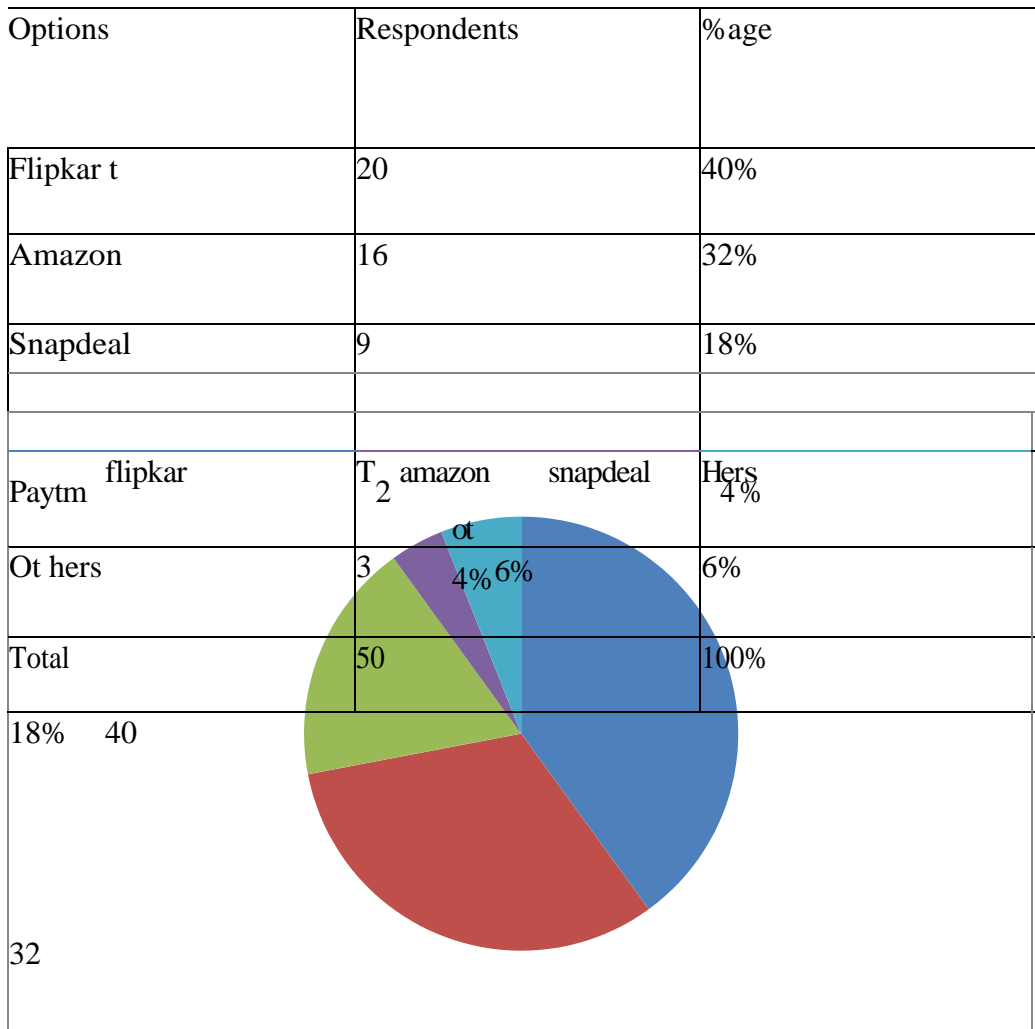
Options	Respondents	%age
Flipkart	23	46%
Amazon	20	40%
Snapdeal	5	10%
Others	2	4%
Total	50	100%



Interpretation:-

46% of peoples have problems with flipkart, and 40% of peoples with amazon, 10% of peoples with snapdeal, and 4% with online shopping sites.

Q.10 which online shopping site will you suggest to your family and Friends?

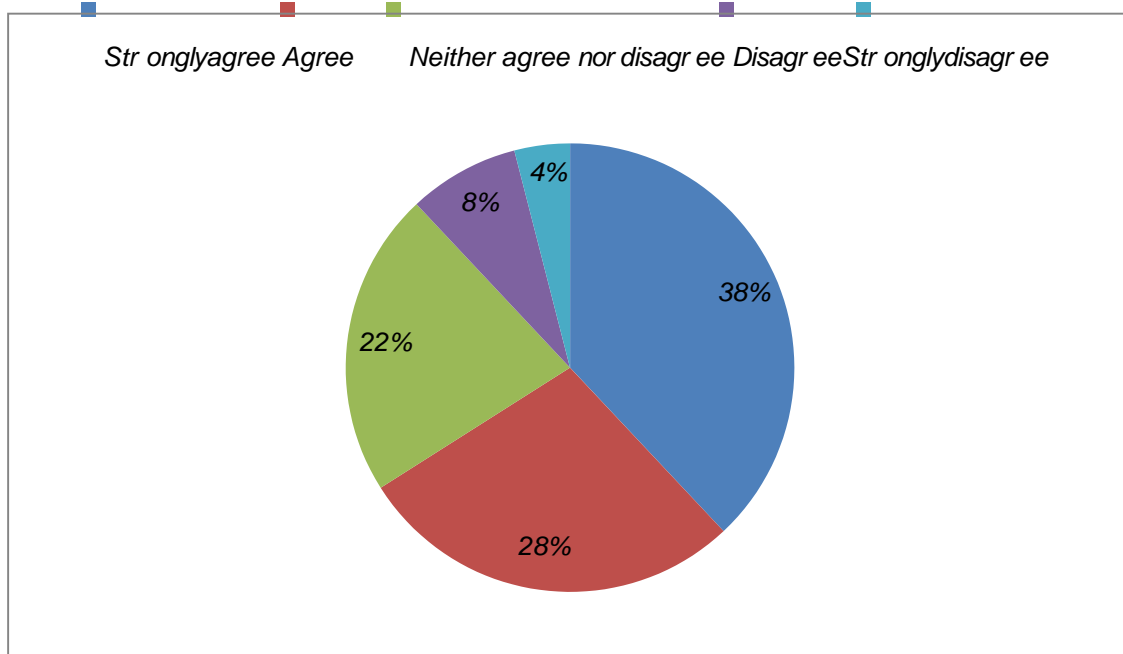


Interpretation:-

40% of peoples suggest sf lipkar t totheir f amily and f r iends, 32% of peoples suggest amazon, 18% of peoplesnapdeal, 4% of peoples paytm, and 6% of peoples suggest ot her s.

Q. 11 does promotional activities create impact on you ?

Options	Respondents	%age
Str ongly agree	19	38%
Agree	14	28%
Neither agree nor disagr ee	11	22%
Disagr ee	4	8%
Str ongly disagr ee	2	4%
Tot al	50	100%



Interpretation:-

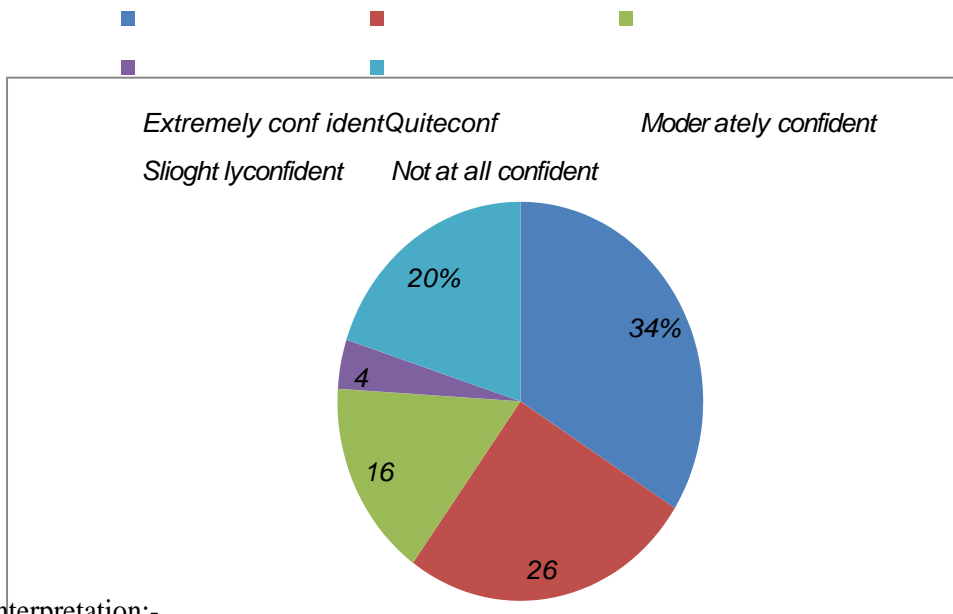
38% of people are strongly agree with they make purchasing decisions due to promotional activities, 28% of people are agree, 22% of people are neither agree nor disagree, 8% of people are disagree, and 4% of people are Strongly disagree.

Q.12 how confident are you that your personal information is confidential when your purchasing online ?

Options	Respondents	% age
Ext remely Conf ident	17	34%
Quite conf ident	13	26%



Moderately confident	8	16%
Slightly confident	2	4%
Not at all confident	10	20%
Total	50	100%



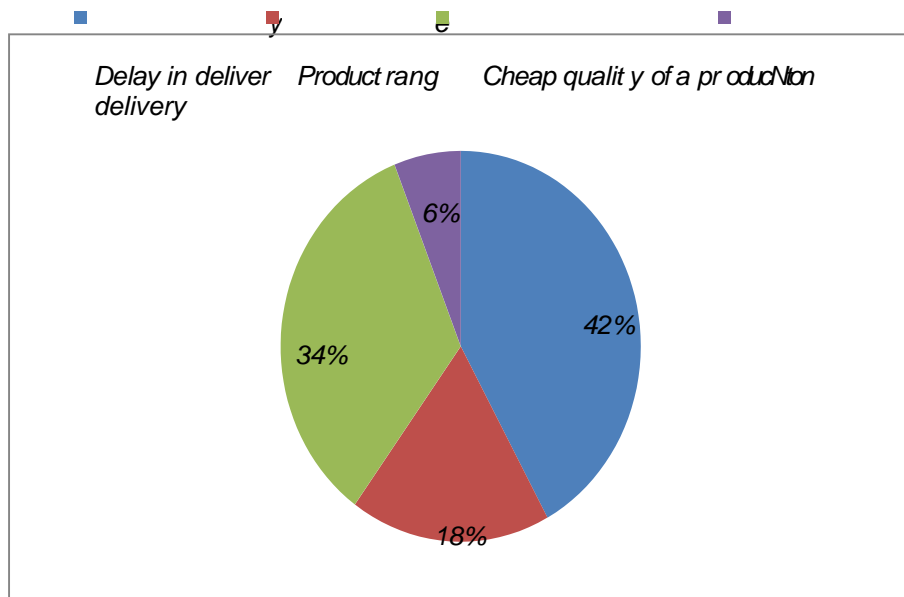
interpretation:-

34% of peoples are extremely confident with their personal information is kept confidential when purchasing online, 26% of peoples quite confident, 16% of peoples are moderately confident, 4% of peoples are slightly confident, 20% of peoples not at all confident.

Q13:-what kind of problem did you face most while doing online?

Options	Respondents	%age
---------	-------------	------

Delay in delivery	21	42%
Product range	9	18%
Cheap quality of a product	17	34%
Non delivery	3	6%
Total	50	100%



Interpretation:-

42% of peoples faced problem with delay in delivery, 18% of peoples faced problem of product range, 34% of peoples cheap quality of a product ,
 And 6% of peoples faced non delivery of products.

Analysis

Findings, suggestions, conclusion

Findings

82% of people shows interest in online shopping, on the other hand, 18% of people does not want to shop online. 64% of people shop online once in month, 10% of people once in two months, 6% of people more frequently, and 20% of people shop online more often.

58% of people prefer flipkart online site while making shopping online, 12% people uses amazon, 10% of snapdeal, 14% of people uses paytm mall, and 6% of people using others websites.

58% of people make payment through debit card, 20% of people choose the cash on delivery, 10% of people using credit card services, 12% of people uses other payment methods

40% of people is more satisfied in terms of products, customer care & delivery services from flipkart, 50% of people with amazon, 6% of people with snapdeal, and 4% of people with others.

48% of people choose online shopping site referred by friends, 30% of people from advertisements, 22% of people from online interviews.

46% of people have problems with flipkart, and 40% of people with amazon, 10% of people with snapdeal, and 4% with online shopping sites. 32% of people are satisfied with the pricing strategies of flipkart,



38% of peoples with amazon, 14% with snapdeal, 10% with paytm, 6% of peoples are satisfied with pricing of others. 40% of peoples suggest flipkart to their family and friends, 32% of peoples suggest amazon, 18% of peoples snapdeal, 4% of peoples

Paytm, and 6% of peoples suggest others.

42% of peoples want to make purchase on festivals, 24% of peoples purchase or receiving gifts, 16% of peoples for offers, 10% on

Weddings, 8% of peoples on others.

38% of peoples are strongly agree with they make purchasing

decisions due to promotional activities, 28% of peoples agree, 22% of peoples

are neither agree nor disagree, 8% of peoples are disagree, and 4% of peoples are strongly disagree.

34% of peoples are extremely confident with their personal information is kept confidential when purchasing online, 26% of peoples quite confident, 16% of peoples are moderately confident, 4% of peoples are slightly

Confident, 20% of peoples not at all confident.

42% of peoples faced problem with delay in delivery, 18% of peoples faced problem of product range, 34% of peoples cheap quality of a product, and 6% of peoples faced non delivery of products.

24% of peoples are satisfied with flipkart, 36% of peoples with amazon

, 20% with snapdeal, and 20% of peoples with others are satisfied most for receiving after sales assistance.

Suggestions



Flipkart is performing ok but not good enough. There are so many cases where people felt that packing might have been better than this. Either it may be big or small/expensive or not product has to be treated with care. Some of the products mostly apparel's are returning out with original cover of supplier, which shows negligence of them. In this issue Amazon made a mark among us, because whatever the product is their packing will obviously be safe and secure.

Conclusion

The study consisted with all the workflows of major e-commerce players in India, Flipkart and Amazon. How they are performing and how they are running perfectly in the competitive world has been explained. The innovative thinking of them to reach more and more consumers is appreciable. They increased their network as much as possible with ultimate aim of reaching more and more consumers. They made consumers work more easy and comfortable. In this competitive market one has to be lead and rest will follow. Based upon consumer's survey we got our clear winner and it is Amazon. Even though it is an international company it understood Indians very well and made its roots stronger in India. Flipkart is also giving very tough competition to Amazon even though it is a new company when compared to Amazon. Maybe it takes some time to overcome, but definitely they are doing very well in Indian e-commerce market.

Websites:

www.google.comwww.scribd.comwww.slideshare.comwww.academia.edu.comwww.flipkart.inwww.amazonindia.com

Books:

Marketing management author:-phillipkotlermarketing management author:- c.b gupta
Publication:-sultan chand & sons - tb

Magazines and journals:

Newspapers and publishers company info. Guides academic journals





VIGNAN'S
Foundation for Science, Technology & Research
(Deemed to be University)
-Estd. u/s 3 of UGC Act 1956

A FIELD PROJECT REPORT
ON
A STUDY ON EMPLOYEE JOB SATISFACTION WITH RESPECT TO SERVICE
SECTOR

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR

BACHELOR OF BUSINESS ADMINISTRATION

TO

T SRINIVAS RAO (221FC01131)
A PAVAN NAGA VENKATA SEKHAR (221FC01133)
S SIVA SHANKAR (221FC01134)
CH SRIKANTH (221FC01136)
P GANESH (221FC01137)

UNDER THE GUIDANCE OF
DR. SK MAHABOOB SYED
ASSISTANT PROFESSOR



VIGNAN'S
Foundation for Science, Technology & Research
(Deemed to be University)
-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES
VFSTR DEEMED TO BE UNIVERSITY
VADLAMUDI, GUNTUR DISTRICT
ANDHRA PRADESH INDIA- 521113

APRIL 2023



DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled A Study On Employee Job Satisfaction With Respect To Service Sector Submitted By T Srinivas Rao, A Pavan Naga Venkata Sekhar, S Siva Shankar, Ch Srikanth, P Ganesh Bearing The Regd. No. 221fc01131, 221fc01133, 211fc01134, 211fc036, 211fc01137 from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

A blue ink signature of the guide, written in a cursive style.

SIGNATURE OF THE GUIDE

A blue ink signature of the HOD/MBA, written in a cursive style.

HOD/MBA

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ABSTRACT

Job satisfaction is main important aspect in any organisation for employees. It is defined as the extent to which an employee feels self-motivated, content and satisfied with his/ her job. Job satisfaction happens when an employee feels he or she is having stability, career growth and a comfortable work life balance. A satisfied employee would have an emotional bond with the organisation and takes pride in their membership, which paves way to keep up industrial integrity and high morale. Job satisfaction is a crucial subject of attention which is very considered by the higher authorities, policy makers and top executives because this issue is related to many other significant and important issues of organisations. It is very important issue nowadays when organisations are facing with many types of employee related problems and challenges i.e.; organisational performance, organisational commitment, employee turnover, employee productivity. Moreover, job satisfaction has its impact on the general life of the employees also, because a satisfied employee is a contented and happy human being. A highly satisfied worker has better physical and mental well being. Its mainly focus on employee absenteeism, higher productivity and turnover. This study tries to find out the factors determines job satisfaction and the way it influences productivity in the organisation. The data were collected from employees and sample size is 100-150. The study also attempts to analyse the opinion of employees towards the working life in the company.

KEYWORDS: Job satisfaction, Employee performance, Work life balance, Employee productivity, Employee absenteeism and Turnover intention.

OBJECTIVES OF THE STUDY:

- To study the employee perception towards organisation.
- To measure the employees job satisfaction level.
- To identify the factors that motivates the employees.
- To give suggestion for growth and perspective of company.

OUTCOMES OF THE STUDY

- In this survey, most of the employees working experience between 0-3 years.
- Employees working environment is very participative and this is the good thing for employees to do better work in organisation.
- Employees are not much satisfied with the top management there is a slight difference between agree & neutral with the top management.
- Employees are not satisfied about their working hours.
- Employees perception is to perform their duties effectively they need some necessary authority.
- In the point of view, some of the employees will get rewards and appreciation due to their work base.
- According to this survey, employees feel like there may or may not be involve employees in the top management decision.

CHAPTER-1

INTRODUCTION

Job satisfaction means a person's feeling or perception towards the nature of their work. Now-a-days job is an important aspect of every individual's life. Job satisfaction can be measured in three components like cognitive, effective and behavioural components. As well as most researched subjects in the area of organisation is "Job satisfaction." In any organisation the person who are not satisfied with their job and may have an issue due to any reason, try to solve their problem why because it may reflects to the organisation. Job satisfaction involves working condition, training and development, pay and allowances etc. Employee happiness is also tied to productivity. If an employee is having stability, career growth and comfortable work life balance then the job satisfaction happens. Job satisfaction plays a crucial role in any organisation.

Importance of job satisfaction:

A satisfied employee is always important for an organisation as he/she aims to deliver the best of their capability. Every employee wants a strong career growth and work life balance at workplace. If an employee feels happy with their company & work, they look to give back to the company with all their efforts.

Importance of job satisfaction can be seen from two perspectives i.e. from employee and employer perspective.

FOR EMPLOYEES: Job satisfaction from an employee perspective is to earn good gross salary, have a steady career growth, get rewards & recognition and constantly have new opportunities.

FOR EMPLOYERS: For an employer, job satisfaction for an employee is an important aspect to get the best out of them. A satisfied employee always contributes more to the company, helps control attrition & helps the company grow. Employers need to ensure a good description to attract employees and constantly give opportunities to individuals to learn and grow.

POSITIVES EFFECTS OF JOB SATISFACTION INCLUDE:

1. Higher employee loyalty leading to more commitment.
2. More efficiency of employees of workplace if they are satisfied with their job.
3. Job satisfaction of employees eventually results in higher profits for companies.
4. High employee retention is possible if employees are happy.

Components of job satisfaction are:

Evaluative component: An individual's overall responses to the employing organisation is summarised in the evaluative component.

Cognitive component: An individual's perceptions, opinion, beliefs and expectations regarding the organisation are the focus of his or her cognitions.

Affective component: This component represents the feeling induced by the organisation.

Factors Determining Job Satisfaction:

There are various factors which are effecting the job satisfaction. However, some of the important factors that determine job satisfaction of the employees in the organisation are as under:

1. WORK CONTENT: Work content itself is a major source of satisfaction. The content of work should be interesting and encouraging and have variety inbuilt in it so that it is not boring. However, the job should be moderately tough so that the individual has to stretch his ability, imagination and skills.

2. PAY & PROMOTION POLICY: Salary and wages play decisive part in the study of job satisfaction. Apart from financial benefits, organisation must provide adequate perks and non-financial benefits so that they are motivated and display high level of satisfaction.

3. SUPPORTIVE WORKING CONDITION: Working conditions have a modest but lasting effect on job satisfaction. Due to fast development of technology, it is necessary that the organisations are operating on upgraded technology, latest systems and procedures.

4. WORK GROUP: The work group is very essential for job satisfaction. The group of having multi-skilled persons with one goal will be able to function effectively if they are friendly and co-operative.

5. SUPERVISION: It is one of the moderate factors, which effect job satisfaction. Supervisors should be available for advice, guidance and problem solving.

6. PROMOTION CHANCES: Promotional opportunities affect job satisfaction considerably. There is no surprise that the employee takes promotion as the ultimate achievement in his/her career and when it is realised, he or she feels extremely satisfied.

HOW JOB SATISFACTION BENEFITS THE COMPANY:

Job satisfaction is a result of an employee's perception of how well their job provides those things that are viewed as important. High employee's job satisfaction benefits the company as it leads to improving productivity, decreased turnover and less job stress.

It is generally recognised in the organisational behaviour field that job satisfaction is the most important and frequently studied attitude.

At large, organisational performance seems to be single most important aspect of an organisation.

Research has conducted that there is a relationship between job satisfaction and performance of the employees. There are two basic views of satisfaction and performance they are inverted to one another.

One believes that satisfaction leads to performance, while the other believes performance leads to satisfaction.

If employees feel that their jobs are fun and interesting, they will be more willing to give extra effort to work for the benefit of the whole organisation.

1. SATISFACTION AND PRODUCTIVITY:

Based on research carried out in Hawthorne studies, further research to prove that “happy workers are productive” was carried out, which has been proved negative. Based on the conclusion of Hawthorne studies, managers began their efforts to make their employees happier by improving work conditions, providing Laissez-faire type of leadership, expanding various facilities to the workers, but it has been found that there is no direct relationship between happiness and productivity.

Robins concluded that productive workers are likely to be happy workers. Further research on the subject suggests that organisation having happy workers might have increased productivity. On individual level it may not be true due to complexity of environment, work processes, various systems and subsystems having impact on the individual employee.

However globalisation, speed of machines and knowledge explosion, impact of media on workers, social awareness and high expectations of employees to meet social obligations are important factors to ensure high satisfaction level of employees. While evolving industrial practices, above factors should be considered favourably and employee growth achieved so the organisations grow automatically.

2. JOB SATISFACTION AND ABSENTEEISM:

There is an inverse relationship between satisfaction and absenteeism. When workers are more satisfied the absenteeism is low. When satisfaction level is low absenteeism tends to be high. There are certain moderating variables like sick leave and degree to which people feel that their jobs are important.

Where there is a provision for sick leave, employees would take benefit and absent themselves. As far as the importance of work is concerned, it has been observed that people attend to their work when it is important to accomplish. Employees having high satisfaction would not necessarily result into low absenteeism but those having low satisfaction level would definitely have high absenteeism.

3. SATISFACTION AND TURNOVER:

It has been found that employees who are not satisfied with their jobs will have high turnover. Employees who are satisfied will not have high turnover. Satisfaction is also negatively related to turnover but the co-relation is stronger than what we found in absenteeism. Employee performance is a moderating factor of the satisfaction – Turnover relationship.

High employee turnover is a matter of concern for the management as it disrupts the normal operations and continuous replacement of employees who leave the organisation is costly and technically undesirable.

Though high job satisfaction in itself cannot keep the turnover low, but considerable job dissatisfaction will increase employee turnover.

On an overall basis, we can say that there is an important role played by job satisfaction in employee turnover.

REDUCES THE LEVEL OF UNIONISATION:

It has been proved that the satisfied employees are generally not interested in unions and they do not perceive them as necessary. Job satisfaction has proved to be the major cause of unionization.

The employees join the unions because they feel that individually they are unable to influence changes which would eliminate the causes of job dissatisfaction.

The level of union activities is related to the level of job dissatisfaction. A low level of dissatisfaction results in only grievances while higher levels of dissatisfaction will result in employee strikes.

HELPS TO CREATE A BETTER WORKING ENVIRONMENT:

When employees are enjoying a higher degree of job satisfaction they tend to be more helpful and friendly to their colleagues at work. This helps to promote teamwork where sharing of information and knowledge is enhanced.

Moreover, studies have shown that job satisfaction among employees may lead to a better and safer working environment with lesser negative conflicts.

EMPLOYEE SATISFACTION CAN LEAD TO CUSTOMER SATISFACTION

Employees that are happy in their work not only stay with the company and boost productivity; they also can help to maintain a happy customer base as well.

Satisfied employees are more likely to be friendly, upbeat and responsive which customers appreciate. Satisfied employees are less prone to turnover, customers are more likely to encounter familiar faces and receive experienced service.

These qualities build customer satisfaction and loyalty.

GROWTH:

The performance of an organisation is often measured by growth. Satisfied employees are more likely to be loyal to the organisation.

Many factors such as their satisfaction of work, social satisfaction and rewards are few. In most models, the primary focus is on a reward structure that motivates employees. Organisationally speaking, a high level of job satisfaction reflects a highly favourable organisational climate resulting in attracting and retaining better workers.

So, it does not take a lot of thought to realize that if someone has a high level of job satisfaction, they will probably have a high level of performance. On the other hand, if someone is not satisfied with their job, they probably will not have the same high level of performance.

Finally an improved organisational model could provide a better connection for organisations between job and organisational attitude and organisational performance.

THEORIES OF JOB SATISFACTION:

Job satisfaction theories help to identify what factors are influencing job satisfaction and what can be done to get higher employee job satisfaction.

Satisfaction is a psychological sector. It cannot be seen and cannot quantify. But its expression in the human mind is understandable.

When an employee is satisfied with his assigned task and can discharge his responsibility satisfactorily, it is called job satisfaction.

The most common and prominent job satisfaction theories are;

1. Maslow's needs hierarchy theory,

2. Herzberg's motivator-hygiene theory,

3. Job characteristics model,

4. Dispositional Approach

1. Maslow's needs hierarchy theory: The theory suggests that human needs form a five level hierarchy consisting of psychological needs, safety, belongingness/love, esteem and self-actualization. Maslow's needs hierarchy was developed to explain human motivation in general. However, its main tenants apply to the work setting and have been used to explain job satisfaction.

Within an organisation, financial compensation and health care are some of the benefits which help an employee meet their basic physiological needs.

Safety needs can manifest itself through employees feeling physically safe in their work environment, as well as job security. Once satisfied, the employee will seek to feel as though they are valued and appreciated by their colleagues and their organisation.

The final step is where the employee seeks to self-actualize, where they need to grow and develop to become everything they are capable of becoming.

2. Motivator- hygiene theory: This theory suggests that job satisfaction and dissatisfaction are not two opposite ends of the same continuum, but instead are two separate and at times even unrelated concepts.

Motivating factors like pay and benefits, recognition and achievement need to be met for an employee to be satisfied with work. On the other hand, at the absence of hygiene factors employees will be dissatisfied with their jobs.

3. Job characteristics model: The job characteristics model explains that job satisfaction occurs when the work environment encourages intrinsically motivating characteristics.

Five key job characteristics; skill variety, task identity, task significance, autonomy and feedback, influence these psychological states.

Subsequently the three psychological states then lead to several potential outcomes, including job satisfaction. Therefore from an organisations point of view, it is thought that improving the five core job dimensions will subsequently lead to better work environment and increased job satisfaction.

4. Dispositional approach: It is a very general theory that suggests that people have innate dispositions that cause them to have tendencies toward a certain level of satisfaction, regardless of one's job.

This dispositional approach suggests that job satisfaction is closely related to personality. The evidence for this approach can be divided into indirect studies and direct studies.

Judge and colleagues have reviewed these areas in greater detail. The indirect evidence comes from studies that do not explicitly measure personality. This even includes significant employment changes, such as changes in employer or occupation.

People tend to evaluate their work experience in terms of liking or disliking their jobs and develop feelings of satisfaction or dissatisfaction regarding their job, as well as the organisation in which they work.

Many probable influences affect how favourably an individual appraises his or her job. This is also important for the organisation to retain valued employees.

CHAPTER-2

REVIEW OF LITERATURE

BRIKEND AZIRI: This paper states that job satisfaction and it represents one of the most complex areas facing today's managers when it comes to managing their employees. As well as, many studies state's that there is a huge impact on the job satisfaction on the motivation of workers, while the level of motivation has an impact on productivity, and also performance of business organisations.

MM PARVIN, MMN KABIR: This paper is involving that to evaluate job satisfaction in various pharmaceutical companies. It mainly focuses on job satisfaction factors and to investigate the impacts of pharmaceutical type, work experience, age etc. towards job satisfaction. In this paper, pharmaceutical sector is at positive level among overall job satisfaction of employees.

RL SNIPES, SL OSWALD, M La TOUR: This paper discusses about job satisfaction facets may have a huge effect on service quality than others. There is a unique point in this study i.e. design and also employee level data is analysed in this paper.

ABDUL RAZIQ, RAHEELA MAULABAKHSH: This article is about employee working conditions why because in order to achieve success, productivity and effectiveness of organisation. In order to increase efficiency, effectiveness, productivity and job commitment of employees, the business must satisfy the needs of its employees by providing good working conditions.

KAIFENG YANG, ANTHONY KASSEKERT: In this paper the characteristics on employee attitudes, behaviours and performance. Mainly, in this article they asses how the recent management reforms, such as contracting out, civil service with the employee job satisfaction in the federal government.

ML VASITA, KHUSHBOO PRAJAPATI: This paper studies about quality of work life and job satisfaction is a crucial role in any organisation. It also states that the perception of employees about quality of work life and job satisfaction across gender and nature of job.

A NEMMANIWAR, MADHURI DESHPANDE: This paper presents about the job satisfaction among hospital employees. Because of globalisation of health services sector and it has a lot of migration of employees towards good opportunities. And also that main purpose of this paper is to identify gaps and explore various factors affecting job satisfaction.

QADAR BAKHSH BALOCH: In this paper they have studied about job satisfaction on employee motivation on turnover intention. Job design, job techniques, work place, working environment and individual inputs are all the key factors that influence level and degree of motivation, in turn effect job productivity.

SAMREEN NAZ, HARIOM SHARMA: This paper tells about the job satisfaction is all about workers perception in various organisations. In this they studied about working environment, compensation policies, demographic variables, education qualification and there are many factors to be influenced.

JITENDRA KUMAR SINGH, MINI JAIN: This study is providing that the various variable responsible for employee satisfaction. Each and every organisation has to develop their strategies and strengthen the work environment to increase employee performance and productivity.

BRADLEY E WRIGHT, BRIANS DAVIS: This study represents work environment on the era of public sector an employee of job satisfaction. And also states that there are three components to analyse this paper i.e. organisational goal conflict, organisational goal specificity and procedural constraints.

LISE M SAAVI, TIMOTHY A JUDGE: This paper involves that employee attitudes and job performance of organisation. It identifies three major gaps between HR practices and

scientific research. It involves employee attitudes, results of positive or negative job satisfaction, how to measure and influence employee attitudes.

SUSAN ABRAHAM: In this paper job satisfaction and employee are related by the correlation results. In this, descriptive study was used to examine the effect of job satisfaction and employee engagement.

MUNYAE MULINGE, CHARLES W MUELLER: In this paper, the agricultural personnel in Kenya, they identify the factors at workplace that effect job satisfaction. In this study, there is argument between the agricultural technicians and also agricultural production in the developing countries.

DAULATRAM B LUND: In this study examines the impact of organisational culture on job satisfaction in the survey. It involves the conceptual framework, working environment of organisation and also flexibility and spontaneity to emphasize control, stability and order.

CHAPTER-3 RESEARCH METHODOLOGY

SOURCES OF DATA:

PRIMARY DATA: The data i.e. collected from employees through the basis of organisation.

SECONDARY DATA: This is the existing data, which is collected through sources of internet, journals and also from reports.

SAMPLING UNITS: Totally I have collected 123 samples which comprises of both Male & Female.

OBJECTIVES OF THE STUDY

- To study the employee perception towards organisation.
 - To measure the employees job satisfaction level.
 - To identify the factors that motivates the employees.
 - To give suggestion for growth and perspective of company.
- To find whether the employee is satisfied or not with the respective of their jobs

NEED OF THE STUDY

Job satisfaction is considered as key role in any organisation by entrepreneurs where efforts are taken and as well as programs are initiated. As we all know satisfied employee is a

productive employee, there may be any kind of grievance relating to organisational or personal there will be a huge extent influence on the job. So that each and every organisation is giving more priority to employees with satisfaction by providing several facilities which improve satisfaction and which reduces dissatisfaction.

For instance, if an employee is not satisfied with their job there will be a chances for absenteeism, low turnover, lower productivity, committing of mistakes, different types of conflicts will be happen. So keeping this thing in the view organisations are trying to solve and identify where the problem is to get out of the above dangers. In this survey, to identify the level of satisfaction in terms of strongly agree to strongly disagree on various job related factors.

CHAPTER-4

INDUSTRY PROFILE

Introduction to Services Sector:

In the sense of economics, services are any functions or tasks, performed by an individual or a group of individual, for which there is a demand and hence a price is determined if it is available in the relevant market. Services are sometimes referred to as intangible goods.

They are consumed at the point of production and they are usually non-transferable, in the sense that the service cannot be purchased and then resold at a different price.

“The services sector has been a major and vital force steadily driving growth in the Indian economy for more than a decade. The economy has successfully navigated the turbulent years of the recent global economic crisis because of vitality of this sector in the domestic economy and its prominent role in India’s economic interactions”.

National Accounts classification of the services sector incorporates trade, hotels, and restaurants; transport, storage and communication; financing, insurance, real estate, and business services; and community, social and personal services. In World Trade Organization (WTO) and Reserve Bank of India (RBI) classification, construction is also included in services sector.

One good example of this are banks which went through big changes in the late 20th century. Using information and communication technology, banks have vastly reduced the number of people they need to employ, and lowered the cost of providing bank service. For example, an automated teller machine is able to provide basic banking services 24 hours a day, 7 days a week, in many different places. Before this, banking services were only available from the bank when it was open. Many banks and building societies have joined together to form much lower cost businesses that can make more money from a wider customer base. The key to this process is gaining information about their customers and constantly coming up with new services for them.

Significances of this sector are listed below:

1. Share in Net National Product: At present, the service sector contributes the maximum share in country's net national product at factor cost (national income).

2. Helps industrialization: The developments of industries are dependent on the performance and improvement of transportation, communication, banking, electricity etc. in a country. Transport systems helps to carry raw materials, finished goods and labour in their required destination.

Communication helps to widen the market industrial goods. Electricity and banking services help to flourish the industries in remote areas.

3. Expands agriculture: Service sector helps to develop the agricultural production by providing better network facilities. It helps to carry raw materials and finished goods from one place to another.

4. Growth of Market: This sector provides different types of services to both agriculture and industrial sectors. In other way, it helps to grow the proper markets for both agricultural and industrial goods finished goods as well as raw materials or semi-finished goods.

5. Removes Regional Imbalances:

This sector provides a well organised transport and communication service. It also provides sufficient banking services along with expansion of education and medical facilities in the backward regions of the country. Thus it helps to wipe out the problem of regional imbalances and disparities within the country.

6. High Quality of Life:

Better services in the areas of transport and communication, banking and insurance, education and health etc must help a country to pave the path for economic development by increasing the quality of life or standard of living within the country. It also helps to improve the value of HDI (Human Development Index) of a country.

7. Increase Productivity:

This sector helps the working force by giving sufficient technical education and proper medical facilities. Moreover, a well-organized network of transport and communication system increases the mobility and informations among the workers. All these make the labourer more skillful and efficient and thus the productivity (producing capacity of a labourer) will increase simultaneously.

Performance of Services Sector in India:

It would be important to study the performance of some major services which are playing an important role in strengthening the economy.

TRADE:

By the term trade means exchange of commodities between individuals or groups either directly through barter or indirectly through medium such as money. Thus trade is an important activity providing interface between the producer and consumer. The benefits that

can be realized from trade consist of an extension in the range of commodities available for consumption and a specialization in productive activity.

Tourism including Hotels and Restaurants:

Tourism is considered as one of the important component of services sector. It is considered as both growth engine and export-growth engine. It is also considered as an effective mechanism of employment generator as it has the capacity to create large scale employment both directly and indirectly for different sections of the society and also for different categories of workforce both specialized as well as skilled and unskilled.

Storage Services:

Storage services are also an important component of the services sector. Warehousing services are considered as an integral part of both inbound and outbound logistics; as goods produced have to be stored in different geographical locations of the country before shipping and dispatch as per demand and order flows received from different destinations.

In India, the most important component of warehousing is agricultural storage for agri-produce, food-grains, fertilizers, manures etc. Other components include industrial warehousing for industrial goods, import cargo and excisable cargo; inland container depots (ICDs) or container freight stations (CFSs) for facilitating import and export trade; and also special warehouses for cold and temperature-controlled storage.

The warehousing sector usually provides many ancillary services. In India, the Central Warehousing Corporation (CWC) along with 17 State Warehousing Corporations (SWCs) provides scientific storage facilities for agricultural produce and implements and some other notified commodities.

Communication Services:

Communication services, composed of telecom and related services and postal services are considered as important component of service sectors. Telecommunication is the fastest mode of communication developed in the country.

Telecommunication services include the telephone service, telex service, telegrams, fax service, internet and broad band service, and radio and television. Indian telecom service has proved to be an international success story as the sector has been witnessing commendable

growth over the past few years. The Indian telecom network is ranked as second largest in the world, next only to China.

Some Business Services:

There are some business services which are also considered as important component of the services sector.

Some of these important business services are as follows:

IT and ITeS: IT and ITeS sector has bloomed itself into a full fledged industry along with its own flavour. The Indian ITeS and Business Process Outsourcing (BPO) has demonstrated its superiority, sustained cost advantage and fundamentally-powered value proposition in the international market.

Accordingly IT and ITeS sector are giving India the image of a young and resilient global knowledge power. The IT and Its industry has four major sub-components, viz., IT services, business process outsourcing (BPO), engineering services and research and development (R & D) and software products.

Accounting, Legal and Consultancy Services: Accounting and auditing, legal and consultancy services are some of the important business services provided by services sector of India. Indian accounting firms are increasingly getting integrated and are providing associated services such as management consultancy, corporate finance, and advisory services in addition to their core business of accounting auditing and tax services.

TYPES OF SERVICE SECTOR:

Hospitality:

Any service that hosts guests such as a hotel, restaurants.

Travel:

Travel services such as flight or tour.

Transportation:

Daily transportation services such as train.

Media:

Media such as newspaper, blog or video.

Health care:

Health care services such as hospital, clinic or doctor's office.

Finance:

Financial services such as a bank that offers bank account, loans and investments.

Education:

Educational institutions and companies such as university or professional training company.

BENEFITS OF WORKING IN SERVICE INDUSTRY:

Easy to Start Up: Starting a business in the service industry is relatively easy in comparison to other business industry types. A service industry business requires little more than a license, phone, and you and your offered skills and expertise in order to get up and going. This not only makes it easier, but makes it more affordable to get started.

No Inventory: Starting in the service industry doesn't require a built-up reserve of inventory that needs to be stored in an expensive warehouse. Because the product you are selling is you and your skills and expertise, you'll only need the equipment required to perform your offered services, no warehouse full of inventory needed.

Flexible Hours: Because jobs are taken as they come rather than having a set schedule of hours dictating when you need to be at your place of work, working in the service industry allows you to have flexible hours, which in turn allows you the opportunity to further develop

your job skills and education, spend more time with your family, and other accomplish other important tasks at times you might not otherwise be able to.

Expert Status: Going into a service industry field gives you the opportunity to focus in on a specific set of skills and abilities. Performing tasks and completing jobs related to those skills and abilities each day will help you to become better at what you do and earn expert status more quickly than a job in another industry might.

Jobs during Difficult Economic Times: When the economy dips, most people will cut back on their spending and pay only for necessities. Working in the service industry will help you keep your job and bring in revenue, even during economic downturns. While most people will turn to DIY or go without things that aren't necessities, service industry experts are always in demand.

BANKING SECTOR:

The banking sector is the lifeline of any modern economy. It is one of the important financial pillars of the financial sector, which plays a vital role in the functioning of an economy. It is very important for economic development of a country that its financing requirements of trade; industry and agriculture are met with higher degree of commitment and responsibility. Thus, the development of a country is integrally linked with the development of banking.

In a modern economy, banks are to be considered not as dealers in money but as the leaders of development. They play an important role in the mobilization of deposits and disbursement of credit to various sectors of the economy. The banking system reflects the economic health of the country. The strength of an economy depends on the strength and efficiency of the financial system, which in turn depends on a sound and solvent banking system. A sound banking system efficiently mobilized savings in productive sectors and a solvent banking system ensures that the bank is capable of meeting its obligation to the depositors.

In India, banks are playing a crucial role in socio-economic progress of the country after independence. The banking sector is dominant in India as it accounts for more than half the assets of the financial sector. Indian banks have been going through a fascinating phase

through rapid changes brought about by financial sector reforms, which are being implemented in a phased manner. The current process of transformation should be viewed as an opportunity to convert Indian banking into a sound, strong and vibrant system capable of playing its role efficiently and effectively on their own without imposing any burden on government.

After the liberalization of the Indian economy, the Government has announced a number of reform measures on the basis of the recommendation of the Narasimhan Committee to make the banking sector economically viable and competitively strong.

Need of the Banks:

Before the establishment of banks, the financial activities were handled by money lenders and individuals. At that time the interest rates were very high. Again there were no security of public savings and no uniformity regarding loans. So, as to overcome such problems the organized banking sector was established, which was fully regulated by the government. The organized banking sector works within the financial system to provide loans, accept deposits and provide other services to their customers.

The three major changes in the banking sector after liberalization are:

- i. Step to increase the cash outflow through reduction in the statutory liquidity and cash reserve ratio.
- ii. Nationalized banks including SBI were allowed to sell stakes to private sector and private investors were allowed to enter the banking domain. Foreign banks were given greater access to the domestic market, both as subsidiaries and branches, provided the foreign banks maintained a minimum assigned capital and would be governed by the same rules and regulations governing domestic banks.
- iii. Banks were given greater freedom to leverage the capital markets and determine their asset portfolios. The banks were allowed to provide advances against equity provided as collateral and provide bank guarantees to the broking community.

Challenges Faced by Banking Industry:

The bank marketing is than an approach to market the services profitability. It is a device to maintain commercial viability. The changing perception of bank marketing has made it a social process. The significant properties of the holistic concept of management and

marketing has made bank marketing a device to establish a balance between the commercial and social considerations, often considered to be opposite of each other.

A collaboration of two words banks and marketing thus focuses our attention on the following:

- i. Bank marketing is a managerial approach to survive in highly competitive market as well reliable service delivery to target customers.
- ii. It is a social process to sub serve social interests.
- iii. It is a fair way of making profits.
- iv. It is an art to make possible performance-orientation.
- v. It is a professionally tested skill to excel competition.

Users of Banking Services:

The emerging trends in the level of expectation affect the formulation of marketing mix. Innovative efforts become essential the moment it finds a change in the level of expectations. There are two types of customers using the services of banks, such as general customers and the industrial customers.

General Users:

Persons having an account in the bank and using the banking facilities at the terms and conditions fixed by a bank are known as general users of the banking services. Generally, they are the users having small sized and less frequent transactions or availing very limited services of banks.

Industrial Users:

The industrialists, entrepreneurs having an account in the bank and using credit facilities and other services for their numerous operations like establishments and expansion, mergers, acquisitions etc. of their businesses are known as industrial users. Generally, they are found a few but large sized customers.

Bank Marketing in the Indian Perspective:

The formulation of business policies is substantially influenced by the emerging trends in the national and international scenario. The GDP, per capita income, expectation, the rate of literacy, the geographic and demographic considerations, the rural or urban orientation, the margins in economic systems, and the spread of technologies are some of the key factors governing the development plan of an organization, especially banking organization.

In our developing economy, the formulation of a sound marketing mix is found a difficult task. The nationalization of the Reserve Bank of India (RBI) is a landmark in the development of Indian Banking system that have saved numerous paths for qualitative-cum quantities improvements in true sense.

Subsequently, the RBI and the policy makers of the public sector commercial banks think in favor of conceptualizing modern marketing which would bring a radical change in the process of quality up gradation and village to village commercial viability.

Bank Marketing Mix and Strategies:

The first task before the public sector commercial Banks is to formulate that Bank marketing mix which suits the national socioeconomic requirements. Some have 4 P's and some have 7 P's of marketing mix.

The common four Ps of marketing mix is as follows:

(i) Product:

To be more specific the peripheral services need frequent innovations, since this would be helpful in excelling competition. The product portfolio designing is found significant to maintain the commercial viability of the public sector banks. The banks professionals need to assign due weight age to their physical properties. They are supposed to look smart active and attractive.

(ii) Price:

Price is a critical and important factor of bank marketing mix due numerous players in the industry. Most consumers will only be prepared to invest their money in search of extraordinary or higher returns. They are ready to pay additional value if there is a perception of extra product value. This value maybe improved performance, function, services, reliability, and promptness for problem solving and of course, higher rate of return.

(iii) Promotion:

Bank Marketing is actually is the marketing of reliability and faith of the people. .It is the responsibility of the banking industry to take people in favor through Word of mouth publicity, reliability showing through long years of establishment and other services.

(iv) Place:

This is choice of where and when to make a product available will have significant impact on the customers. Customers often need to avail banking services fast for this they require the bank branches near and convenient to their official area or the place of easy access.

Challenges to Indian Banking:

The banking industry in India is undergoing a major change due to the advancement in Indian economy and continuous deregulation. These multiple changes happening in series has a ripple effect on banking industry which is trying to be organized completely, regulated sellers of market to completed deregulated customers market.

a. Deregulation:

This continuous deregulation has given rise to extreme competition with greater autonomy, operational flexibility, and decontrolled interest rate and liberalized norms and policies for foreign exchange in banking market. The deregulation of the industry coupled with decontrol in the interest rates has led to entry of a number of players in the banking industry. Thereby reduced corporate credit off which has resulted in large number of competitors battling for the same pie.

b. Modified New Rules:

As a result, the market place has been redefined with new rules of the game. Banks are transforming to universal banking, adding new channels with lucrative pricing and freebies to offer. New channels squeezed spreads, demanding customer's better service, marketing skills heightened competition, defined new rules of the game pressure on efficiency. Need for new orientation diffused customer loyalty. Bank has led to a series of innovative product offerings catering to various customer segments, specifically retail credit.

c. Efficiency:

Excellent efficiencies are required at banker's end to establish a balance between the commercial and social considerations Bank need to access low cost funds and simultaneously improve the efficiency and efficacy. Owing to cutthroat competition in the industry, banks are facing pricing pressure; have to give thrust on retail assets.

d. Diffused Customer Loyalty:

Attractive offers by MNC and other nationalized banks, customers have become more demanding and the loyalties are diffused. Value added offerings bound customers to change their preferences and perspective. These are multiple choices; the wallet share is reduced per bank with demand on flexibility and customization. Given the relatively low switching costs; customer retention calls for customized service and hassle free, flawless service delivery.

e. Misaligned Mindset:

These changes are creating challenges, as employees are made to adapt to changing conditions. The employees are resisting changing and the seller market mindset is yet to be changed. These problems coupled with fear of uncertainty and control orientation. Moreover banking industry is accepting the latest technology but utilization is far below from satisfactory level.

f. Competency Gap:

The competency gap needs to be addressed simultaneously otherwise there will be missed opportunities. Placing the right skill at the right place will determine success. The focus of people will be doing work but not providing solutions, on escalating problems rather than solving them and on disposing customers instead of using the opportunity to cross sell.

Strategic Options to Cope with the Challenges of Banking Industry:

Dominant players in the industry have embarked on a series of strategic and Tactical initiatives to sustain leadership.

The major initiatives incorporate:

- a) Focus on ensuring reliable service delivery through Investing on and implementing right technology.
- b) Leveraging the branch networks and sales structure to mobilize low cost current and savings deposits.

- c) Making aggressive forays in the retail advances segments of home and personal loans.
- d) Implementing initiatives involving people, process and technology to reduce the fixed costs and the cost per transaction.
- e) Focusing on fee based income to compensate for squeezed spread.
- f) Innovating products to capture customer 'mind share' to begin with and later the wallet share.

The banking environment of today is rapidly changing and the rules of yesterday no longer applicable. The corporate and the legal barriers that separate the various banking, investment and insurance sectors are less well-defined and the cross-over are increasing. As a consequence the marketing function is also changing to better support the bank in this dynamic market environment.

The key marketing challenge today is to support and advice on the focus positioning and marketing resources needed to deliver performance on the banking products and services. Marketing, as an investment advisor, is about defining 4Ps and implementing key strategic initiatives to Market segments, increasingly redefined, relevant micro-segments to survive and flourish in the highly competitive market.

Government Initiatives Regarding Banking Scenario:

In an effort to enable banks to provide greater choice in insurance products through their branches, a proposal could be made which will allow banks to act as corporate agents and tie up with multiple insurers. A committee set up by the Finance Ministry of India is likely to suggest this model as an alternative to the broking model.

The Reserve Bank of India (RBI) has simplified the rules for credit to exporters. Exporters can now receive long-term advance credit from banks for up to 10 years to service their contracts. They have to a satisfactory record of three years to get payments from banks, who can adjust the payments against future exports.

The RBI has enabled foreign investors, including foreign portfolio investors (FPIs) and non-resident Indians (NRIs), to invest up to 26 per cent in insurance and related activities via the automatic route.

TYPES OF BANKS:

Commercial Banks:

These banks play the most important role in modern economic organization. Their business mainly consists of receiving deposits, giving loans and financing the trade of a country. They provide short-term credit, i.e., lend money for short periods. This is their special feature.

Exchange Banks:

Exchange banks finance mostly the foreign trade of a country. Their main function is to discount, accept and collect foreign bills of exchange. They also buy and sell foreign currencies and help businessmen to convert their money into any foreign money they need. Their share in the internal trade of a country is usually small. In addition, they carry on ordinary banking business too.

Industrial Banks:

There are a few industrial banks in India. But in some other countries, notably Germany and Japan, these banks perform the function of advancing loans to industrial undertakings. Industries require capital for a long period for buying machinery and equipment. Industrial banks provide this type of Mock capital. Industrial banks have a large capital of their own. They also receive deposits for longer periods. They are thus in a position to advance long-term loan.

Agricultural or Co-operative Banks:

The main business of agricultural banks is to provide funds to farmers. They are worked on the co-operative principle. Long-term capital is provided by land mortgage banks, nowadays called land-development banks, while short-term loans are given by co-operative societies and co-operative banks. Long-term loans are needed by the farmers for purchasing land or for permanent improvements on land, while short-period loans help them in purchasing implements, fertilizers and seeds. Such banks and societies are doing useful work in India.

Savings Banks:

These banks (perform the useful service of collecting small savings. Commercial banks too run “savings departments” to mobilize the savings of men of small means. The idea is to encourage thrift and discourage hoarding. Post Office Saving Banks in India are doing this useful work.

Central Banks:

Over and above the various types of banks mentioned above, there exists in almost all countries today a Central Bank. It is usually controlled and quite often owned by the government of the country.

UTILITY OF BANKS:

An efficient banking system is absolutely necessary for a country, if it is to progress economically. The services that an efficient banking system can render a country are indeed very valuable. Undeveloped banking system is not only an index of economic backwardness of a country; it is also an important cause of it.

The banking system can be useful in the following ways, in addition to what has been mentioned in the functions of banks.

(I) the banks create instruments of credit which are very convenient substitutes for money. This means a great saving Actual movement of money is avoided and expenses saved.

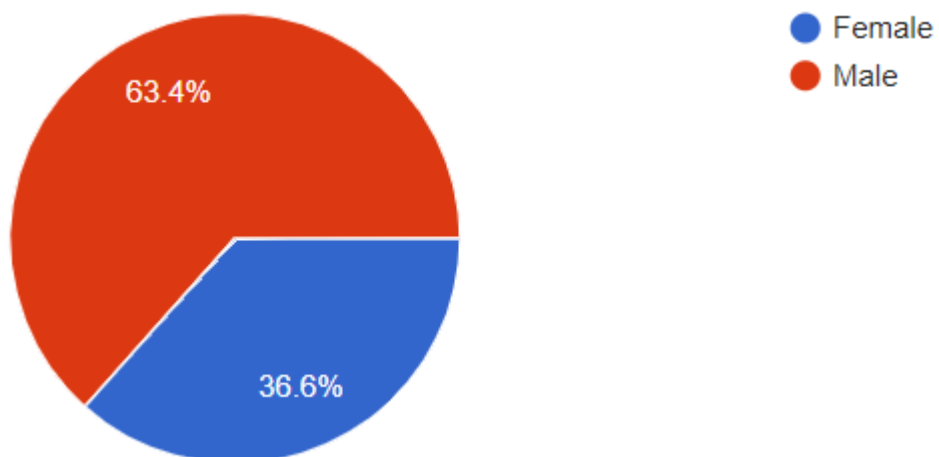
(ii) The banks increase the mobility of capital. They bring the borrowers and the lenders together. They collect money from those who cannot use it, and give it to those who can. Thus, they help the movement of funds from place to place, and from person to person, in a very convenient and inexpensive manner.

(iii) They encourage the habit of habit by providing safe channels of investment. In the absence of banking facilities, people would just squander their funds.

(iv) By encouraging savings, the banks bring about accumulation of large amount of capital in the country from small individual savings. In this way, they make the resources of the country more productive, and thus contribute to the general prosperity and welfare of the country.

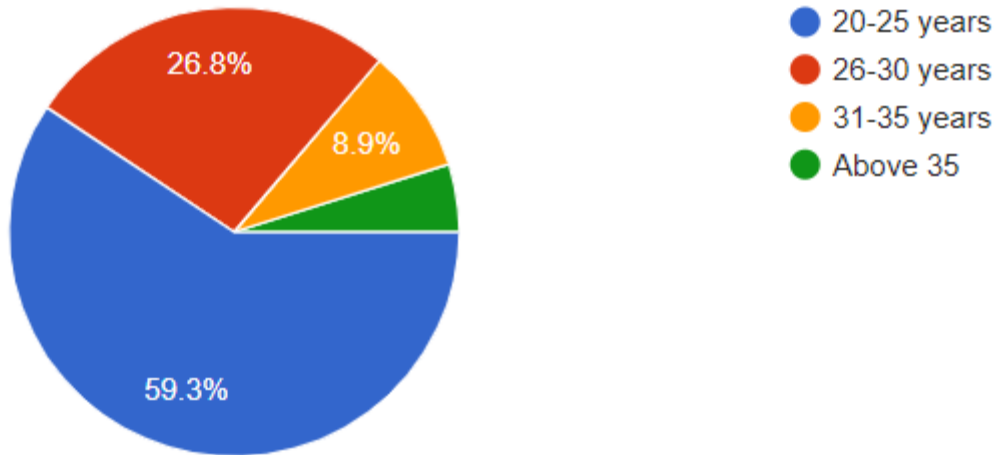
CHAPTER-5
DATA ANALYSIS & INTERPRETATION:

1. GENDER:



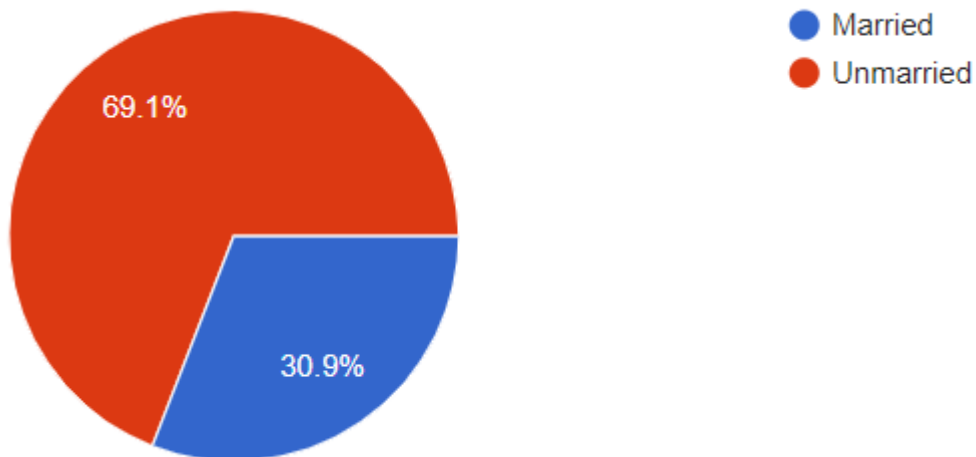
INTERPRETATION: From the collection of respondents, male percentage is high when compared to female percentage. i.e.; male percentage is 63.4% & female percentage is 36.6%

2. AGE:



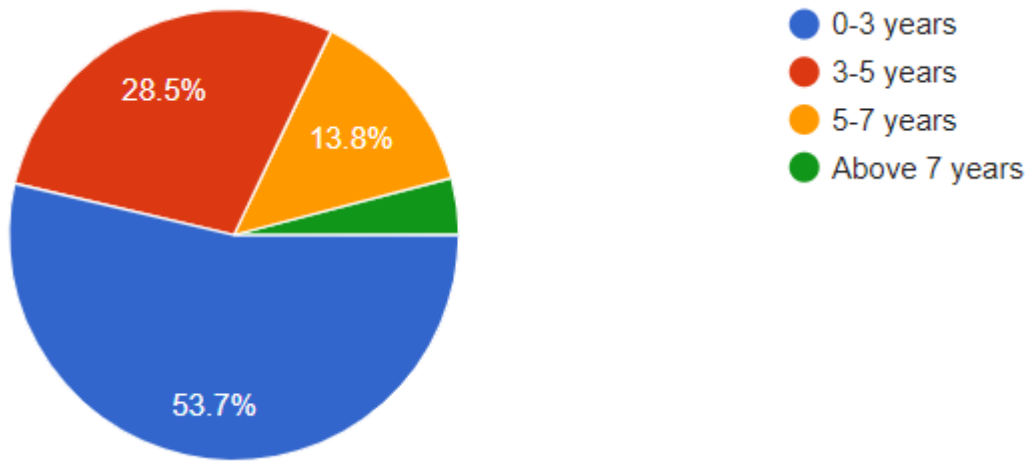
INTERPRETATION: From the collection of respondents, age of the highest percentage is 59.3% i.e;20-25 years, least is above 35 years.

3. MARITAL STATUS:



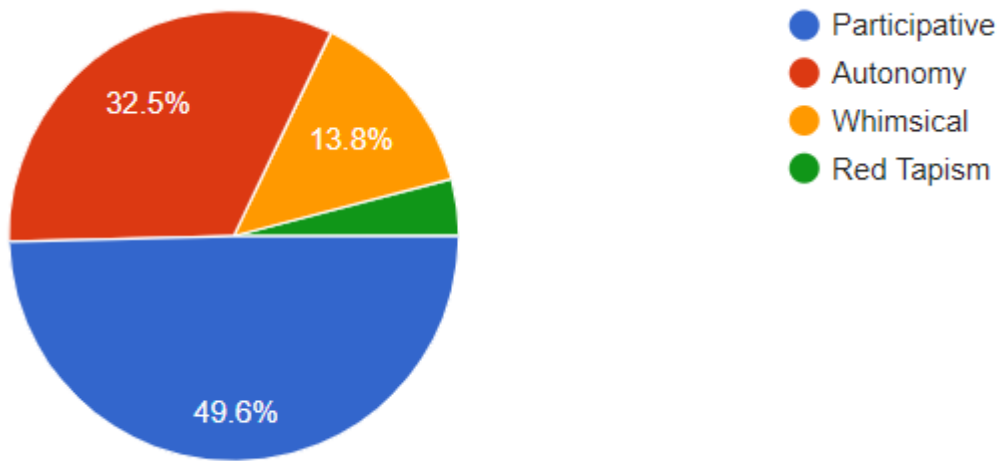
INTERPRETATION: From this survey, married people % is 30.9% and unmarried people % is 69.1%.

4. WORK EXPERIENCE:



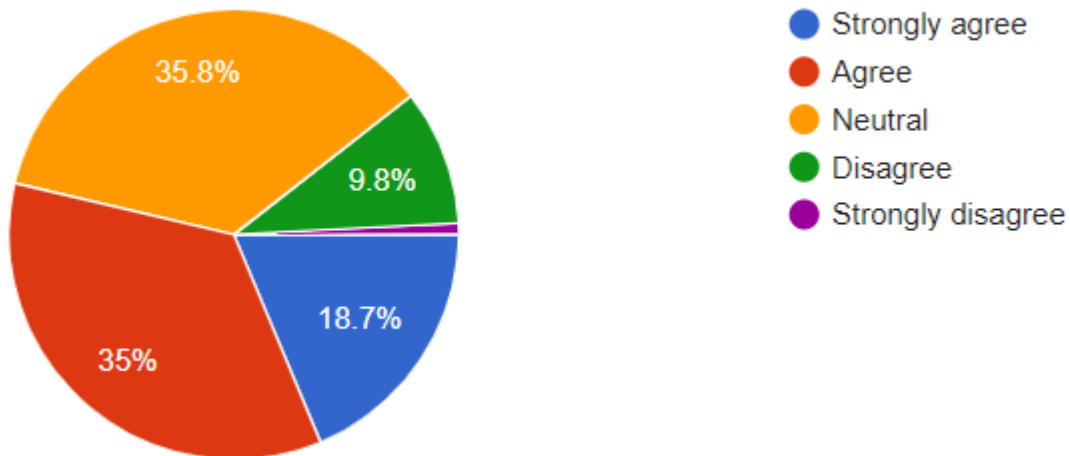
INTERPRETATION: From the above diagram, 0-3 years working experience people are high and the percentage is 53.7% and the least is above 7 years people.

5. HOW IS THE WORKING ENVIRONMENT?



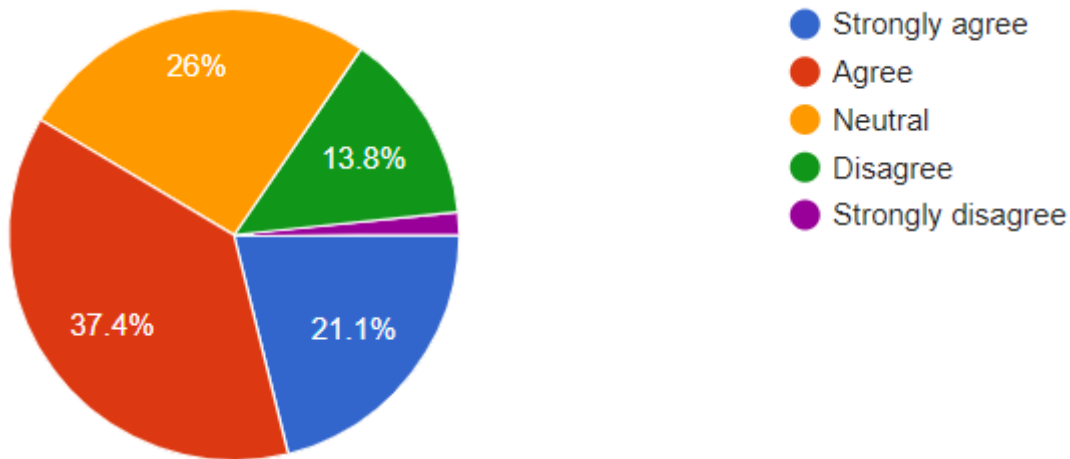
INTERPRETATION: From the above diagram, working environment is very participative, and also its percentage is 49.6%. According to this survey, Red Tapism is very less in organisations.

6. ARE YOU SATISFIED WITH THE TOP MANAGEMENT?



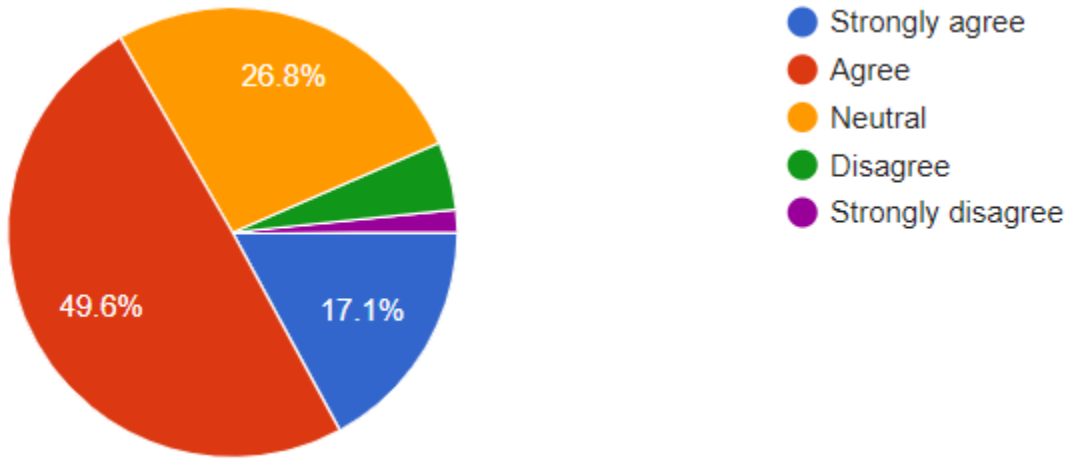
INTERPRETATION: In this survey, satisfying with the top management is very similar in these two they are agree & neutral, and their percentages are 35%, 35.8%.

7. WORKING HOURS AT YOUR COMPANY IS SATISFACTORY?



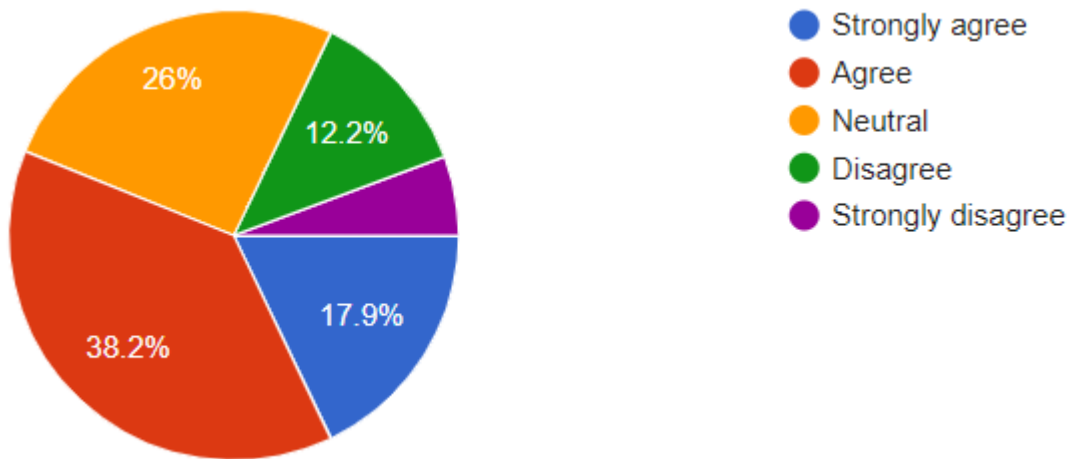
INTERPRETATION: In this survey, most of the employees are satisfied with their working hours, highest percentage of agree is 37.4 & least is strongly disagree.

8. EMPLOYEES IN THE ORGANISATION HAVE NECESSARY AUTHORITY TO PERFORM THEIR DUTIES EFFECTIVELY.



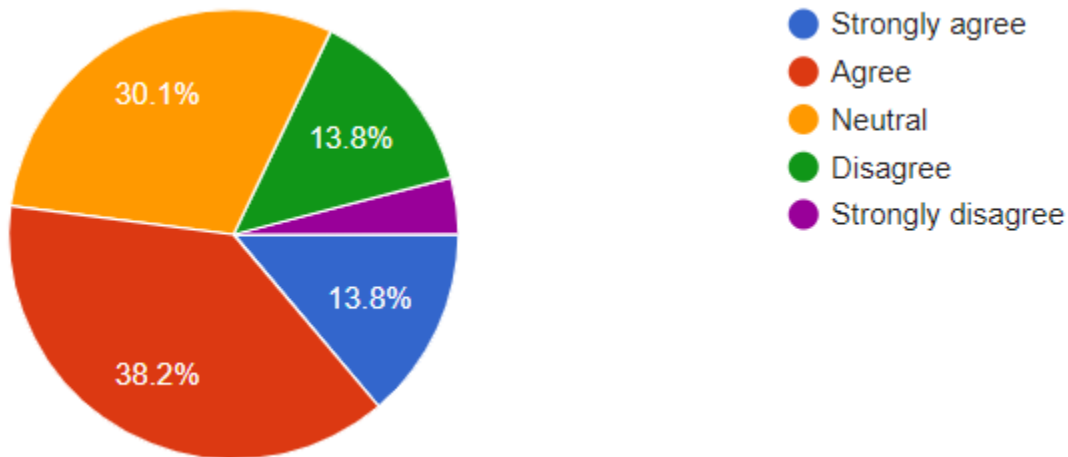
INTERPRETATION: In this survey, employees have authority to perform their duties very effectively, highest percentage is 49.6% i.e.; agree.

9. “EMPLOYEES GET APPRECIATION AND REWARDS IF THE DESIRED WORK /TARGETS ARE ACCOMPLISHED.”



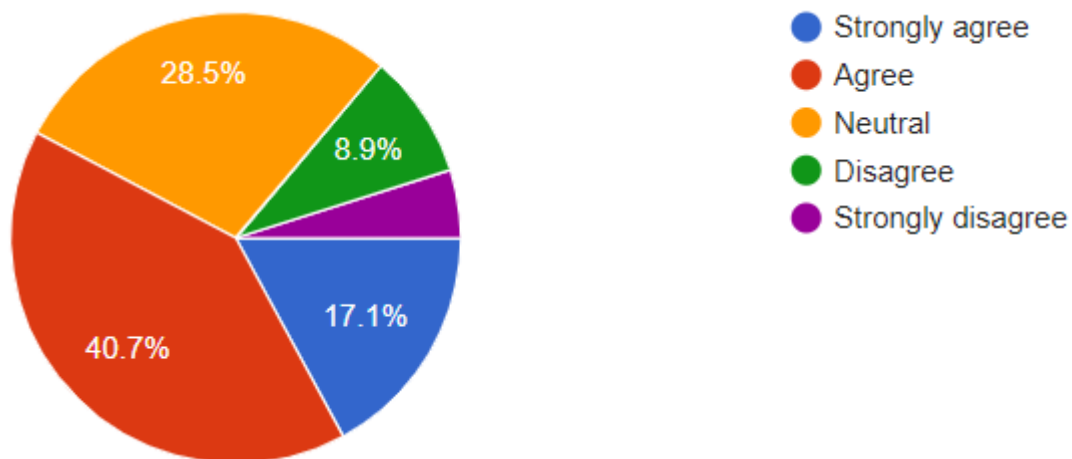
INTERPRETATION: From this survey, employees may or may not get appreciation for the desired work with the respective of their organisation.

10. COMPANY HAS GOOD CAREER PROSPECT FOR ITS EMPLOYEES



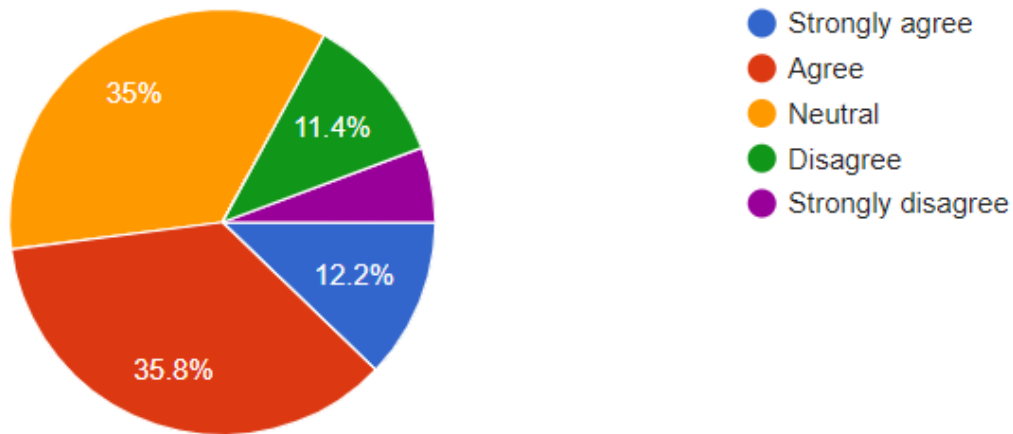
INTERPRETATION: According to this survey, company has good career prospects for its employees so in this the percentages are 38.2% is very high in agree.

11. PHYSICAL WORKING CONDITION IN THE COMPANY IS SATISFACTORY.



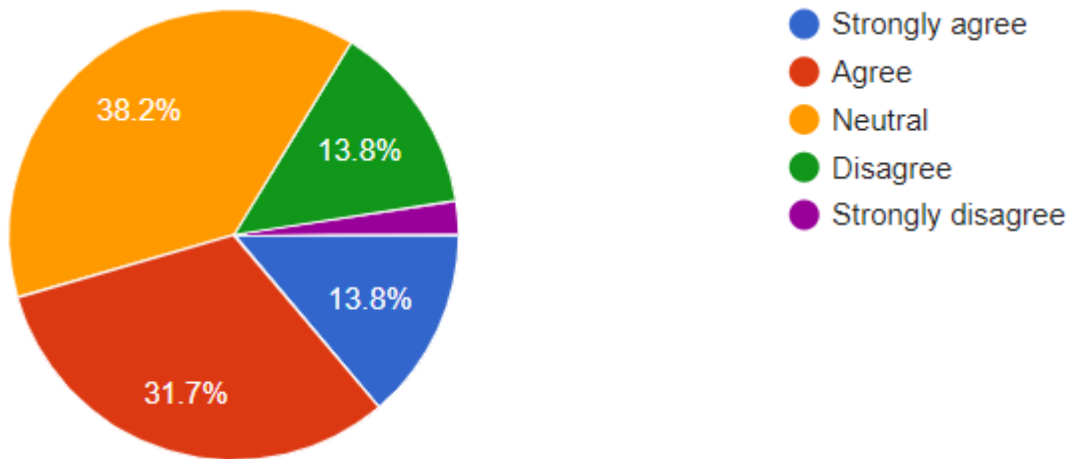
INTERPRETATION: From the above diagram, satisfaction of physical working condition is high in the percentage of 40.7% and the least percentage of strongly disagree people.

12. TOP MANAGEMENT INVOLVES EMPLOYEES IN THE MANAGEMENT DECISIONS.



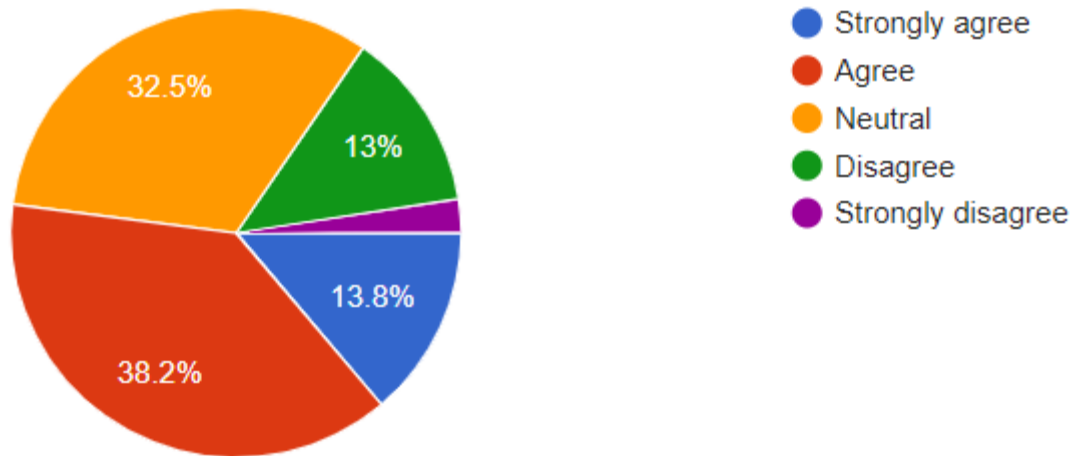
INTERPRETATION: In this survey, top management may or may not be involved in the management decisions, so it depends upon the situation.

13. COMPANY PROVIDES SATISFACTORY SALARY ACCORDING TO THE WORK.



INTERPRETATION: In this survey, the highest percentage is neutral i.e;38.2% some of the respondents are satisfied with their salary by providing the company according to their work and the other are dissatisfied.

14. RATE YOUR OVERALL SATISFACTION WITH YOUR JOB?



INTERPRETATION: According to this survey, employees are satisfied with their job, “agree” percentage is high as well as some of the employees are dissatisfied, disagree percentage is 13 %

CHAPTER-6

FINDINGS & SUGGESTIONS

FINDINGS:

- ❖ In this survey, most of the employees working experience between 0-3 years.
- ❖ Employees working environment is very participative and this is the good thing for employees to do better work in organisation.
- ❖ Employees are not much satisfied with the top management there is a slight difference between agree & neutral with the top management.
- ❖ Employees are not satisfied about their working hours.
- ❖ Employees perception is to perform their duties effectively they need some necessary authority.
- ❖ In the point of view, some of the employees will get rewards and appreciation due to their work base.
- ❖ According to this survey, employees feel like there may or may not be involve employees in the top management decision.

SUGGESTIONS:

- ❖ Having friendly nature with employees and good time at work along with the salaries, hikes and all this gives job satisfaction.
- ❖ Provide benefits of all level of employees.
- ❖ Getting rewards and appreciations from top management gives positive energy for employees.
- ❖ Make a slight change in the working hours.
- ❖ Engage each and every employee in the organisation.
- ❖ Recognise good work among employees.
- ❖ Employees will become bored and lose motivation if they are never given an opportunity to expand their skills and responsibilities.

CHAPTER-7 CONCLUSION

CONCLUSION:

In this study, most of the employee's feedback is neutral in every questionnaire. Some of the employees are satisfied with their work and salaries what they have receive. A satisfied employee would have an emotional bond with the organisation and takes pride in their membership, which paves way to keep up industrial integrity and high morale. Every employee needs motivation so that employee works better and also gives positive energy for employee. Every organisation has to create a good and positive environment to employees.

Job satisfaction is a crucial subject of attention which is very considered by the higher authorities, policy makers and top executives because this issue is related to many other significant and important issues of organisations. Recognise the employees through appreciation and rewards it gives satisfaction of employee for what they have done. At the same time, employee will be motivated and it also helps to do more hard work.

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CHAPTER-9

APPENDICES

1. Gender

- Female
- Male

2. Age

- 20-25 years
- 26-30 years
- 31-35 years
- Above 35

3. Marital status

- Married
- Unmarried

4. Work experience

- 0-3 years
- 3-5 years
- 5-7 years
- Above 7 years

5. How is the working environment?

- Participative
- Autonomy
- Whimsical
- Red tapism

6. Are you satisfied with top management?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

7. Working hours at your company is satisfactory?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

8. Employees in the organisation have necessary authority to perform their duties effectively.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

9. Employees get appreciation and rewards if the desired work/targets are accomplished.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

10. Company has good career prospects for its employees.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

11. Physical working condition in the company is satisfactory.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

12. Top management involves employees in the management decisions.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

13. Company provides satisfactory salary according to the work.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

14. Rate your overall satisfaction with your job?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree



A FIELD PROJECT REPORT

ON

**“MERGERS IN INDIAN BANKS: A STUDY ON MERGERS OF HDFC
BANK LTD AND CENTURION BANK OF PUNJAB LTD.”**

**SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
BACHELOR OF BUSINESS ADMINISTRATION**

TO

**D AKHIL (221FC01138)
A SIVA NAGENDRAM (221FC01139)
N YASASWINI (221FC01140)
P SOHELBUDE (221FC01142)
S VENKATA TRINATH (221FC01145)**

**UNDER THE GUIDANCE OF
DR. SK MAHABOOB SYED
ASSISTANT PROFESSOR**



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

**DEPARTMENT OF MANAGEMENT STUDIES
Vignan's Foundation for Science Technology & Research
VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213
APRIL 2023**



VIGNAN'S
Foundation for Science, Technology & Research
(Deemed to be University)
-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled “MERGERS IN INDIAN BANKS: A STUDY ON MERGERS OF HDFC BANK LTD AND CENTURION BANK OF PUNJAB LTD.” submitted by D Akhil, A Siva Nagendram, N Ysaswini, P Sohelbude, S Venkata Trinath Bearing the Regd. No. 221fc01138, 221fc01139, 211fc01140, 211fc01142, 211fc01145 from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

SIGNATURE OF THE GUIDE

HOD/MBA

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MERGERS IN INDIAN BANKS: A STUDY ON MERGERS OF HDFC BANK LTD AND CENTURION BANK OF PUNJAB LTD.

ABSTRACT

The reason for the present paper is to investigate different thought processes of merger in Indian banking industry. This incorporates different parts of bank mergers. It additionally looks at pre parameters like, Gross Profit edge, Net Profit edge, working Profit edge, Return on Capital Employed, Return on Value, and Debt Equity Ratio. Through writing Review it comes realize that the vast majority of the work done high helped the effect of merger and Acquisition on various organizations. The information of Merger and Accusations since monetary advancement are gathered for a lot of different budgetary parameters. Free T-test utilized for testing the measurable essentialness and this test is applied for proportion examination as well as impact of merger on the presentation of banks. This execution being tried based on two grounds for example, Pre-merger and Post-merger. At last the investigation demonstrates that the banks have been decidedly influenced by the occasion of merger.

KEYWORDS: Mergers & Acquisition, Banking, Financial Parameters, Profitability, Indian Banks.

INTRODUCTION:

Bank all in all wording is alluded to as a monetary organization or an enterprise which is approved by the state or central government to manage cash by tolerating stores, giving out advance and putting resources into protections. The fundamental jobs of Banks are Economics development, Expansion of the economy and give assets to venture. In the loathe times banking division has been experiencing a ton of changes as far as guideline and impacts of globalization. These progressions have influenced this segment both fundamentally and deliberately. With the changing Environment a wide range of procedures have been embraced by this area to stay productive and to flood ahead in the worldwide field. One such system is through the procedure of combination of banks rose as one of the most gainful procedure. There are a few different ways to solidify the banking industry; the most normally received by banks is merger. Merger of two more vulnerable banks or merger of one wellbeing Bank with one powerless bank can be treated as the quicker and less exorbitant approach to improve gainfulness at that point prodding interior development (Franz, H. Khan 2007).The principle intention behind the merger and procurement in the financial business is to accomplish economies of scale and degree. Mergers additionally help in the expansion of the items, which help to decrease the hazard.

The Indian financial division can be isolated into two times, the progression time and the post advancement period. In the pre advancement time administration of India nationalized 14 banks as 19July 1965 and later on 6 increasingly business Banks were nationalized as 15 April 1980. In the year 1993 government blended the new banks of India and Punjab National banks and this was the main converged between nationalized Banks after that the quantity of Nationalized Banks decreases from 20 to 19.In the post advancement system, government had started the arrangement of advancement and licenses were given to the private banks which lead

to the development of Indian banking segment. The Indian financial industry gives an indication of progress in execution and effectively after the worldwide emergencies in 2008-2009. In the Indian financial industry having far superior position than it was at the hour of emergencies. Government has taken different activities to fortify the budgetary framework. The financial recuperation picked up quality on the bank of an assortment of money related approach activities taken by the RBI .

THE INDIAN BANKING SYSTEM

At the highest point of the Indian financial framework is the national bank of India known as Reserve Bank of India .the Reserve bank of India is answerable for the Indian financial framework since 1935, the business banks in India are isolated into Public division banks ,Private segment banks and Outside banks .All these banks fall under Reserve Bank of India arrangement of planned business banks (SCBs).Public division, Private segments and Foreign banks as they are remember for the second booked of the save bank of India Act 1934. The Public part was entirely claimed by the legislature of India before the changes. The PSBs are the greatest player in the Indian banking framework and they represent 70% of the advantages of planned business banks in India

MERGER OF BANKS IN INDIA

Merger can be characterized as a mean of unification of two players into single substance. Merger is a procedure of joining two business elements under normal proprietorship. As indicated by Oxford Dictionary the articulation "merger implies brushing two business organizations into one" Bank merger is an occasion of when beforehand unmistakable banks are united into one establishment (Pilloff and Santomerro, 1999). A merger happens when a free bank loses its contract and turns into a piece of a current save money with one headquarter and bound together branch arrange (Dario Farcarelli 2002) Merger happens by including the active(bidder) bank resources and Liabilities to the target(Passive)banks accounting report and obtaining the bidder's bank name through a progression of lawful and Administrative measures. Merger and Acquisition in Indian financial parts have been started through the suggestions of Narasimham board of trustees II. The advisory group prescribed that "merger between solid bank/monetary organizations would make for more prominent financial and business sense and would be situation where the entire is more prominent than the aggregate of its parts what's more, have "power multiplier impact".

LITERATURE REVIEW

A few investigations have been led to analyze the effect of mergers and Acquisition. Berger also, Humphery (1997) in their investigation give on broad audit on the effectiveness of preparing area. They called attention to that greater part of studies concentrated on the financial markets of well created nations with specific accentuation on US showcase.

Anand Manoj and Singh Jagandeep (2008) examined the effect of merger declarations of five banks in the Indian Banking Sector on the investor bank. These mergers were the Times Bank converged with the HDFC Bank, the Bank of Madurai with the ICICI Bank, the ICICI Ltd with the ICICI Bank, the Global Trust Bank converged with the Oriental Bank of business and the Bank of Punjab converged with the centurion Bank. The declaration of merger of Bank had positive and noteworthy effect on shareholder's riches. The impact on both the getting and the target banks, the outcome indicated that the concurrence with the European and the US Banks Merger furthermore, Acquisitions aside from the realities the estimation of investor of bidder Banks have been devastated in the US setting, the market estimation of weighted Capital Adequacy Ratio of the joined Bank portfolio because of merger declaration is 4.29% in a multi-day time frame (- 1, 1) window and 9.71 % in an Eleven days' time span (- 5, 5) occasion window. The occasion study is utilized for demonstrating the positive effect of merger on the bidder Banks.

LehtoEero and BockermanPetri (2008) assessed the business impacts of Merger and Acquisitions on track by utilizing match foundation level information from Finland over the time of 1989-2003. They centered cross outskirts Merger and Acquisitions just as residential Merger and Acquisitions and investigated the impact of work of a few unique sorts of Merger and Acquisitions. They assessed that the cross fringe Merger and Acquisitions lead to scaling back the assembling work and the impacts of cross fringe Merger and Acquisitions on work in non-producing are a lot more vulnerable and change in proprietorship related with residential Merger and Acquisitions and inside rebuilding likewise ordinarily causes business misfortunes. To look the impacts of cross fringe Merger and Acquisitions (M&As)

Hijzen Alexander et al., (2008) contemplated the effect of cross outskirts Merger and Acquisitions (M&As) and broke down the job of exchange cost, and clarified the expanded in the quantity of cross fringe Merger and Acquisitions (M&As) and utilized industry information of 23 nations over a time of 1990 - 2001. The result proposed that total exchange cost influences cross fringe merger action contrarily, its sway contrast critically across level and non-even mergers. They likewise showed that the more positive impacts on level merger, which is steady with the tax hopping understanding, set forward in writing on the determinant of flat FDI.

MantravadiPramod and Reddy AVidyadhar (2007) assessed that the effect of merger on the working execution of obtaining firms in various enterprises by utilizing pre and post budgetary proportion to look at the impact of merger on firms. They chose all mergers associated with open restricted and exchanged organizations India somewhere in the range of 1991 and 2003, result proposed that there were little variety as far as effect as working execution after mergers. In various ventures in India especially banking and money industry had a somewhat positive effect of benefit on pharmaceutical, materials and electrical types of gear part and indicated the negligible negative sway on employable execution. A portion of the enterprises had a huge decrease both in wording of productivity and rate of profitability and resources after merger. Descending on the different thought processes in Merger and Acquisitions,

Mehta Jay and Kakani Ram Kumar (2006) expressed that there were numerous explanations behind Merger and Acquisitions in the Indian Banking Sector and still contains to catch the during the euphoric air pocket period financial specialist face more challenge. Merger of banks through union is the critical power of progress occurred in the Indian Banking part.

Kuriakose Sony et al., (2009), concentrated on the valuation practices and amplex of swap proportion fixed in intentional amalgamation in the Indian Banking Sector and utilized swap proportion for valuation of banks, however in the vast majority of the cases the last swap proportion isn't defended to their financials.

NEED FOR THE STUDY

Enthusiasm of an exploration and it just as a result of after the exacting control guidelines had prompted a flood of merger and Acquisitions in the Banking industry and states many purpose behind merger in the Indian Banking part. While a divided Indian financial structure might be very well gainful to the client as a result of rivalry in banks, and yet not to the degree of worldwide Banking Industry, and inferred that merger and Acquisition is a basic for the state to make scarcely any enormous Banks.

MüslümovAlövsat (2002) analyzed that cooperative energy is one of the fundamental factor behind the merger what's more, took 56 mergers from US industry, and the incomes improvement in the profitable utilization of benefits and expanding the deals and demonstrated the enduring firm improvement in working money streams. The post-merger makes extra worth and shows the improvement of bidder firm with cost to book proportion, utilized non-parametric test as most appropriate strategy for testing post-merger execution.

R. Srivassan et al., (2009) gave the perspectives on monetary ramifications and issue happening in Merger and Acquisitions (M&As) featured the cases for combination and talked about the cooperative energy based merger which underlined that merger is for making huge size of the firm however no assurance to boost productivity on continued business and there is consistently the danger of improving execution after merger.

Sinha Pankaj and Gupta Sushant (2011) contemplated a pre and post examination of firms and reasoned that it had constructive outcome as their benefit, in a large portion of the cases decayed liquidity. After the time of barely any long stretches of Merger and Acquisitions(M&As) it got to the meaningful part that organizations may have had the option to use the collaborations emerging out of the merger and Acquisition that have not had the option to deal with their liquidity. Study demonstrated the examination of pre and post investigation of the firms. It additionally showed the beneficial outcomes based on some money related parameter like Earnings prior to Interest and Tax (EBIT), Return on investor reserves, Profit edge, Interest Coverage, Current Ratio and Cost Efficiency and so forth.

Aharon David Y et al., (2010), investigated the financial exchange bubble impact on Merger and Acquisitions and followed by the decrease of pre bubble and consequent, the blasting of air pocket appears to have prompted further awareness by the financial specialists and give proof which proposes

It is seen that, the vast majority of the works have been done on patterns, strategies and their system, human perspective which is should have been researched, while gainfulness and budgetary investigation of the mergers have not given due significance. The present examination would go to research the detail of Merger and Acquisitions (M&As) with more noteworthy spotlight on the Indian financial segment. The examination will likewise talk about the pre and the post-merger execution of banks. An endeavor is made to anticipate the eventual fate of the progressing Merger and Acquisitions (M&As) based on money related execution of Indian financial segment.

OBJECTIVE OF THE STUDY

To study Pre-merger and Post-merger affect on performance of selected Bank.

RESEARCH METHODOLOGY

A.DATA COLLECTION

With the end goal of assessment of examination information is gathered from merger and Obtaining (M&As) of Indian Banking Industry. The budgetary and bookkeeping information of banks is gathered from banks yearly reports to inspect the effect of merger on money related execution of the banks.

B. METHODOLOGY

To test the forecast, philosophy of looking at the pre and post execution of the banks after the merger has been embraced by utilizing following budgetary parameters, for example, Gross Profit edge, Net Profit edge, Return on Capital Employed, Return on Equity what's more, Debt Equity Ratio. Research has accepted one instance of merger as Sample i.e., merger of HDFC Bank ltd and Centurion Bank of Punjab. The pre-merger (three years earlier) and post-merger (following three years) of the money related proportions being thought about. The time of merger is considered as base year and signified as 0 and it is rejected from the assessment. Keeping in see the reason and target of the investigation autonomous T-test being utilized under this examination.

C. RATIOS

Gross Profit Margin Ratio: $\text{Gross Profit/Sales} \times 100$

Net Profit Margin Ratio: $\text{Net Profit/Sales} \times 100$

Operating Profit Margin Ratio: Operating Profit/Sales X 100

Return on Capital Employed: Net Profit/Total Assets X 100

Return on Equity: Net Profit/Equity Capital X 100

Debt Equity Ratio: Total Debt/Total Equity X 100

ANALYSIS & INTERPRETATION:

Right now, with merger of HDFC Bank Ltd (bidder bank) and Centurion Bank of Punjab Ltd (Target Bank). These arrangements occurred in year 2008(i.e. may 23rd 2008). So as to examinations the monetary exhibition of banks after the merger, the money related and bookkeeping proportions like Net Profit Margin, Operating Profit Margin, Return on Capital Employed, Return on Equity what's more, Debt Equity Ratio have been determined. Table 3 shows that the money related execution of both the banks before the merger. Table 4 shows the money related execution of HDFC Bank ltd (bidder bank) after merger.

TABLE 3

FINANCIAL PERFORMANCE OF HDFC BANK LTD AND CENTURION BANK OF PUNJAB FOR LAST THREE FINANCIAL YEARS IS ENDING BEFORE THE MERGER.

FINANCIAL RATIOS (IN PERCENTAGE)

RATIOS	HDFC BANK LTD (BIDDER BANK)			CENTURION BANK OF PANJAB (TARGET BANK)		
	31-3-2005	31-3-2006	31-3-2007	31-3-2005	31-3-2006	31-3-2007
Gross profit margin	74.1719	71.1233	69.9408	55.8583	53.4151	69.5703
Net profit margin	21.5119	19.45731	16.5691	8.7116	15.249	9.5683
Operating profit margin	53.11671	46.0083	47.9309	37.2331	22.4315	37.6088
Return on capital employed	7.96	7.93	8.99	13.82	7.12	13.85
Return on equity	214.7799	278.0801	357.3844	29.7572	86.9701	77.4651
Debt-Equity ratio	9.44	10.11	9.84	10.65	10.09	5.98

Source: Financial Statements of Bank

<http://www.moneycontrol.com/stockmarketsindia/>

TABLE 4

FINANCIAL PERFORMANCE OF HDFC BANK LTD FOR THE THREE FINANCIAL YEARS WAS ENDED AFTER THE MERGER ANNOUNCEMENT.

Ratios	HDFC BANK LTD (bidder bank)		
	31-3-2017	31-3-2018	31-3-2019
Gross profit margin	95.21	90.12	94.41
Net profit margin	33.1305	35.1149	36.9706
Operating profit margin	20.49	22.33	15.87
Return on capital employed	13.64	9.52	9.25
Return on equity	17	18.43	17.05
Debt-Equity ratio	4.85	4.97	4.79

Source: Financial Statements of Banks

<http://www.moneycontrol.com/stockmarketsindia/>

TABLE 5

MEAN AND STANDARD DEVIATION OF PRE-MERGER AND POST-MERGER RATIOS OF COMBINED (CENTURIONBANK OF PANJAB AND HDFC BANKS) AND ACQUIRING BANK (HDFC BANK).

Particulars		Mean	Std. Deviation	t-value	Sigma
Gross profit margin	Pre	51.20	1.9711	-5.1773	0.0012
	Post	93.24	2.73716		
Net profit margin	Pre	18.01	3.3731	-1.268	0.065
	Post	35.072	1.9203		
Operating profit margin	Pre	54.02	4.5640	2.1994	0.015
	Post	58.69	3.328		
Return on capital employed	Pre	9.945	3.07	-0.4171	0.689
	post	10.80	2.4603		
Return on	Pre	174.072	129.479	2.0234	0.0827

Equity	Post	174.93	0.81156		
Debt-Equity ratio	Pre	9.35	1.698	4.4133	0.0031
	Post	4.87	0.9165		

Source: Based on tables 3&4, 5% level of significance.

In the current case, the merger of the Centurion Bank of Punjab and the HDFC Bank, the examination among pre and post execution we seen that the Mean estimation of Gross Profit margin(51.20% Vs 93.24%) has increased with t-esteem – 5.1773 which shows huge improvement in the Gross Profit edge after the merger however in Net Profit edge and Operating Overall revenue you can see the increased in the Mean of the two parameters that demonstrates the Net Profit edge(18.01% vs 35.072%) and t-esteem – 1.268 and Operating Profit edge after merger and results shows that Mean (54.02% Vs 58.69%) and t-esteem 2.1994 and the mean Return on Capital Employed (9.945% Vs 10.80%) and t-esteem – 0.4171 which additionally not Significant statically and shows that no charge has been in term of venture after the merger. the mean of return on equity and debt equity ratio shows improvement and statically adjusted huge to mean esteem (9.35%vs 4.87%) and t esteem 4.4133 and (174.072%vs174.93%) and t esteem 2.0234.the mean value of equity in post-merger has been n expanded so it expanded the investors return held it likewise shows the improved presentation of bank after merger. Additionally, obligation value proportion likewise improved after the merger; the mean worth shows the adjustment under water value proportion after the merger. From the above investigations we can infer that a few proportions demonstrate no impact yet most of the proportions shows the beneficial outcome and expanded the presentation of banks after merger declaration.

CONCLUSION

Merger is the useful tool for growth and expansion in Indian Banking Sector. It is helpful for survival of weak banks by merging into larger bank. This study shows that impact of merger on financial performance of Indian Banking sector. For this a comparison between pre- and post-merger performance examined in terms of Gross Profit margin, Net Profit margin, Operating Profit margin, Return on Capital employed, Return on Equity and Debt equity ratio. In the present case study , the return on equity , debt –equity ratio and Gross Profit margin has shown the improvement after the merger and for the purpose and objective of the study, investigator apply t-test for analyzing the pre and post-merger performance of banks and result suggested that after the merger the financial performance of the banks have increased. The most important is that to generate net higher profit after the merger in order to justify the decision of merger undertaken by the management to the shareholders.

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**A FIELD PROJECT REPORT
ON
“A STUDY ON SALES & DISTRIBUTION WITH REFERENCE TO
BHARATHI CONSUMER CARE PRODUCTS PVT LTD; GUNTUR.”
SUBMITTED TO
DEPARTMENT OF MANAGEMENT STUDIES**

**SUBMITTED BY
ABRAR OSMAN MUSTAFA OSMAN (221FC01146)
G NAGALAKSHMI (221FC01147)
G NAVYA (221FC01148)
K SRAVANI (221FC01149)**

**UNDER THE SUPERVISION OF
DR. SK. MAHABOOB SYED
ASSISTANT PROFESSOR**

DEPARTMENT OF MANAGEMENT STUDIES



VIGNAN'S
Foundation for Science, Technology & Research
(Deemed to be **UNIVERSITY**)
-Estd. u/s 3 of UGC Act 1956

VADLAMUDI, GUNTUR – 522 213, ANDHRA PRADESH, INDIA



DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled “A Study On Sales & Distribution With Reference Tobharathi Consumer Care Products Pvt Ltd; Guntur.” Submitted by ABRAR OSMAN MUSTAFA OSMAN, G NAGALAKSHMI, G NAVYA, K SRAVANI bearing the Regd. No. 221FC01146, 221FC01147, 211FC01148, 211FC01149, from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

SIGNATURE OF THE GUIDE

HOD/MBA

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SALES & DISTRIBUTION

INTRODUCTION

Marketing is indeed in ancient at: it has been practiced in one form or the other, since the days of Adam and Eve today; it has become the most vital function in the world of business.

What is a market?

Bringing together the needs and wants of the consumer with the products and services that match them.

Place concept: A marketing may be considered as a convenient meeting place where buyers and sellers gather for exchange of goods e.g., a spot, cash or physical market.

Area concept: It is the economic concept. Any area providing a set of price making forces may become a market: we need three conditions: (1) unmet wants.

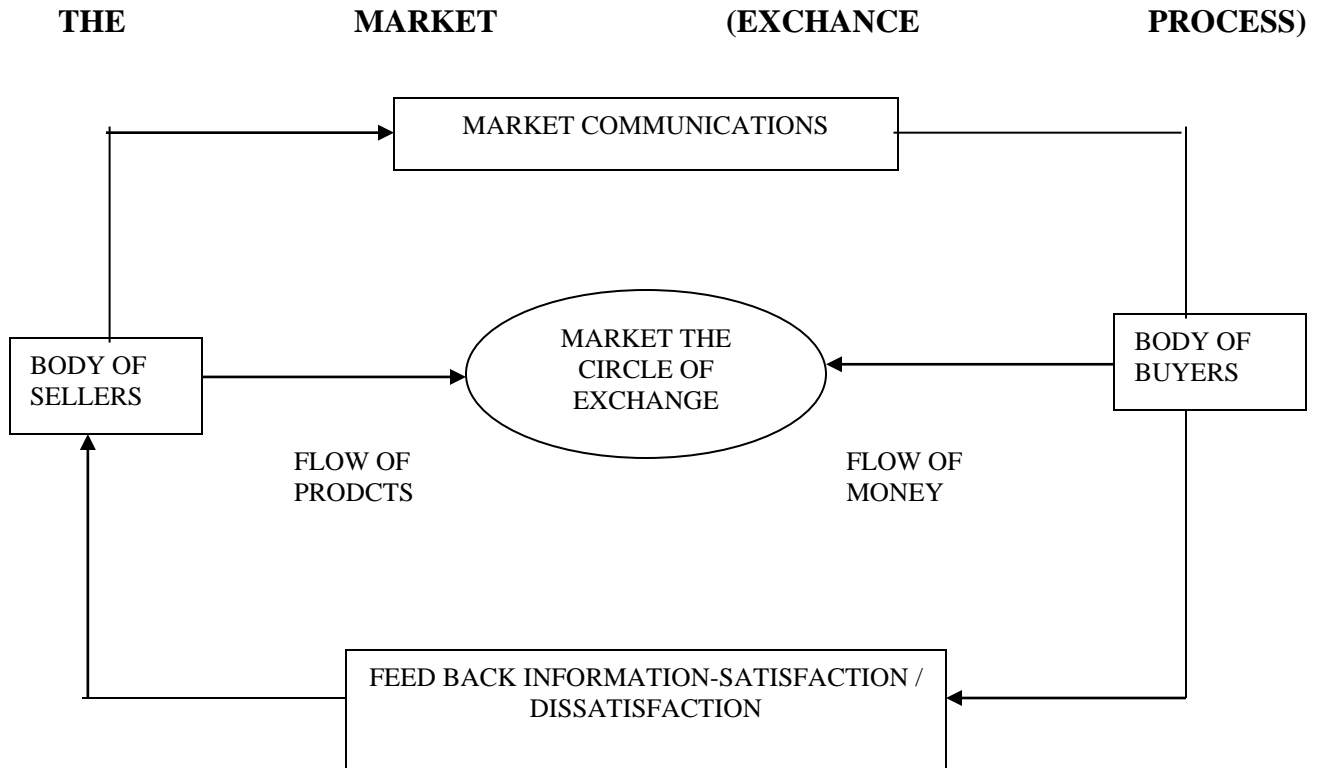
Products to meet this demand means of interaction or intercommunications that forces of demand and supply can interact to determine the prices even without face- to –face meeting of seller and buyer. We have now even global means of communications at our disposal. Hence, we can have national and global markets for many products. Of course, money and intermediaries are there to facilitate all marketing operations. The meeting place is not necessary; it is a matter of convenience only. Money has no such central meeting place.

Demand concept: Today a market is equated with the total demand. Hence, market means a group of people having unmet wants purchasing power to make their demand effective and the will to spend their income to fulfill those wants. This is considered a good approach to define a target market or a market segment.

Under keen competition, a marketer wants to create or capture and retain the market (customer demand) through an appropriate marketing mix offered to a target market. The market offering (supply) must meet fully customer demand, i.e., unmet needs and desires. Under the,

marker-oriented approach (marketing concept) demand concept of market assumes unique importance.

In short, the three concepts of marketing reveal the following main features:



1. Buyers (demand) and sellers (supply) are the two sides of the markets.
2. The circle of exchange represents the market to conduct exchanges.
3. We have one single price for a product determined the free play of demand and supply. The meetings of minds are more important than face-to-face meeting in order to create a market.
4. In the free market system, price is determined by interaction of forces of demand and supply.
5. Factors affecting the exchange process are:
 - (a) Demand and supply

- (b) Price,
- (c) Market information with sellers and buyers
- (d) Legal control and regulations to ensure fair price.

6. Feedback information point's outs buyer's post purchase experience. If buyer's expectations are fulfilled, seller will get repeat orders. If dissatisfied, buyers will switch to rival brands.

7. Under markets driven approach, consumer service and satisfaction become the focus around which entire enterprise is centered and through demand satisfaction profit is made even against keen competition.

TYPES OF MARKETS

- (1) On the basis of selling area, we have local, national and international markets.
- (2) On the basis of article of trade, we have product markets, e.g., cotton market, bullion market.
- (3) On the basis of nature of exchange dealings, we have spot or cash market and future or Forward market.
- (4) On the basis of nature of goods sold, we have consumer goods market.
- (5) On the basis of period we have short term and long term markets, e.g. Money market for Short-term funds and capital market for long-term funds.
- (6) On the basis of nature and magnitude of selling, we have wholesale and retail markets.

KINDS OF GOODS:

There are three kinds of goods: (1) Manufacture goods
(2) Agricultural goods and
(3) Natural Raw Materials.

Manufactured goods may be consumer goods needed for use or consumption by consumers or industrial goods needed for use by producers in the process of production.

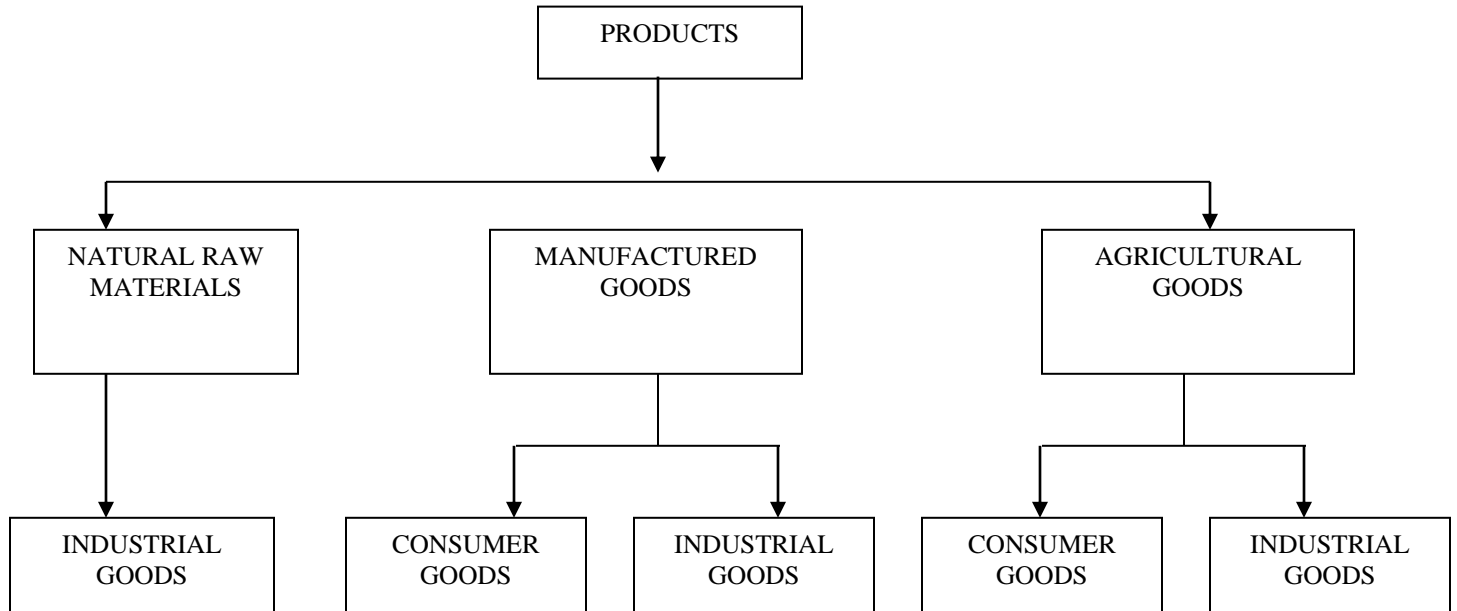
Agricultural goods may be in the form of raw materials for industry of consumer goods for immediate consumption.

Natural raw materials are the gifts of nature and they are the raw materials of industry.

Prof .M.T.Copeland developed three-fold classification of consumer goods based on typical buying habits of consumers: how, when and where consumers usually buy commodities. The three categories of consumer's goods are:

- (1) **Convenience goods**
- (2) **Shopping goods**
- (3) **Specialist goods.**

TYPES OF GOODS



KINDS OF GOODS COMPARISON

Convenience goods	Shopping goods	Specialty goods
1. Frequent purchases	1. Demand search efforts in central markets	1. Goods have unique features.
2. High replacement rate.	2. Purchase can be postponed	2. Unusual behaviour is needed
3. Purchase in small quantities	3. Demand evaluation and comparison on the basis of quality, style, price, suitability	3. Special purchasing effort is required for preferred brands.

4. Demand minimum effort, time and shopping for purchase	4. Do not need numerous shops.	4. They act as important life styles and images
5. must be available at nearest store	5. Fashion and service goods.	5. They are costly luxury goods.

MARKETING MANAGEMENT

Convenience goods Marketing methods	Shopping goods Marketing methods	Specialty goods Marketing methods
1. Numerous outlets	1. Limited outlets	1. Limited outlets
2. Quick sales turnover.	2. Medium turnover	2. Low turnover
3. Wide spread sales	3. Selective distribution	3. Exclusive distribution
4. Sale through wholesaler and retailer	. Direct sale to retailer	4. Direct sale to retailer
5. Sales promotion and advertising not very important	5. Sales promotion and advertising very important.	5. Sales promotion and advertising necessary
6. Packaging has a silent	6. Packaging has a minor	6. packaging has no

sales man	role	promotion value
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Notes: 1: the distinction between convenience and shopping goods is clear and easily understandable .But the distinction between shopping and specialty goods is not quite clear. Many products are classified in both categories.

2: Novelties have shopping characteristics. Later on these may become specialty goods, when customer develop brand preference and loyalty as well as store patronage habits.

Marketing:

An Introduction

The term ‘market’ originates from the Latin noun ‘markets’ which means a place where business is conducted.’ A layman has somewhat similar connotations of the word ‘market’ which brings to his mind the vista of place where the buyers and sellers personally interact and finalize deals. However, for the students of marketing-it has a wider and deeper implication of exchanging goods and services for money. In this context, Philip Kotler has defined the term market as “an arena for potential exchange.

William J. Stanton has defined marketing as “a total system of interacting business activities designed to plan, price, promote, and distribute want satisfying products and services to present and potential customers.” Not only does marketing deal with goods and services but it also focuses on ideas, issues, concepts and principles.

A Few Examples

- *European Exporters in the Banana wars*
- *Asia’s currency crisis*
- *Japanese exporters when the yen rose*
- *Oil Companies in Iraq*
- *And so on and so forth*
- *Thus, sometimes companies cannot do a thing*
- *Still GE, Microsoft, Sony, Toyota continue to excel - how?*

Some Internal Environmental factors

- *The set of factors inside the marketer’s value chain*
- *That can influence marketing success*

Origin of Marketing:

Hundred years of age, most firms were production oriented, i.e., the manufacturers focused on production of quality products and then looked for people to purchase them .With technological transformation, the emphasis shifted to an effective sales force to find customers for their growing output. After 1950, the shift to marketing was so emphatic that the manufactured their goods accordingly.

Marketing has come a long way from being recognized as a function of an organization in India. Marketing is such a type of function which is used by all types of organizations. Marketing is used for customer satisfaction and customer service plays a vital role in the economy.

The following person's contribution to the development of Marketing thought:

1920	-Cherington
1951	-Alderson
1954	-Druker
1956	-Hensen
1960	-Levitt
1960	-Mccarthy
1969	-Kotler and levy
1980	-porter
1982	-peters and waterman

A perusal of literature shows various marketing theories, which were used in various organizations: Ford (model on distribution system), General Motors (marketing segmentation), and I.B.M. (model on training to sales force with high service quality), and marketing strategies and their utilities.

. The American marketing Association defines marketing as the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individual and organizational objectives.

Paul Mazur defined marketing as the creation and delivery of a standard of living to society. This definition catches the real spirit of the marketing process. It has consumer orientation. It duly honors the marketing concept, which indicates a shift from product to customer -orientation, i.e., fulfillment of customer needs and desires .it emphasizes the major function of marketing, viz., satisfaction of customer and social demand for material goods and services. It includes product planning and development. It makes business firm a full pledged marketing organization . However, it is too vague, general, and broad and lacks descriptive tone in marketing.

MODERN DEFINITION OF MARKETING:

“Marketing as a total system of business, an on going process of : (1) discovering and translating consumer needs and desires into products and services (through planning and producing the planned products) , (2) creating demand for these products and services (through promotion and pricing), (3) serving the consumer demand (through planned physical distribution) with the help of keen competition.” The modern marketer is called upon to set the marketing objectives, develop the marketing plan, organize the marketing function, implement the marketing plan or programme (marketing mix) and control the marketing programme to assure the accomplishment of the set marketing objectives . The marketing programme covers products planning or merchandising, price, promotion and physical distribution.

In short, modern marketing begins with the customer, not with products cost, sales, technological landmarks and it ends with the customer satisfaction and social well-being. Under the market, driven economy buyer or customer is the loss.

Under the systems approach (a system is a series of interlocking steps) marketing is

defined as an ongoing social process for the creation and delivery of standards and styles of life.

Marketing covers:

- 1. Seeking:** It is the first function. The purpose of seeking is to discover the customer and customer needs. The marketing opportunity is revealed through an analysis of the environment.
- 2. Matching:** marketing is a matching process. Customer demand has to be matched with organizational resources and environmental limitations, such as competition, government regulations, general economic conditions, and so on.
- 3. Programming :** the marketing programme, called the marketing mix, covering, product, price, promotion, and distribution strategies (4p's) will be formulated and implemented to accomplish the twin objective of customer satisfaction and profitability.

The Four P Components of the marketing mix:

PRODUCT----PRICE-----PROMOTION-----PLACE



4. On the basis of customer orientation marketing approach (marketing concept) and the concept of strategy (marketing planning and control) we may evolve a precise definition of marketing:

Marketing is a system of integrated business activities designed to develop strategies and plans (marketing mixes) to the satisfaction of customer wants of selected market segments or targets.

We can evolve a planned system of action dealing with the problem of moving large volume of products, by looking forward to ultimate customers and backward to suppliers, and by linking customers and suppliers together in a sequence of proper steps.

Notes: 1. the definition under systems approach stresses managerial aspects of marketing in an integrated manner.

2. It honors customer or market or demand oriented approach and stresses the marketing concept duly.

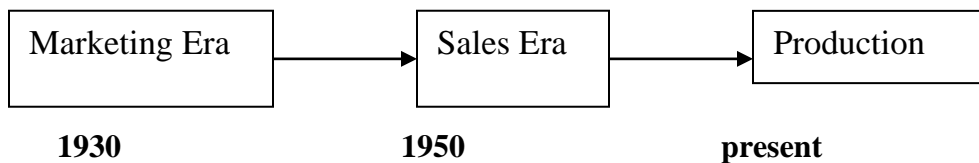
3. It indicates that marketing is an ongoing or dynamic process involving several interacting and interrelated activities.

4. It points out that the entire marketing programme must give market offering which can assure full customer service and satisfaction (which in the limits of society) and then only the business firm can expect profitable sales over the long run.

5. Systems approach recognizes the inter relations, and inter connections among the components of a marketing systems. Integration and coordination of all business activities provide a new perspective for solving marketing problems.

6. Marketing programmers are planned to achieve the marketing objectives by solving two marketing problems. Problems of stimulating demand is solved by promotion and pricing to attract customers. Problem of physical distribution is solved by serving the demand through transport, warehousing, order processing and inventory control and with the help of intermediaries.

THE EVALUTION OF MARKETING



Nature of marketing :

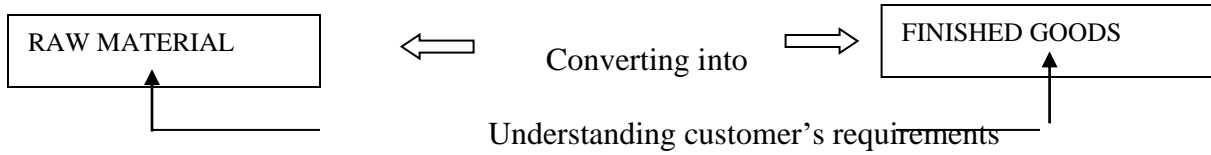
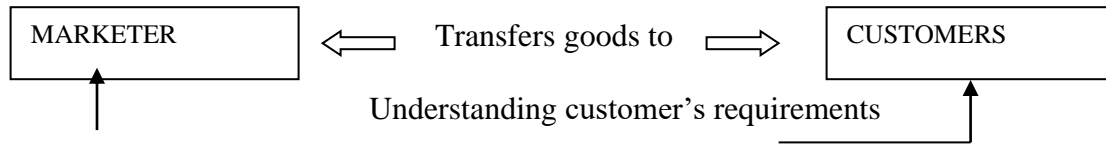
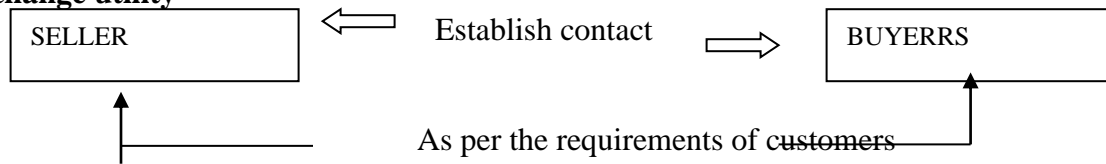
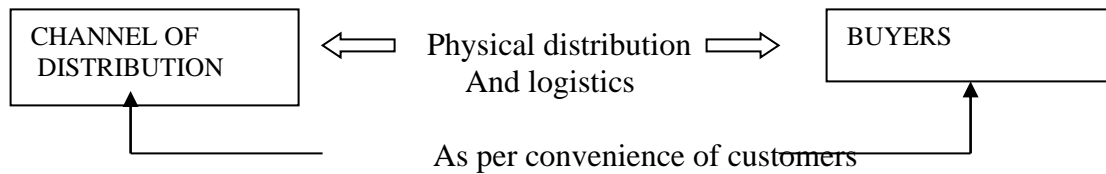
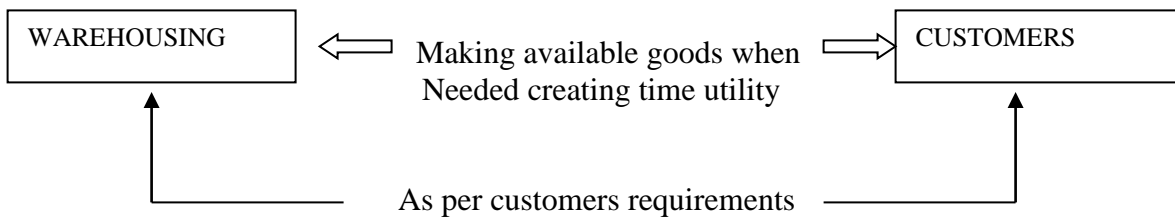
1. Marketing is both consumer oriented and competitors oriented.
2. It starts with consumers and ends at consumers by satisfying their needs.
3. Marketing is the most important function of management.
4. The long-term objectives of marketing of profit maximization through customer satisfaction.
5. Marketing is an integrated process, which is based on strategies and models.
6. Marketing must deliver goods and service in exchange of money.

Customer and competitor orientations

Minor	self-centered	competitors oriented	Customer emphasis
Major	customer oriented	Market driven	

WHAT IS MARKETING?

Marketing is the basis reason for the existence of a business organization. In the age of fast changes, marketing is the springboard of all activities. It works as the guide for all business /non-business organizations. It is a powerful mechanism which alone can satisfy the needs and wants of consumers at the place and price they desire. The success of a business depends largely on the effectiveness with which its marketing strategies are formulated and implemented. Marketing is said to be the eyes and ears of a business organization because it keeps the business in close contact with it of events that can influence its activities as per requirements of the market. Marketing helps in having a good range of products in constant demand and suggests to the management the scope for improving and developing new products to satisfy the changing customer needs. Customer is the king of the market. Customers decide what products suit their needs. There fore, we can say marketing satisfies our needs by providing form utility, exchange utility, place utility and time utility.

Form utility**Person utility****Exchange utility****Place utility****Time utility****Marketing can be summed up as consisting of:**

- sales in a planned way ;
- creation of customers;

- Creation of demand and satisfying it.

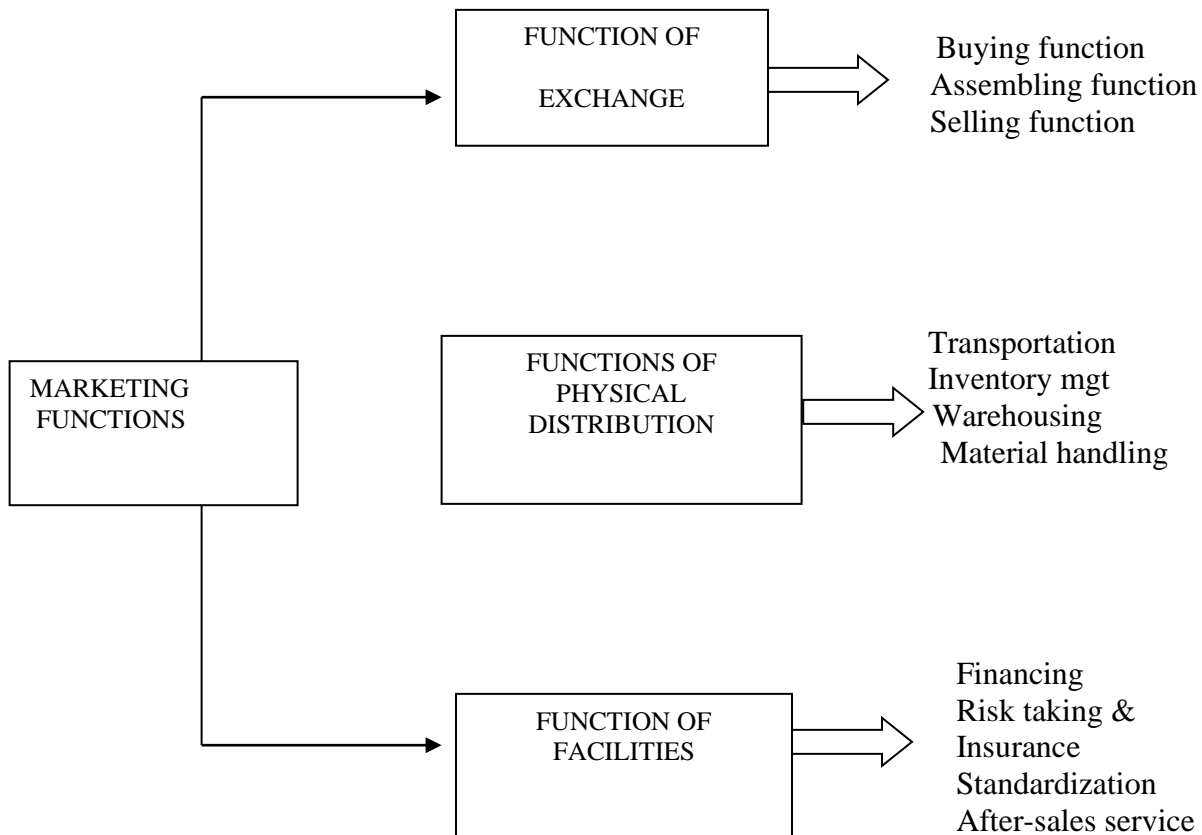
Selling a product without appropriate pricing, proper packing, need based promotion inputs and choosing a right market place, would be like firing an unguided missile. Until and unless a product is tuned for a given product market situation, it will meet its own death.

With the changing business scenario, marketing has taken the shape of value added marketing activity, where in the basis pressure of any marketing activity for sales in a planned way is tuning the four Ps, i.e., product, price, promotion, place. The customer should realize that he needs a given product, and at the same time the seller's product, it self should speak of its attributes and should be positioned accordingly to have a user-friendly image for itself.

For a business enterprise to realize the full benefits of the marketing concept, the philosophy must be translated into action, i.e., (1) the marketing activity should be fully coordinated and well managed: and (2) an important role must be accorded to the chief marketing executive in company planning.

SCOPE OF MARKETING:

The scope of marketing is very wide. It may be analyzed in terms of marketing performance through various functions. A number of functions are inherent in every marketing process and these functions are to be performed on the basis of various utilities.



FUNCTIONS OF EXCHANGE

(1) Buying function: A manufacturer is required to buy raw materials for production purposes. Similarly, a wholesaler has to buy goods from manufacturer for purposes of sales to retailer. A retailer has to sell the goods to consumers. Thus, functions of buying have to be performed at three stages.

(2) Assembling function: Assembling is different and separate from buying. Buying involves transfer of ownership of the goods from sellers to the buyers: where as it depends on the requirements of the buyer.

(3) Selling function: Selling involves transfer of ownership from seller to the buyer. Selling

function is vital to the success of any firm. Its importance has been continuously increasing in all organizations due to the emergence of severe competition. Producing goods is easy but it is very difficult to sell them.

FUNCTIONS OF PHYSICAL DISTRIBUTION

(1) TRANSPORTATION: it includes decision to be taken on mode of transport, service selection, freight consolidation, carrier routing, vehicle scheduling. Processing claims, etc.

(2) INVENTORY MANAGEMENT: It includes

- Short term sales forecasting
- Product mix at stocking points
- number, size and locations of stocking points
- just in time (J I T) or push or pull strategies

(3), Warehousing: it including the following functions:

- space determination
- stock layout and design
- stock placements

(4) Material handling: it including the following functions

- equipments selections
- equipment replacement
- order picking procedure
- stock storage and retrieval

FUNCTIONS OF FACILITIES

(1) Financing: the importance of extending liberal credit facilities as a selling tool cannot be underestimated. This would necessarily involve higher working capital requirements. Hence arrangements of finance have become an increasingly important function. Therefore, a marketer can plan for various kinds of finance: short-term finance, medium-term

finance and long-term finance. There are various sources of finance, for example, commercial banks, co-operative banks, credit societies, government agencies, etc.

- (2) **Risk taking:** There are innumerable risk, which a marketing enterprise has to bear in the process of marketing of goods and services. Risks arise due to unforeseen circumstances. Risk can be insured also. For example, the risk due to fire and accidents may be covered by insurance competition, technological risks and business cycle risk cannot be insured.
- (3) **Standardization:** Buyers and sellers always prefer to have standardized goods and services. This will relieve buyers from examining the product and wasting time .that is why standardization has now been accepted as a convenient and ethical basis of marketing.
- (4) **After – Sale Service:** The important of after sales service facilities as a marketing tool cannot be ignored .hence arrangement of after sales service has become an increasingly important function. Therefore, a marketer has to plan for after sales service. For example, repairs, replacements, maintenance, etc.

Use of Technologies

Marketing management can also rely on various technologies within the scope of its marketing efforts. Computer-based information systems can be employed, aiding in better processing and storage of data. Marketing researchers can use such systems to devise better methods of converting data into information, and for the creation of enhanced data gathering methods. Information technology can aid in enhancing an MKIS' software and hardware components, and improve a company's marketing decision-making process.

In recent years, the notebook personal computer has gained significant market share among laptops, largely due to its more user-friendly size and portability. Information technology typically progresses at a fast rate, leading to marketing managers being cognizant of the latest technological developments. Moreover, the launch of smartphones into the cellphone market is commonly derived from a demand among consumers for more

technologically advanced products. A firm can lose out to competitors should it ignore technological innovations in its industry.

Technological advancements can lessen barriers between countries and regions. Using the World Wide Web, firms can quickly dispatch information from one country to another without much restriction. Prior to the mass usage of the Internet, such transfers of information would have taken longer to send, especially if done via snail mail, telex, etc. Recently, there has been a large emphasis on data analytics. Data can be mined from various sources such as online forms, mobile phone applications and more recently, social media.

ROLE OF MARKETING MANAGEMENT:

Most people consider marketing management as very simple .i.e., just stimulating the demand for a company's products. This, however, is not true for marketing management influences the level; timing and composition of demand in a way that helps the company achieve its objectives. Suppose the demand level of a product is X units. In reality, however, the demand level may be lower or higher than the assumed demand level (X).then the task of marketing management can easily maintain the desire demand level by carrying out marketing research planning controlling and implementation.

In the business firm marketing generates revenues that are managed by the finance people and used by the production people to create products and services. Marketing is a very broad activity, so it needs a broad definition. We give below a commonly accepted definition.

“Marketing consists of all activities designed to generates and facilitate any exchange intended to satisfy human needs and wants.

OBJECTIVES OF THE STUDY:

1. To present the theoretical framework of sales & distribution.
2. To make a comparative analysis of Bharthi Soap works.
3. To make recommendations in all areas of sales & distribution
4. To present the finding & suggestions to Bharthi Soap works regarding sales & distribution.

NEED OF THE STUDY:

Now a days, being a business person, it is obvious one should have an eye on his competitor. Coming to the study, there are only two market giants and it is very important to watch what other one is doing to react and respond. While marketing, companies will follow many strategies to counter the competitor's game plan especially newly developing Industries like Bharathi Consumer Care Products Pvt Ltd.

This way it would be viable by identifying target markets, manufacturing competing products, building brands, brand image, and having a good asset management system, increasing market share, customer satisfaction, effective advertising, getting customer feedback, continuous analysis of environment are also essential to get more profits and to sustain in the market.

Coming to the study it would be appropriate to analyze each organizations actions and strategies to grab more market share, get more profits and derive who is going to be the market leader.

SCOPE OF THE STUDY:

The scope of study is limited to know the Sales and Distribution of the organization as a whole and as well as to know how the policies are made, implemented and converted to Retailers (customer). The study is to know in brief about the following areas:

A). Market area**b). Channels of distribution****c). Sales promotion activities of the company**

The following Departments of the Company were approached for survey during the project:

- 1. Administration Department**
- 2. Sales Department**
- 3. Production Department**
- 4. Distribution Network and Retailers.**

RESEARCH METHODOLOGY:

We started our research by going into the market every day and observing the behavior of every customer. We have to fill the **DSR** (Daily Sales Report) every day when we go to the market. The DSR tells you the availability of our brand in the shops and even the availability of our competitors.

The DSR tells you the details of the sales of that day. These DSR`s will be submitted to the Customer Executive Officer every day. So that the company can analyze the sale of every day product wise.

How is your organization perceived internally and by customers? Whom should you ask?

- Current and lapsed customers
- Potential customers
- How can you find out?
- Quantitative research – know the Numbers via statistics, survey results
- Qualitative research - Explores the motivations such as through focus Groups, interviews, feedback....
- Observation is also important Ask

Sampling: 100

The research process, broadly involves the following steps:

- Problem Definition
- Research budget decision
- Research design decision
- Research proposal preparation
- Data collection
- Data analysis and report writing.

DATA COLLECTION:

Data collection is the most important task for a company to stay in the market for a long time. Data can be collected in two ways.

They are:

- **Primary data**
- **Secondary data.**

PRIMARY SOURCES:

The necessary primary data has been collected through personal interviews with the executives concerned. By establishing a direct contract with dealers, the pros and the cons of the distributors can be easily interpreted. Information pertaining to the production process was gathered by direct observation.

SECONDARY SOURCES: Following are the sources of secondary data collection.

- a. Annual reports
- b. Magazines
- c. Company files
- d. Company web sites

DATA TABULATION:

The data once collected will be kept in tables, so that the Customer Executive Officer can easily identify the sale and stock display on that particular day. The competitor's data will also be collected and will be put in the form of tables.

ANALYSIS METHOD:

The data in the form of tables will be useful to analyze the market share. The competitor's position in the market can also be analyzed with this data.

LIMITATIONS OF THE STUDY:

The eight-week study is conducted with the following limitations

1. **Disclosure of the distribution network is hard due to its internalized nature.**
2. **The distribution network may vary over a period of time in accordance with the changes in the market conditions.**
3. **The non-availability of executives at an appropriate time renders the information as incomplete.**
4. **Some outlet owners are reluctant to share their information.**
5. **The eight-week duration is a very limited period, which restricts us from understanding the various aspects involved in the distribution net-work.**
6. **The study is confined to Guntur Town only.**

INDUSTRY PROFILE

Products which have a quick turnover, and relatively low cost are known as Fast Moving Consumer Goods (FMCG). FMCG products are those that get replaced within a year. Examples of FMCG generally include a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, tooth cleaning products, shaving products and detergents, as well as other non-durables such as glassware, bulbs, batteries, paper products, and plastic goods. FMCG may also include pharmaceuticals, consumer electronics, packaged food products, soft drinks, tissue paper, and chocolate bars.

Subsets of FMCGs are Fast Moving Consumer Electronics which include innovative electronic products such as mobile phones, MP3 players, digital cameras, GPS Systems and Laptops. These are replaced more frequently than other electronic products.

White goods in FMCG refer to household electronic items such as Refrigerators, T.Vs, Music Systems, etc.

In 2005, the Rs. 48,000-crore FMCG segment was one of the fast growing industries in India. According to the AC Nielsen India study, the industry grew 5.3% in value between 2004 and 2005.

INDIAN FMCG SECTOR

The Indian FMCG sector is the fourth largest in the economy and has a market size of US\$13.1 billion. Well-established distribution networks, as well as intense competition between the organized and unorganized segments are the characteristics of this sector. FMCG in India has a strong and competitive MNC presence across the entire value chain. It has been predicted that the FMCG market will reach to US\$ 33.4 billion in 2015 from US \$ billion 11.6 in 2003. The middle class and the rural segments of the Indian population are the most promising market for FMCG, and give brand makers the opportunity to convert them to branded products. Most of the product categories like jams, toothpaste, skin care, shampoos, etc, in India, have low per capita consumption as well as low penetration level, but the potential for growth is huge.

The Indian Economy is surging ahead by leaps and bounds, keeping pace with rapid urbanization, increased literacy levels, and rising per capita income.

The big firms are growing bigger and small scale Industries are catching up as well. According to the study conducted by **AC Nielsen, 62 of the top 100 brands are owned by MNCs, and the balance by Indian companies.** Fifteen companies own these 62 brands, and 27 of these are owned by Hindustan Lever. Pepsi is at number three followed by Thumbs Up. Britannia takes the fifth place, followed by Colgate (6), Nirma (7), Coca-Cola (8) and Parle (9). These are figures the soft drink and cigarette companies have always shied and soft drinks are the three biggest categories in FMCG. Between them, they account for 35 of the top 100 brands.

THE TOP 10 COMPANIES IN FMCG SECTOR IN THE YEAR – 2000

(As per market survey conducted by AC Nielsen)

EXHIBIT -1

S.No	Companies
1	Hindustan Unilever Ltd
2	ITC (Indian Tobacco Company)
3	Nestlé India
4	GCMMF (AMUL)
5	Dabur India
6	Asian Paints (India)
7	Cadbury India
8	Britannia Industries
9	Procter & Gamble Hygiene and Health Care
10	Marico Industries

(Source: Chillibreeze.com)

SCOPE OF THE SECTOR:

The Indian **FMCG** sector with a market size of US\$13.1 billion is the fourth largest sector in the economy. A well-established distribution network, intense competition between the organized and unorganized segments characterize the sector. FMCG Sector is expected to grow by over 60% by 2010. That will translate into an annual growth of 10% over a 5-year period. It has been estimated that FMCG sector will rise from around Rs 56,500 crores in 2005 to Rs 92,100 crores in 2010. Hair care, household care, male grooming, female hygiene, and the chocolates and confectionery categories are estimated to be the fastest growing segments, says an HSBC report.

Though the sector witnessed a slower growth in 2002-2004, it has been able to make a fine recovery since then.

For example, Hindustan Levers Limited (HLL) has shown a healthy growth in the last quarter. An estimated double-digit growth over the next few years shows that the good times are likely to continue.

GROWTH PROSPECTS

With the presence of 12.2% of the world population in the villages of India, the Indian rural FMCG market is something no one can overlook. Increased focus on farm sector will boost rural incomes, hence providing better growth prospects to the FMCG companies. Better infrastructure facilities will improve their supply chain. FMCG sector is also likely to benefit from growing demand in the market. Because of the low per capita consumption for almost all the products in the country, FMCG companies have immense possibilities for growth. And if the companies are able to change the mindset of the consumers, i.e. if they are able to take the consumers to branded products and offer new generation products, they would be able to generate higher growth in the near future. It is expected that the rural income will rise in 2007, boosting purchasing power in the countryside. However, the demand in urban areas would be the key growth driver over the long term. Also, increase in the urban population, along with increase in income levels and the availability of new categories, would help the urban areas maintain their

position in terms of consumption. At present, urban India accounts for 66% of total FMCG consumption, with rural India accounting for the remaining 34%. However, rural India accounts for more than 40% consumption in major FMCG categories such as personal care, fabric care, and hot beverages. In urban areas, home and personal care category, including skin care, household care and feminine hygiene, will keep growing at relatively attractive rates. Within the foods segment, it is estimated that processed foods, bakery, and dairy are long-term growth categories in both rural and urban areas.

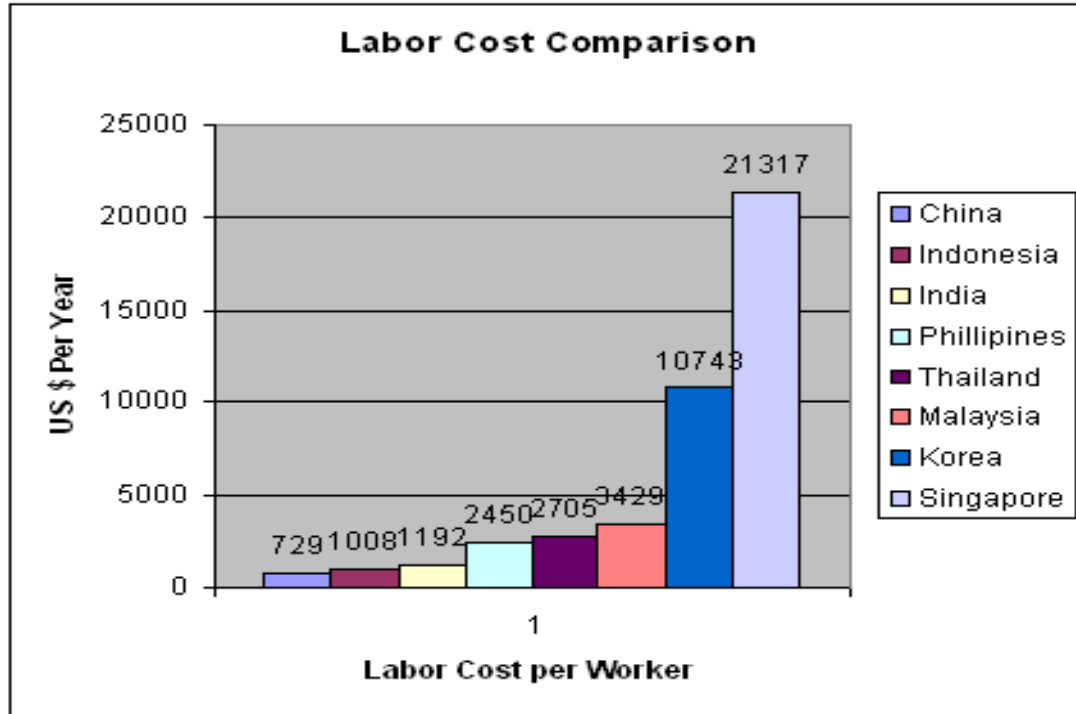
Indian Competitiveness and Comparison with the World Markets

The following factors make India a competitive player in FMCG sector:

Availability of raw materials

Because of the diverse agro-climatic conditions in India, there is a large raw material base suitable for food processing industries. India is the largest producer of livestock, milk, sugarcane, coconut, spices and cashew and is the second largest producer of rice, wheat and fruits & vegetables. India also produces caustic soda and soda ash, which are required for the production of soaps and detergents. The availability of these raw materials gives India the location advantage.

Labour cost comparison:



Low cost labor gives India a competitive advantage. India's labor cost is amongst the lowest in the world, after China & Indonesia. Low labor costs give the advantage of low cost of production. Many MNC's have established their plants in India to outsource for domestic and export markets.

Presence across value chain

Indian companies have their presence across the value chain of FMCG sector, right from the supply of raw materials to packaged goods in the food-processing sector. This brings India a more cost competitive advantage. For example, Amul supplies milk as well as dairy products like cheese, butter, etc.

DEVELOPMENT OF DETERGENT INDUSTRY

Although the start of synthetic detergent industry is not shrouded in the veils of history as were the beginnings of the soap industry, it is nevertheless not easy to pinpoint exactly when the detergent industry, as such, came into being. The primary problem is to decide exactly what is being referred to as a synthetic detergent. The term itself leads to confusion. In the USA the words surfactant or syndet are being used, whilst in Europe the term 'tenside' (for tension-active material) is coming into fashion.

Definitions

The Comiti International de Dirivis Tensio Actifs has after several years of deliberation agreed on the following definitions:

Detergent

Product the formulation of which is especially devised to promote the development of detergency. *Note:* A detergent is a formulation comprising essential constituents (surface active agents) and subsidiary constituents (builders, boosters, fillers and auxiliaries).

Surface Active Agent

Chemical compound which, when dissolved or dispersed in a liquid is preferentially absorbed at an interface, giving rise to a number of physico-chemical or chemical properties of practical interest. The molecule of the compound includes at least one group with an affinity for markedly polar surfaces, ensuring in most cases solubilization in water, and a group which has little affinity for water.

Note: Compositions in general are usually mixtures of such compounds.

Amphiphilic Product

Product comprising in its molecule, at the same time one or more hydrophilic groups and one or more hydrophobic groups.

Note: surface active agents are **amphiphilic** products (**SURFACTANTS**)

Profile of Detergents:

Soap is essentially a chemical compound formed from a group of fatty acid, and an alkali, and may also be called as an 'alkali salt of fatty acid'. Its detergent (cleaning) action is boosted by incorporation of other substances commonly known as builders. Fillers are also added to improve its appearance, to make it cheaper and attractive. The natural fatty acids used for soap making are derived from oils/fats either of vegetable or animal origin. A fatty oil when treated with alkali such as caustic soda or caustic potash produces a soap and glycerol.

About Bleach

Types of Bleach

Today, bleach is found in nearly every household. It whitens fabrics and removes stains by a chemical reaction that breaks down the undesired color into smaller particles that can be easily removed by washing.

The two types of household bleach are

- **Chlorine bleach**
- **Peroxide bleach**

Peroxide bleach was introduced in the 1950s. Though it helps to remove stains, especially in higher wash temperatures, it will not bleach most colored materials and does not weaken fabrics, as does sodium hypochlorite bleach. Peroxide bleach does not disinfect and is commonly added to laundry detergents. Which are advertised as color-safe. It also has a longer shelf life than chlorine bleach. Peroxide bleach is more commonly used in Europe, where washing machines are manufactured with inner heating coils that can raise the water temperature to the boiling point. The more common form of household bleach in the U.S. is chlorine bleach. It is most effective in removing stains and disinfecting fabrics. Chlorine bleach is cheap to manufacture and effective in both warm and hot wash temperatures. However, it has strong chemical properties which can weaken textile fibers. The disinfecting properties of chlorine bleach can also be useful outside the laundry.

Consumer Safety

The bleach manufacturing industry came under fire during the 1970s when the public became concerned about the effects of household chemicals on personal health. Dioxin, a carcinogenic byproduct of chemical manufacturing, is often found in industrial products used to bleach paper and wood. In this final bottled form, common sodium hypochlorite bleach does not contain dioxins because chlorine must be in a gaseous state for dioxins to exist. However, chlorine gas can form when bleach comes into with acid, an ingredient in some toilet-bowl cleaners, and the labels on household bleach contain specific warnings against such combination. In addition to the danger of dioxins, consumers have also been concerned about the toxicity of chlorine in sodium hypochlorite bleach. However, the laundry process deactivates the potentially toxic chlorine and causes the formation of salt water. After the rinse water enters the water system through the household drain, municipal water filtration plants remove the remaining traces of chlorine.

Improving Environmental Quality

The soap and detergent industry is committed to understanding the impact of its products and packages on the environment. With this understanding comes the ability to reduce their impact and improve their environmental quality.

Manufacturers of cleaning products have been leaders in reducing packaging waste and encouraging sound waste disposal practices. Advances in technology have resulted in products that are more concentrated, products that combine two functions in one, products with refill packages and packages that use recycled materials. Concentrated products need less energy to manufacture and transport, and require less packaging. Multifunctional products eliminate the need for separate packages. Refill packages allow consumers to reuse primary packages many times, decreasing the amount of packaging used and the volume of trash generated. Plastic and paperboard that would otherwise be thrown away become usable materials through recycling.

Through education and community programs, the soap and detergent industry helps consumers learn how to reduce waste and how best to dispose of it. Consumers are reminded that

the environmentally wise way of handling any household cleaning product is to buy only the amount that can be used: to use it all up or give it away: and, if it must be disposed, to dispose of it properly. As a rule of thumb, products designed for use with water should be disposed of by pouring down the drain: solid products such as scouring pads should be put into the trash.

A promising method under development for improving the environmental quality of a product is life cycle assessment (LCA). LCA describes a “cradle-to-grave” look at all environmental impacts of a product and its package, from acquiring raw materials through manufacture and distribution to consumer use and disposal. One advantage of LCA is that it can determine whether reducing an environmental impact in one area, such as manufacturing, shifts the impact to another, such as disposal. LCA also helps to identify where environmental improvement efforts should be focused.

Sound scientific information provides the foundation for the soap and detergent industry’s commitment to safety. The industry maintains this commitment without compromising product performance, convenience or cost effectiveness.

INDUSTRY OVERVIEW:

Population growth, particularly households with children, drives demand in the consumer sector, while economic growth drives demand in the commercial sector. The profitability of individual companies depends on efficient operations and effective sales and marketing. Large companies have scale advantages in purchasing, manufacturing, distribution, and marketing. Small companies can compete effectively by offering specialized products, providing superior customer service, or serving a local market. The industry is capital-intensive average annual revenue per worker is over **\$700,000**.

The industry is about evenly split between the consumer and commercial segments. Both segments are highly competitive, with large companies spending millions to maintain market share.

Products, Operations & Technology

Major products include laundry detergent, soap, dishwashing detergent, and toothpaste. Laundry detergent accounts for 40 percent of industry revenue, soap for 20 percent, and dishwashing detergent for 15 percent. Laundry detergent comes in powder or liquid form, and may contain bleach additives or color brighteners. Dishwashing detergent comes in powder, liquid, or gel form. Soap comes in bars or liquids, and may have moisturizing, antibacterial, or deodorant benefits. Companies in the commercial sector may also sell dispensing equipment and provide related training.

FABRIC WASH OVERVIEW:

The fabric wash market is valued at Rs 57 billion in India, and is the world's largest market after China, and USA. With increase in the penetration of washing machines, increase in disposable income, aggressive advertising, and convenience of usage, people prefer detergents and powders in place of bars in urban areas. Detergents' demand has been growing at the rate of about 11% for the last 5 years. However, laundry bar market has registered a negative growth. The rural fabric wash market is growing at the annual rate of 13-14%, while urban market is at 8-9%.

<u>Production size)</u>	<u>(market Unit</u>	<u>2002-03</u>	<u>% Growth</u>	<u>2003-04</u>	<u>% Growth</u>
Fabric wash market	MN tones	50	4%	50.25	0.50%
Laundry soaps/bars	Rs billion	53.3	-6.5%	50.64	-5%
Detergent cakes	MN tones	15	10%	15.3	2%
Washing powder	MN tones	25	10%	25.63	2.5%

(Source: Naukrihub.com)

Products Covered under Fabric Wash

Products covered in this category are:

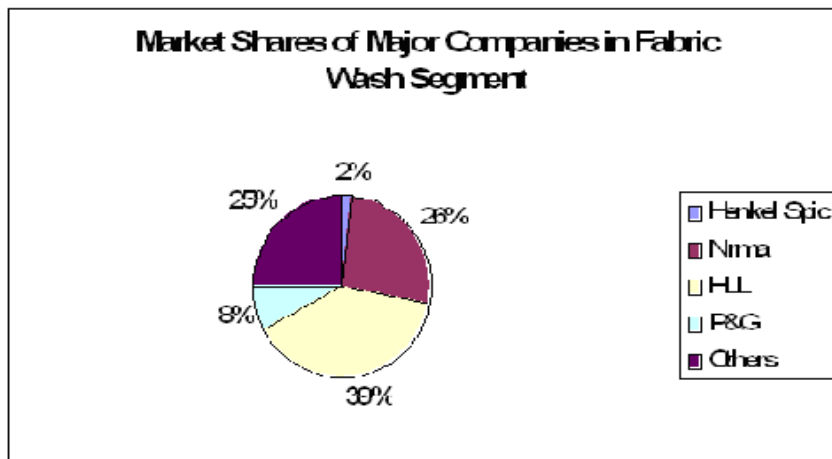
- **Laundry Soaps**

- **Synthetic Detergents**
- **Synthetic Powders**

Major Players and their Products

The major players and their products in the fabric wash market are:

- **HLL (Surf)**
- **Nirma (Nirma Super, Nima)**
- **Henkel (Henko)**
- **Proctor & Gamble (Ariel, Gain, Tide) Market Shares of the Major Players**



(Source:
Naukrihub.com)

COMPANY PROFILE

M/s **BHARATHI CONSUMER CARE PRODUCTS PVT LTD;** was a newly started Private Limited Company in **2012**, incorporated under the Company's Act 1956 consisting of with Board of Directors and Managing Director, having registered Office & Factory situated at Sy.No. 280, 281, PEDDAPARIMI Village, Amaravathi Road, Nidumukkala (Po), **GUNTUR** District, Andhra Pradesh in which **Mrs. M. PARIMALA** is the **Managing Director** of the Company. With her visionable & dynamic leadership, the company has carved a niche for itself in the market. All the **Trade Marks, Copy Rights** and the present running brands products of **BHARATHI SOAP WORKS, GUNTUR**, a Proprietorship company were assigned to this new Private Limited company **BHARATHI CONSUMER CARE PRODUCTS PVT LTD;** from **01.01.2015** onwards under a **SALE DEED OF ASSIGNMENT** between the two Companies and continuing with all the products of the same brands of detergent cakes & Detergent Powders , Dish wash cakes and other running products of **BHARATHI SOAP WORKS** are producing under the name & style of **BHARATHI CONSUMER CARE PRODUCTS PVT LTD;** represented by its **Managing Director** Mrs. **M. PARIMALA** as owner of the products with full rights over the brands and **Mr. A. MANICKAVEL** is acting as Chairman-CUM- Executive Director of the Company, who manages and supervises activities of the Company and has more than **3** decades of experience in manufacturing of Detergent Cakes and Washing powder.

The Board of Directors of BHARATHI CONSUMER CARE PRODUCTS PVT LTD consisting of with Board of Directors viz:- **1) Mrs. Parimala Manickavel as Managing Director of the Company, 2) Mr. A. Manickavel is the Chairman –CUM- Executive Director, 3) Mrs. Vanaja Padmavathi Rajendran, 4) Guruswamy and 5) Ms. Divya Bharathi Manickavel** are the other Directors of the company.

By appointing Sales Agents / Distributors at District Head quarters & surrounding villages. Through its good management and organization, it acquired a good position in the detergent industry. Now this Company '**BHARATHI CONSUMER CARE PRODUCTS PVT LTD;**' is one of the leading and moving to one of the Top Ten Companies List in A.P.

GROWTH AND EXPANSION OF BHARATHI CONSUMER CARE PRODUCTS PVT LTD.

BHARATHI CONSUMER CARE PRODUCTS PVT LTD; is expanding with their day to day production capacity and supply of goods from time to time in full swing by installing with fully Automatic latest machineries and equipments with production capacity of - **60,000- M.T. (Metric Tonns) per Annum and utilization capacity is at – 32,000 - M.T. (Metric Tonns) per Annum**, so as to reach its company products at each and every corner of Villages / Towns / Cities through its strong marketing net work & Distributors and also launched its products in Southern India States as well as western States also and also planning to launch in Northern States shortly so as to avail its' products all over India and working sincerely to reach it's goal.

With M/s. **BHARATHI CONSUMER CARE PRODUCTS PVT LTD** 's good marketing and promotional activities, its turnover is reached to **Rs.110- crores** during the financial year **2015 – 2016 (01-04-2015 to 29-02-2016)**, when compared to the last financial year **2014 -2015's turnover of Rs. 56.94 crores (01/04/2014 to 31/12/2014)** of its mother Company M/s. **BHARATHI SOAP WORKS** which shows a tremendous growth.

BHARATHI CONSUMER CARE PRODUCTS PVT LTD was initially manufactured only medium quality products and gradually started to manufacture Premium and Economy quality products within a short period. With the increasing market share and to face the market competition, it started to introduce new brands and new products like **XXX Matic Powder & Liquid detergents for washing machines purpose, Magic Toilet cleaners, XXX Liquid hand wash** like new innovations by maintaining different styles of packing to suit the desires of the consumers.

The main aim of the company M/s **BHARATHI CONSUMER CARE PRODUCTS PVT LTD** is to supply quality products to consumers. Quality is more important than profit. It is the key factor for the success of the Company. The company stress upon the quality of the products rather than its profit margins. This motivational policy was to earn huge market share at all places of southern India.

The Company is also providing monetary assistance to the poor and handily capped disabled victims, and also to the poor students by means of Scholarships to continue their studies, as they are the future leaders of our India under humanitarian grounds. Also providing free note books & Text books to the poor merit students by encouraging them as a helping hand.

The secret behind the success of any famous or growing industry is nothing but the sincere and hard working of both the Management and workers united on mutual understanding and respecting each other under the coordination and moving towards aimed goal with dedication cooperatively for the growth of the Industry unto last. In other words, the Management and workers are like two wheels of a cart in an Industry and if any one of the wheels is damaged, the cart cannot move to reach the destination. Or otherwise, the Industry will be collapsed if Management and workers differ each other and move in different way. Both categories should move like one family to reach their goals and to run the Industry successfully for mutual benefit. Management must recognize the worker /employee, by encouraging him on his achievements in his work from time to time, so that he will sacrifice his whole time in his work sincerely to get better appreciation and recognize from the Management side. Many multinational Companies are adopting the system of “Kaizen” as universally accepted to get more productivity from the worker/employee, i.e. extraction of maximum productivity in minimum time.

Awards:

By its' sincere and hard work, within a short period, the company **BHARATHI CONSUMER CARE PRODUCTS PVT LTD;** has won the prestigious **National Award** from the **COUNCIL OF STATE INDUSTRIAL DEVELOPMENT AND INVESTMENT CORPORATIONS OF INDIA (COSIDICI)**, New Delhi and in the event, the **Managing Director** of the company **Mrs. PARIMALA MANICKAVEL**, the young and dynamic lady entrepreneur is honored by the **Government of Madhya Pradesh** with the prestigious National Award of “***OUT STANDING ENTREPRENEUR***” for the year – **2017** in the National award function conducted at Indore, Madhya Pradesh on **10.02.2017**. These Awards have come to be looked upon as a bench mark of excellence in the **MSME** sector.

“KRUSHITO NAASTHI DURBHIKSHAM”

BHARATHI CONSUMER CARE PRODUCTS PVT LTD.

PRODUCTS	BRAND NAME
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CERTIFIED & REGISTERED LOGO OF THE COMPANY

All the brand Labels of Detergent Cakes, Washing Powder and Dish wash Cakes & Company LOGO of BHARATHI CONSUMER CARE PRODUCTS PVT LTD; are got Registered under the Trade Mark & Copy Right Acts.

1. DETERGENT CAKES / SOAPS	<ul style="list-style-type: none"> • BLUE DIAMOND • TRIPLE-X (XXX) • MAGIC
PRODUCTS	<ul style="list-style-type: none"> • GREEN DIAMOND • THREE DIAMOND'S BRAND NAME
	<ul style="list-style-type: none"> • SAREGAMA • BINKA • SPRINT
2. DETERGENT POWDER / WASHING POWDER <hr/> 3. TOILET CLEANER (ANTI GERM FORMULA)	<ul style="list-style-type: none"> • Triple -X XXX SILVER FOAM • Triple -X XXX SILVER LINE • Triple -X XXX HI-POWER • Triple -X XXX LAVENDER • MAGIC • SPRINT <hr/> <ul style="list-style-type: none"> • Triple -X XXX
4. DISH WASH CAKE (ROUND & BAR)	<ul style="list-style-type: none"> • Triple -X XXX RUF & TUF
5. WASHING MACHINE DETERGENT POWDER (FOR TOP & FRONT LOAD MACHINES)	<ul style="list-style-type: none"> • Triple -X XXX MATIC

BHARATHI CONSUMER CARE PRODUCTS PVT LTD. - PRODUCTS

Under Triple-X (XXX) brand, -11- types of Detergent Cakes are being manufactured. They are:

A) XXX DETERGENT CAKES - VARIETIES:-

- | | |
|---|------------|
| 1. Triple-X XXX MORE WASH (Mini) | : 80 gms. |
| 2. Triple-X SUPER XXX | : 125 gms. |
| 3. Triple-X XXX SMALL | : 125 gms |
| 4. Triple-X XXX MORE WASH | : 150 gms. |
| 5. Triple-X XXX LAVENDER (WHITE / ROSE) | : 150 gms. |
| 6. Triple-X XXX EASY WASH | : 250 gms. |
| 7. Triple-X XXX ACTION SOAP | : 250 gms. |
| 8. Triple-X XXX (WHITE) | : 250 gms. |
| 9. Triple-X XXX QUICK WASH (WHITE / BLUE) | : 250 gms. |
| 10. Triple-X XXX MORE WASH | : 300 gms. |
| 11. Triple-X XXX BAR | : 300 gms. |
-

PREMIER BRAND OF THE COMPANY



DETERGENT CAKES' - PRICE & SCHEME OFFERS:

As on 22-02-2016

TRIPLE-X (XXX) BRAND DETERGENT CAKES:

Product Name : **Triple-X (XXX) More Wash (Mini)**
Type : **Detergent Cake**
Price : **Rs. 05.00**
Net Weight: : **80 gm.**
Offer : **-----**

Product Name : **Triple -X (XXX) SUPER Triple -X**
Type : **DETERGENT CAKE**
Price : **Rs. 07.00**
Net Weight : **125 gm.**
Offer : **-----**

Product Name : **Triple- X (XXX) SMALL**
Type : **DETERGENT CAKE**
Price : **Rs. 10.00**
Net Weight : **125 gm.**
Offer : **Free - Rs. 2.00 /- worth Det. Powder Pouch**

Product Name : **Triple - X (XXX) MORE WASH (Medium)**
Type : **DETERGENT CAKE**

Price : **Rs. 10.00**
Net Weight : **150 gm.**
Offer : **Rs. 5.00 (Pouch Offer)**

Product Name : **Triple -X (XXX) LAVENDER (WHITE / ROSE)**
Type : **DETERGENT CAKE**
Price : **Rs. 10.00**
Net Weight : **150 gm.**
Offer : **-----**

Product Name : **Triple - X (XXX) EASY WASH**
Type : **DETERGENT CAKE**
Price : **Rs. 23.00**
Net Weight : **250 gm.**
Offer : **Free - Rs.5.00 /- worth Det. Powder Pouch**

Product Name : **Triple - X (XXX) ACTION SOAP**
Type : **DETERGENT CAKE**
Price : **Rs. 17.00**
Net Weight : **250 gm.**
Offer : **-----**

Product Name : **Triple - X (XXX) WHITE**

Type : **DETERGENT CAKE**
Price : **Rs. 20.00**
Net Weight : **250 gm.**
Offer : **-----**

Product Name : **Triple - X (XXX) QUICK WASH (WHIT E / BLUE)**

Type : **DETERGENT CAKE**
Price : **Rs. 25.00**
Net Weight : **250 gm.**
Offer : **Free - One Plastic Bucket for – 12- Soaps**

Product Name : **Triple - X (XXX) MORE WASH**

Type : **DETERGENT CAKE**
Price : **Rs. 25.00**
Net Weight : **300 gm.**
Offer : **Free - Rs.5.00 /- worth Det. Powder Pouch**

Product Name : **Triple - X (XXX) BAR**

Type : **DETERGENT CAKE**
Price : **Rs. 25.00**
Net Weight : **300 gm.**
Offer : **-----**

Product Name : **BLUE DIAMOND**

Type : **DETERGENT CAKE**
Price : **Rs. 07.00**
Net Weight : **125 gm.**
Offer : **-----**

Product Name : **BLUE DIAMOND (BIG)**
Type : **DETERGENT CAKE**
Price : **Rs. 13.00**
Net Weight : **200 gm.**
Offer : **-----**

Product Name : **THREE DIAMOND'S**
Type : **DETERGENT CAKE**
Price : **Rs. 16.00**
Net Weight : **300 gm.**
Offer : **-----**

Product Name : **SAREGAMA**
Type : **DETERGENT CAKE**
Price : **Rs.** **5.00**
Net Weight : **100 gm.**
Offer : **-----**

Product Name : **SAREGAMA**

Type : **DETERGENT CAKE**
Price : **Rs. 16.00**
Net Weight : **300 gm.**
Offer : **-----**

Product Name : **MAGIC**
Type : **DETERGENT CAKE**
Price : **Rs. 10.00**
Net Weight : **200 gm.**
Offer : **-----**

Product Name : **SPRINT**
Type : **DETERGENT CAKE**
Price : **Rs. 27.00**
Net Weight : **250 gm.**
Offer : **Free - Rs.5.00 /- worth Det. Powder Pouch**

Triple -X (XXX) DISH WASH:

Product Name : **Triple - X (XXX) RUF & TUF**
Type : **DISH WASH CAKE (ROUND)**
Price : **Rs. 25.00**
Net Weight : **250 gm.**
Offer : **FREE – ONE SCRUBBER**

Product Name : **Triple - X (XXX) RUF & TUF**

Type	:	DISH WASH CAKE (ROUND)	
Price	:	Rs.	42.00
Net Weight	:	500 gm.	
Offer	:	FREE – One SCRUBBER	

B) XXX DETERGENT POWDER – VARIETIES:-

1. Triple-X XXX SILVER FOAM : 1 Kg.
 2. Triple-X XXX HI-POWER : 1 Kg.
 3. Triple-X XXX (LAVENDER) : 1 Kg.
 4. Triple-X XXX SILVER FOAM : 500 gms.
 5. Triple-X XXX HI-POWER : 500 gms.
 6. Triple-X XXX (LAVENDER) : 500 gms.
 7. Triple-X XXX SILVER FOAM : 250 gms.
 8. Triple-X XXX SILVER FOAM : 150 gms.
 9. Triple-X XXX SILVER FOAM : 50 gms.
 10. Triple-X XXX SILVER FOAM : 25 gms.
 11. Triple-X XXX SILVER FOAM : 12 gms.
 12. Triple-X XXX SILVER LINE : 3 Kg.
 13. Triple-X XXX (LAVENDER) : 5 Kg.
-

DETERGENT POWDER / WASHING POWDER:

Triple-X (XXX) SILVER FOAM WASHING POWDER / DETERGENT POWDER:

Usage: Two Scoops for bucket wash. Soak for 30 minutes before washing. For superior results, wash in warm water. **XXX** gives you not just “whiteness” but also “freshness”. The power of blue whitens up your cloths. For every wash your clothes look and smell as fresh as new.

White cloths should not be mixed with colored clothes for better whiteness and to wash separately.

Product Name	:	Triple - X (XXX) SILVER FOAM
Type	:	WASHING POWDER / DETERGENT POWDER
Price	:	Rs. 66.00
Net Weight	:	1 Kg.
Offer	:	Free- One 250gm Triple-X (XXX) ACTION Det. Cake

Triple-X(XXX) HI-POWER WASHING POWDER /DETERGENT POWDER:

Usage: Two scoops for bucket wash. Soak for 30 minutes before washing. For superior results wash in warm water. **XXX** gives you not just “whiteness” but also “freshness.” The power of blue whitens up your cloths. For every wash your clothes look and smell as fresh as new. White cloths should not be mixed with colored clothes for better whiteness and to wash separately.

Product Name	:	Hi -POWER
Type	:	WASHING POWDER / DETERGENT POWDER
Price	:	Rs. 65.00
Net Weight	:	1Kg.
Offer	:	Free - One 200gm XXX RUF & TUF (Big Dish-wash Cake)

Triple-X (XXX) SILVER LINE WASHING POWDER / DETERGENT POWDER:

Directions to Use: Two scoops for bucket wash. Soak for 30 minutes before washing. For superior results wash in warm water. XXX gives you not just “whiteness” but also “freshness” the power of blue whiteness up your clothes. For every wash your clothes look and smell as fresh as new. White cloths should not be mixed with colored clothes for better whiteness and to wash separately.

Product Name : **SILVER LINE**
Type : **WASHING POWDER**
PRICE : **Rs. 250.00**
Net Weight : **3 Kg.**
Offer : **Free - One Plastic Bucket**

Triple-X (XXX) TOILET CLEANER (ANTI GERM FORMULA)

Directions to Use : 1. Apply liquid directly on your toilet seat and leave it for about 20 minutes. First time users apply as directed and leave for at least 2 hours or overnight and then continue as directed above. 2. Brush lightly let liquid spread from Rim to U bend and flush. 3. You get sparkling white & fresh Toilet Seat with Anti Germ formula. XXX TOILET CLEANER is also suitable for Indian style toilets and does not affect on your tank.

Caution: *Keep away from children and in case of accidental contact with eyes or skin, Wash immediately with plenty of water and seek Medical advice.*

Product Name : **Triple - X (XXX) Toilet Cleaner**
Type : **Toilet Cleaner (ANTI GERM FORMULA)**
PRICE : **Rs. 65.00**
Net Weight : **500 ml.**
Offer : **Free - One Toilet cleaning Brush**

**Triple-X (XXX) MATIC WASHING / DETERGENT POWDER : (For Washing Machine use)
(Suitable for all types of Washing Machines (Both TOP & FRONT LOAD)**

Usage: One scoop for normal load and two scoops for heavy load. 1) Make sure that you keep the machine clean too, otherwise build-up of the dirt inside might end up being transferred to clothes, 2) Always wash white clothes separately from colored items, so that they can't be contaminated by other colors or end up looking a bit grey, 3) **XXX MATIC** remove stains with cold water also. **It is energy savior for Washing machines**, 4) Please check your clothes before washing if there is any metal objects like Coins, Keys, Pins and other unwanted metal things before washing as per washing process indications of your washing machine Company manual instructions book.

Product Name : **Triple - X (XXX) MATIC**
Type : **WASHING POWDER FOR WASHING MACHINE purpose**
PRICE : **Rs. 220.00**
Net Weight : **1 Kg.**
Offer : **Free One 300 gm. Triple - X (XXX) BAR Detergent Cake**

The principles of marketing in providing the needs of the customer satisfaction, the needs of the organization such as and markets and the influence of the market such as products competitors and legal factors.

The marketing principles of soap are:

- Products and markets
- Co- ordinate marketing
- Policy
- Efficiency
- Competitors legal factors soap factor
- Who and what they are stature law and trade awareness of changing

FUNCTIONAL ACTIVITIES:

(1) MARKETING:

The company introduces the new marketing strategy that is from selling of soaps by rickshaw canvassing door to door selling initially but now the new company **BHARATHI CONSUMER CARE PRODUCTS PVT LTD**; has increased its scientific marketing skills and promotional activities, when we go through the Sales report , as it shows that the Sales of the new company has increased tremendously to Rs. **110, 60, 51, 906** /- (**in Crores**) during the financial year **2015 -2016 (2015 April to 2016 Feb)** When compared to its' mother Company **BHARATHI SOAP WORKS** Sales of Rs. **56,94,36,369/-** during the last financial year **2014-2015**.

The first step in developing a marketing strategy is to understand your customers, soaps by rickshaw canvassing needs and the changing dynamics of the market . Advertising and selling on the other hand are just two of the many marketing activities . In most cases , marketing performances are all those connected with identifying the particular wants and needs of a objective market of consumers, and then going about satisfying those customers better then the competitors. This involves doing market research on customers investigating their needs and then making tactical decisions about product design , pricing, promotion and distribution.

PRODUCTION:

Production management has a number of functions to carry out the transformation process effectively. The functions incorporate different roles that are interdependent but which can be grouped under five main heading.

- **Product:-**The role of production management is to ensure that the product is manufactured as per specification and the plan.
- **Plant:-** In order to make the product plant and equipment is required productions management has to consider that the plant meets specification and is in keeping with the requirements.

- Process:-There are many ways of producing the products, and operations management has the responsibility of choosing the best way.
- Program:-The production program ensures that the schedules of production are met.
- People:-Production depends on people and their skills and motivation.

WORK PROCESS OF THE SOAP /DETERGENT CAKE MANUFACTURING:

There are several stages in the soap processing from the beginning till the finishing stage.

- 1) Mixing raw materials
- 2) Plodder
- 3) Chips
- 4) Soap bar
- 5) Bar cutting
- 6) Stamping on the bar
- 7) Covering of the bar with rapper
- 8) Soap cake packing
- 9) sealing

FUNCTIONS OF FINANCE:

In the context of achieving the goals like maximization of risk, liquidity, profitability, wealth maximization etc. Financial managers perform several areas. The total functions of financial management can be three different groups.

- 1) Liquidity functions
- 2) Profitability functions
- 3) Management of functions
- 4) Managing the funds and
- 5) Managing assets

LIQUIDITY FUNCTIONS:

In seeking sufficient liquidity to carry the firm's activities, the financial managers perform the following tasks.

- Forecasting cash flows and
- Managing the flow of internal funds.

PROFIT ABILITY FUNCTIONS:

The other function of financial manager is to provide reasonable and adequate return on capital employed. With respect to profitability important financial functions are cost control and measuring required return.

MANAGING FUNCTION:

Managing functions are divided into two types .they are

- Managing Assets
- Managing funds

MANAGING THE ASSETS:

Assets are the resources by which the firm is able to conduct business. The functions of assets management recognize the decision making role of financial manager . assets management includes knowing the total amount of assets needed by the firm to carry out its operation.

MANAGING THE FUNDS:

Funds may be viewed as the liquid assets of a firm. The term includes cash held by the firm, money borrowed by the firm gained from purchases of common and preferred stock. The financial manager is responsible to cater sufficient funds for the firm to conduct his business and he must locate money to finance receivables and inventories. He should also to make arrangements to purchase assets and identify the source of long term financing cash that must be made available to pay divides.

H.R. FUNCTIONS:

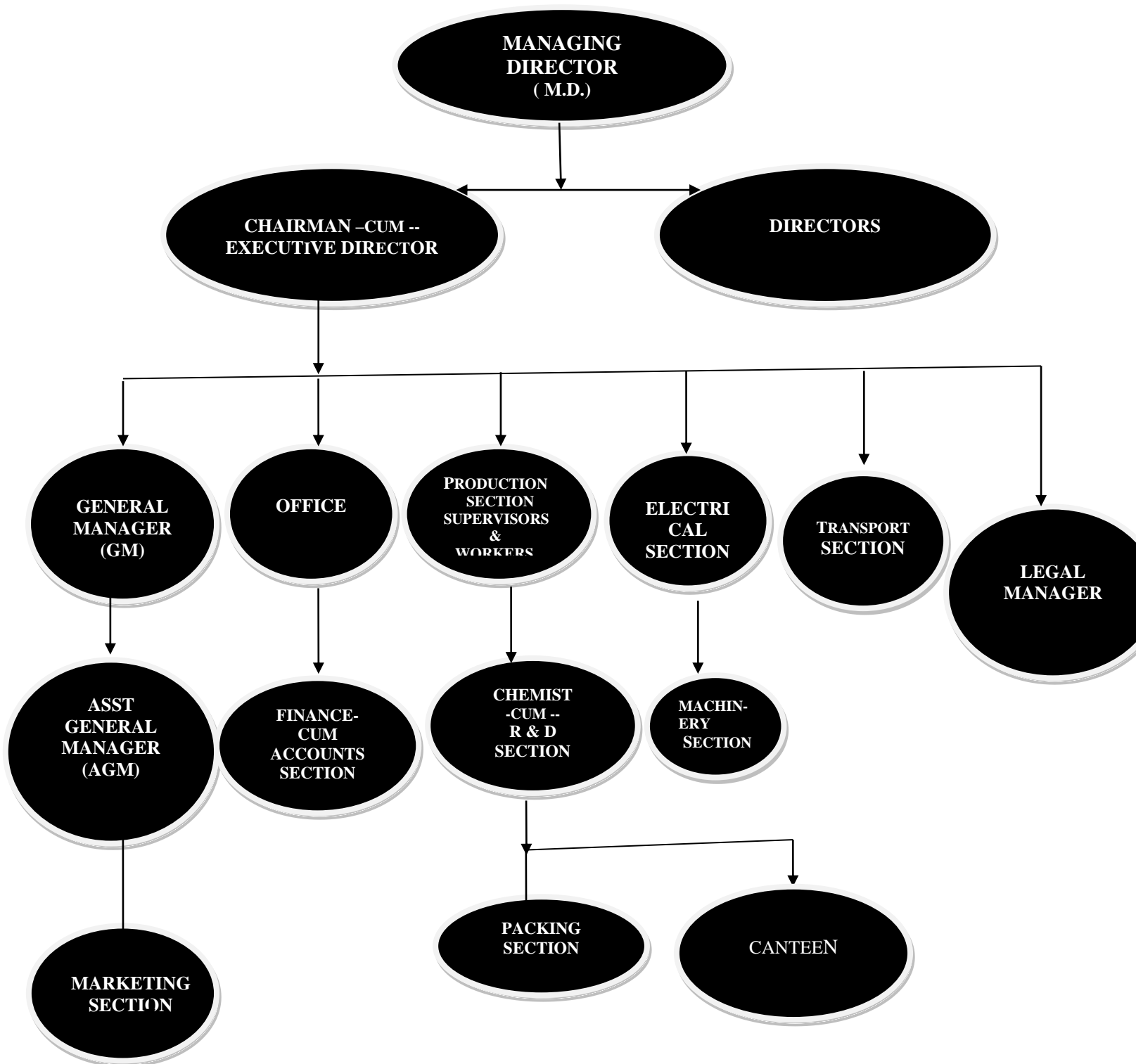
- 1) To recruiting the employee
- 2) To give training and develop the employee
- 3) To give welfare fund with in the time.
- 4) To give compensation in any accident

At present a total of **112** employees / workers in various **13** sections /departments are working in this new Company **BHARATHI CONSUMER CARE PRODUCTS PVT LTD;** as given below. The working atmosphere is very pleasant in the factory with Greenery around the large spacious Factory premises and with safety measurement tools and following safety precautions at all times keeping in view of workers safety. Company has also provided **Canteen** facility to employees & workers on free of cost of food basis under Staff welfare. The Company has also appointed a Doctor to conduct periodical health check-up to all the staff & workers at nominal charges and if any accident/ injury incurred to workers while on duty, the Company will take care of their medical treatment at Company's cost only till their recovery of health. The Company maintains **FIRST AID BOX** also all the time for the workers to give the first immediate treatment to injured worker when he was injured during work in factory.

BHARATHI CONSUMER CARE PRODUCTS PVT LTD;
SECTION - WISE EMPLOYEES CHART

S.NO.	SECTION / DEPARTMENT	NO.OF EMPLOYEES
1	GENERAL MANAGER (G.M.)	01
2	ASST. GENERAL MANAGER (A.G.M)	01
3	LEGAL MANAGER	01
4	OFFICE STAFF	04
5	FINANCE - CUM - ACCOUNTS SECTION	03
6	PRODUCTION SECTION SUPERVISORS & WORKERS	21
7	CHEMIST - CUM - R & D SECTION	02
8	PACKING SECTION	61
9	ELECTRICAL SECTION	02
10	MACHINERY SECTION	03
11	TRANSPORT SECTION	07
12	MARKETING SECTION	04
13	CANTEEN	02
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	TOTAL	112

ORGANIZATION STRUCTURE OF BHARATHI CONSUMER CARE PRODUCTS PVT. LTD.



THEORETICAL FRAME WORK

1. MARKET POTENTIAL:

A market potential is an estimate of the maximum possible sales opportunities present in a particular market segment and open to all sellers of a good or services during a stated future period.

2. SALES POTENTIAL:

A sales potential is an estimate of the maximum possible sales opportunities present in a particular market segment open to a specified company selling again or service during a stated future period

3. SALES FORECAST:

A sales forecast is an estimation of sales, in dollars of physical units in a future period under a particular marketing program and an assumed set of economic and other factors outside the unit for which the forecast is made

THE EFFECTIVE SALES EXECUTIVE:

The Area sales Manager job like those of others laid executives is to make decision hand to see it that others earn- them out. The job of Area sales Manager is more action oriented than planning oriented. Sales executives get promoted into their positions because of their previous performance as sales persons. It is widely believed that effective that sales persons will become effective sales executives, but is not true. Sales person's job is to implement the plan assigned by sales executives who are under the control of Area Sales manager. Area Sales Manager's job is administrative cum planning and controlling of field staff working under him .

QUALITIES OF EFFECTIVE SALES EXECUTIVES:

- Abilities to define the position exact function and duties in relation to the goals the company should expect to attain
- Abilities to select and train capable subordinates And willingness to delegate sufficient authority to enable to carry out assigned takes with minimum supervision.
- Ability to use time efficiently
- Ability to allocate sufficient lime for planning and implementing the plans
- Ability to exercise leadership

COORDINATION OF SALES DEPARTMENT WITH OTHER DEPARTMENTS:

Customers and other public Sales department relations with other departments influence the company's reputations with public

1. Sales and production
2. Sales and research and development
3. Sales and personal
4. Sales and finance
5. Sales and accounting
6. Sales and purchasing
7. Sales and public relation
8. Sales and legal

RECRUITING SALES PERSONAL:

In recruiting sales personal, it should be kept in mind what method is followed in tile past and what is the success and what is the failure ration to the recruitment, them depending upon that ration we have to follow recruitment method.

DISTRIBUTION CHANNEL

DISTRIBUTION DELIVERS A STANDARD OF LIVING TO SOCIETY:

The major purpose of marketing is to satisfy human needs by delivering products to various types of buyers when and where they want them and at a reasonable cost. A key element in this statement of marketing's mission is delivery. In many ways, all marketing efforts come to nothing unless products are placed in the hands of those who need them. Thus, distribution is of overwhelming importance. Distribution creates time utility and place utility.

The distance required to move a good from a producer to a buyer or consumer, society relies on the marketing function of distribution to do the job-to provide products in the right place at the right time.

Channels of Distribution Defined:

The organizations or individuals along the route from producers to consumers define the channels of distribution. Because the beginning and the ending points of the route must included, both producers and consumers are always members of channels of distribution. Organizations that serve as marketing intermediaries (middlemen) specializing in distribution rather than production are external to the producing organizations.

“A channel of distribution, then, consists of producer, consumer, and any intermediary organizations that are aligned to provide a vehicle that makes possible the passage of title or possession of the product from producer to consumer.” A system that facilitates the exchange process.”

The channels of distribution must accomplish the task of transferring the title to the product as well as facilitating the physical movement of the goods to the ultimate destination.

Consider this conventional channel of distribution:

Manufacturer **—————>** **Whole Salers & Retailers** **----->** **Ultimate consumer**

A manufacturer can choose to sell directly to retailers, in effect eliminating the wholesalers. The marketing function preformed by wholesalers must be shifted to one of other parties in the channels - the retailers and the manufacturer.

The key to setting the structure of a channel of distribution is to determine how the necessary marketing functions can be carried out more effectively and efficiently. The function to be performed should be the primary consideration in the marketing manager's distribution plans. The major functions performed by intermediaries: physical distribution, communication, and facilitating functions.

- **Physical Distribution Function:** This accumulating bulk. Creating assortments, transporting, and storing. Includes breaking bulk, and reducing transactions, Bulk-Breaking Function: An activity performed by marketing intermediaries, consisting of buying products in relatively large quantities and selling in smaller quantities. It is sometimes termed a "resolution of economic discrepancies" because manufacturers, as a rule, turn out amount of merchandise that are vast compared with the quantity that an individual buyer might care to purchase. Breaking bulk resolves this discrepancy within the economy.
- **Accumulating Bulk Function:** An activity performed by marketing intermediaries, consisting of buying small quantities of a particular product from many small producers and then selling the assembled larger quantities.
 - **Assembler:** A marketing intermediary that performs a bulk accumulating function.
 - **Sorting function:** An activity performed by marketing intermediaries, in which accumulated products are classified as to grade and size, then grouped accordingly.
- **Assorting Function:** An activity performed by marketing intermediaries, consisting of combing products purchased from several manufacturers to create assortments.
- **Reducing Transactions:** The presence of intermediaries in the distribution system actually reduces the number of transactions necessary to accomplish the exchange that keep the economies moving and consumers satisfied.
- **Transportation & storage:** Merchandise must be physically moved from points of production to points of consumption. This process often involves storage or holding of the

product at various spots along the way. Intermediaries of all types, including retailers, frequently store goods until customers further along in the channels of distribution demand them.

TYPES OF DISTRIBUTION:

Companies have to decide on the number of intermediaries to use at each channel level. Three strategies are available.

- 1. Exclusive distribution**
- 2. Selective distribution**
- 3. Intensive distribution**

EXCLUSIVE DISTRIBUTION:

This means severely limiting the number of intermediaries. It is used when the producer wants to maintain control over the service level and service outputs offered by reseller agree not to carry competing brands. By granting exclusive distribution the producer hopes to obtain more dedicated and knowledgeable selling. It requires greater partnership between seller and reseller and is used in the distribution of new automobile some major appliances, some women

SELECTIVE DISTRIBUTION:

Selective distribution involves the use of more than a few but less than all of the intermediaries who are willing to carry a particular product. It is used by established companies seeking distributors. The company does not have to displaying its efforts over too many outlets; it enables the producer to gain adequate market coverage with more control and less cost athletic shoe maker, is a good example of selective distribution.

INTENSIVE DISTRIBUTION:

Intensive distribution consists of manufacturer placing the goods and service is as many outlets as possible. Their strategy each generally used for it such as Tobacco, Pastes, Soaps, Soft drinks, for which the consumer requires a grate deal of location convenience.

Practical Study:

The way through which goods flow from the producer to the consumer is called channel of distribution. The channel decision is very important decision in Marketing Management. In order to sale the goods to the final consumer there are no of people between producer and consumer. These are called marketing Intermediaries or channel distribution. Bharathi Consumer Care Products Pvt Ltd.Company is having marketing distributors all over the states of Andhra Pradesh and Telangana in full swing and also entered into the other South Indian markets recently and planning to launch its products in other North & West Zone states shortly by increasing their field staff after getting the marketing feed back of the other states which is in progress.

The company had divided its total marketing areas into different territories in a manner they can be well managed and effectively served.

The company is using different levels of channels for the different territories according to their convenience to serve the people in a better way. Distribution in Guntur city.

Bharathi Consumer Care Products Pvt Ltd.Company at Guntur has been operating two methods for its distribution process.

- 1. Direct process**
- 2. Indirect process**

Direct process:

Under this direct process, the manufacturer itself operated its distribution process. It is having its own sales force. The company itself recruits the labor required for the process. The company had its own transport system to cover rural markets mainly.

After manufacturing the products, the vans are filled and they will go into the rural market. Bharathi Consumer Care Products Pvt Ltd. Company is concentrating on some key outlets only by this process. Here the key outlets are highly earning and high business.

- Exhibition Stalls
- Rural Village Santha markets (once in a week)
- Theatres (Free Sample soaps along with Cine Tickets under sales promotion activity)
- Big Department Stores
- Institutions
- Sales through Ration shop dealers

RELATION SHIP MARKETING:

Bharathi Consumer Care Products Pvt Ltd. Company maintains good relations with these big shops, because these are high earning business centers. By giving discounts, giving seasonal Electronic articles like Coolers /fans/ kitchen wares like daily us, By giving cash prizes against Display Counters frequently from time to time is the way of maintaining relationship and to keep the customer into grip. As the direct process yields high business and high returns the company has been keeping an eye on this process and implementing radical changes.

Indirect Process:

Indirect process is nothing but in addition to the producer and the customer there is an intermediary. An intermediary may be a wholesaler or distributor. Here in this process distributor is the middleman. There are three Distributors under BCCPPLD. Three distributors do the whole process of distribution.

This is because

1. Company can put its main resources in other areas.
2. Availability of the products is more in this process.

3. Company can concentrate its brains on more strategic issues.

Here in this process distributor is the middleman. There are three distributors under BCCPPLD in Guntur.

Some local market Survey Reports are given below:

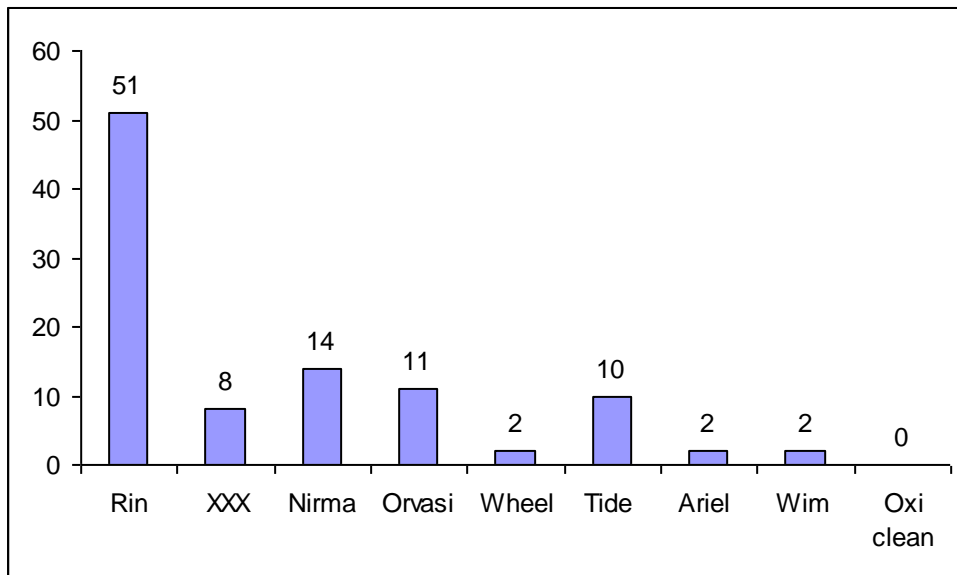
3.3. Which is the First top brand purchased by consumer in your shop ?

No	Brand Name	No. of Dealers	Percentage
1	Rin	96	51
2	XXX	16	8
3	Nirma	27	14
4	OOrvasi	20	11
5	Wheel	3	2
6	Tide	19	10
7	Ariel	3	2
8	Wim	4	2
9	Oxi clean	1	0
		189	100

Interpretation

From the above table, we can understand that interviewing 189 XXX Retailers's opinion about the 9 top brands they prefer "Rin" is in 1st position and "XXX" is 2nd position "Nirma" is in 3rd position. We can observe the Rin company brand occupied 1st position and XXX company occupied 2nd and 3rd position. It is common in the markets that when competitor brand is offering mega scheme, the sales of the other brands will be highly affected and will be in up and down and it applies to all brands as quite natural in the markets.

Graph – 3.3: Which is the First top brand purchased by consumer in your shop ?



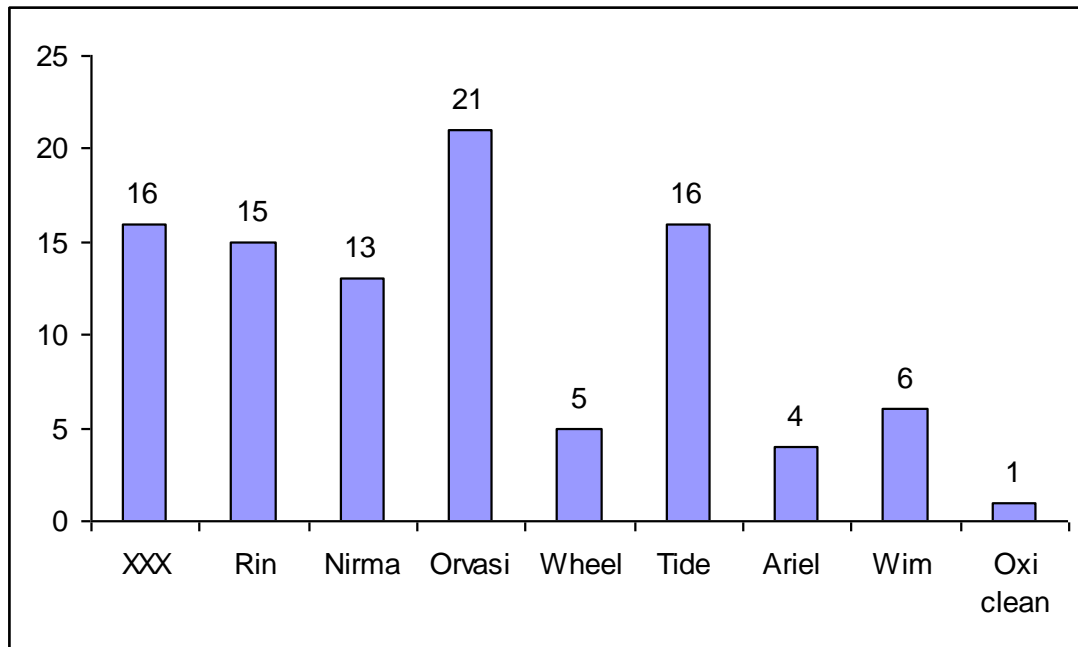
Out of 189 dealers, 96 dealers i.e 51% opted Rin as a top brand.

2nd Top brand

No	Brands	No of Dealers	Percentage	
1	XXX	30	16	
2	Rin	28	15	
3	Nirma	25	13	
4	Orvasi	40	21	
5	Wheel	9	5	
6	Tide	31	16	
7	Ariel	8	4	
8	Wim	12	6	
9	Oxi clean	1	1	
		189	100	

Interpretation

From the above table ,we can understand that, interviewing 189 XXX dealer's opinion about the 9 top brands they prefer "OOrvasi is in 1st position, Tide is in 2nd position and XXX is in 3rd position .we can observe the XXX company brands occupied 3rd position and another Orvasi & Tide company brand occupied 1st and 2nd position.

2nd TOP BRAND

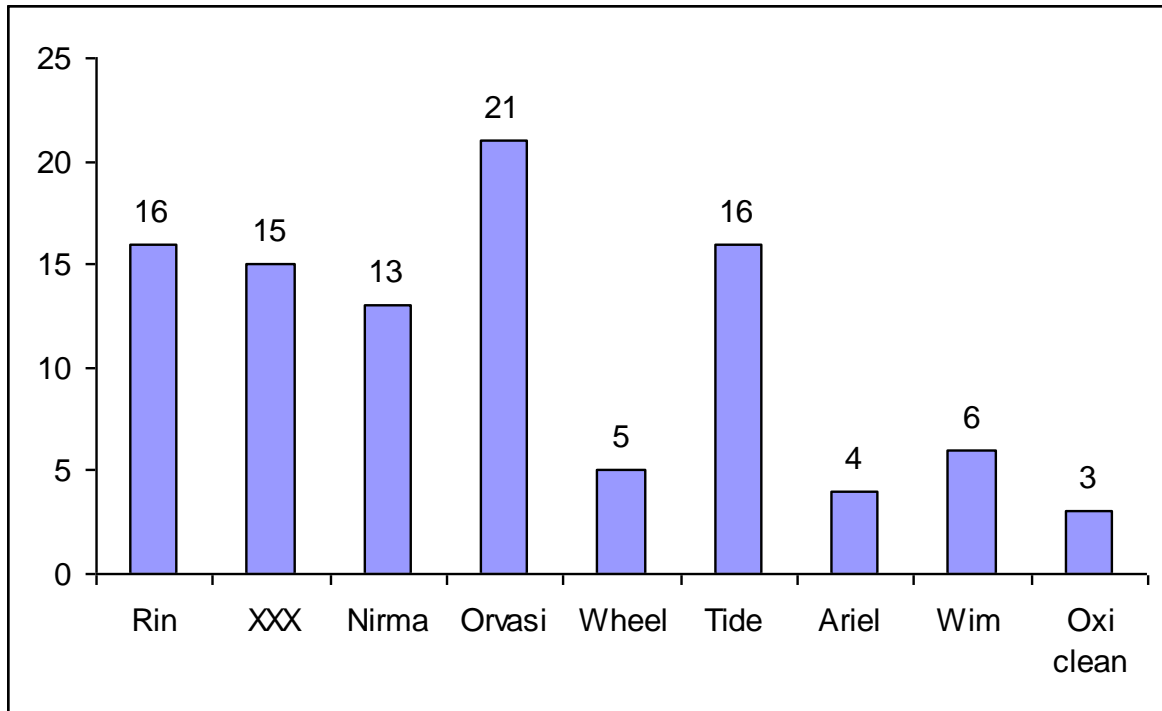
Out of 189 dealers 40 dealers i.e 21% opted Oorvasi as a top brand.

3 Top brand

No	Brands	Dealers	%
1	Rin	15	16
2	XXX	14	15
3	Nirma	33	13
4	Orvasi	30	21
5	Wheel	14	5
6	Tide	40	16
7	Ariel	8	4
8	Vim	16	6
9	Oxi clean	5	3
10		1	1
		189	100

Interpretation

From the above table, we can understand that, Interviewing 189 XXX dealer's opinion about the 9 top brands they prefer "Orvasi" is in 1st position, Tide is in 2nd position and sprite is in 3rd position. we can observe the coke company brand occupied 1st, 2nd & 3rd position. However, XXX company brands not occupied any position.



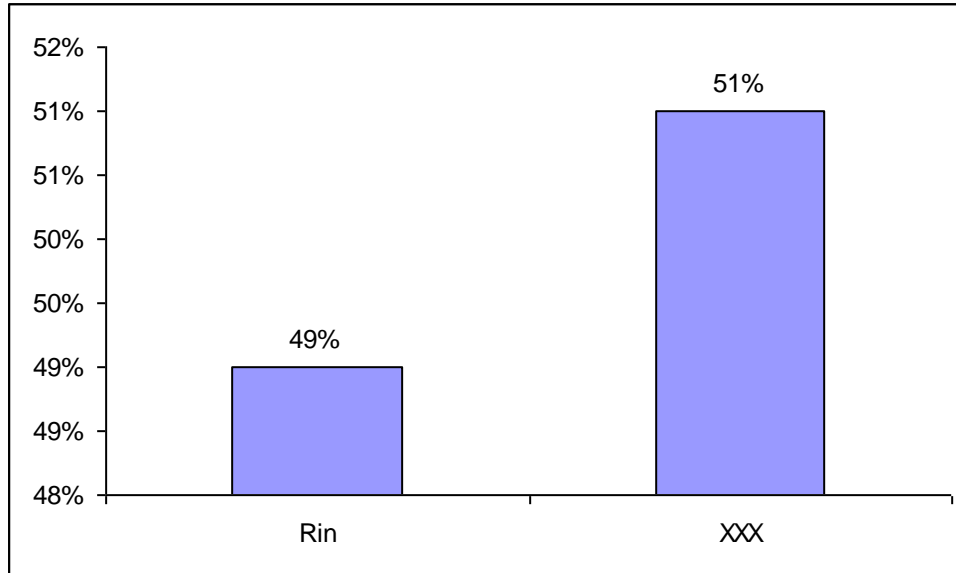
3.4. How many sales at Your shop, in boxes per day. _____ Soaps

Companies	Sales in Boxes (per day)	%
Rin	7862	49%
XXX	8085	51%

Interpretation

From the above table, we can understand that. Upon interviewing both Rin and XXX dealers it has been found by the following is the distribution of sales per day of the product. Rin company soaps sold per day – 7862 (328 cases) and XXX company Soaps sold per day – 8085 (337 cases). However, Rin company sales decrease. So improvement is seen in the XXX company sales.

Graph –3.4:How many sales at Your shop, in Boxes per day._____ soaps



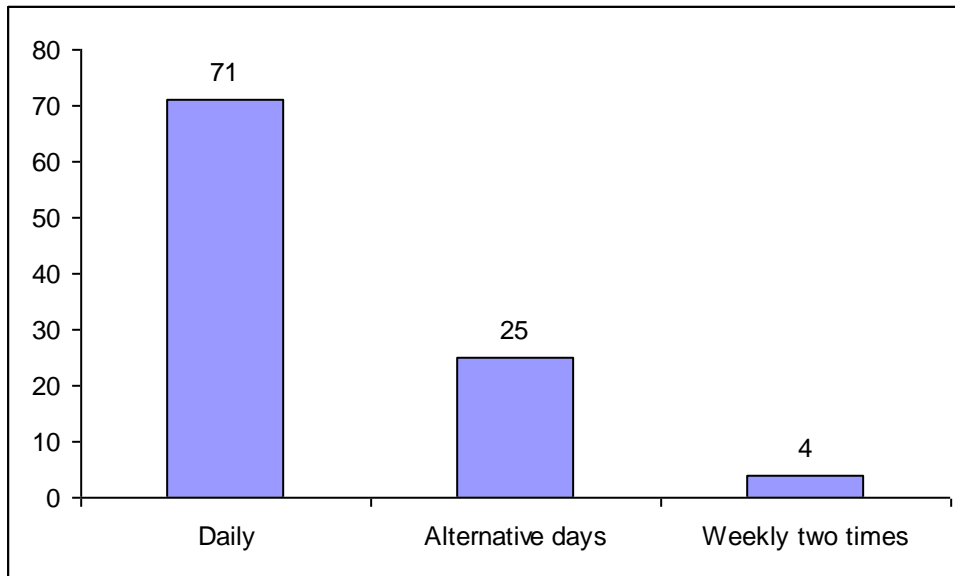
From the above graph information that, Rin company soaps selling per day 49%. Moreover, another XXX company soaps selling per day 51%.

3.5. Do you services by Company as	No	Services	Response	%	required soaps follows
	1	Daily	135	71	
	2	Alternative days	48	25	
	3	Weekly two times	6	4	

Interpretation

From the above table, we can understand that. Majority of the 135 dealers required daily services and another 48 dealers required alternative day services, 6 dealers required weekly two times services. It services is based on climate.

Graph – 3.5: Do you required services by soaps Company as follows



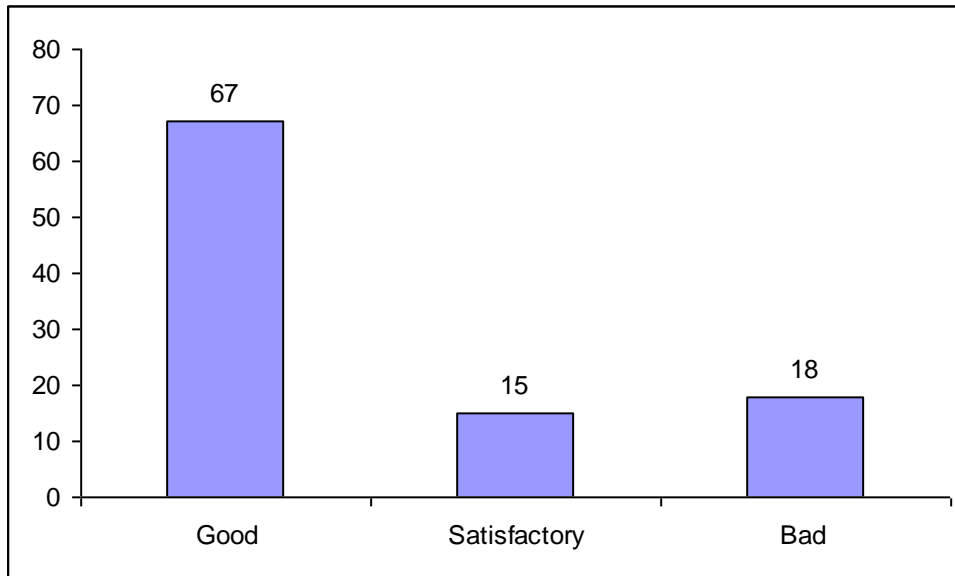
From the above graph information of the services, X – axis services frequency are taken and Y-axis response are shown.

3.6. Are you satisfaction with XXX Services?

No	Satisfaction	Response	%
1	Good	126	67
2	Satisfactory	28	15
3	Bad	35	18

Interpretation

From the above table, we can understand that. Majority of the 189 dealer's satisfaction regarding the XXX company service 126 dealers expressed XXX company services is good. 28 dealers expressed XXX company services is satisfaction and 35 dealers expressed XXX company services is bad.

Graph – 3.6: Are you satisfaction with XXX services

From the above graph information of the customer satisfaction. X – Axis consumer satisfaction is taken and Y- axis responses are shown.

3.8. The trade schemes offered by which company are good to you

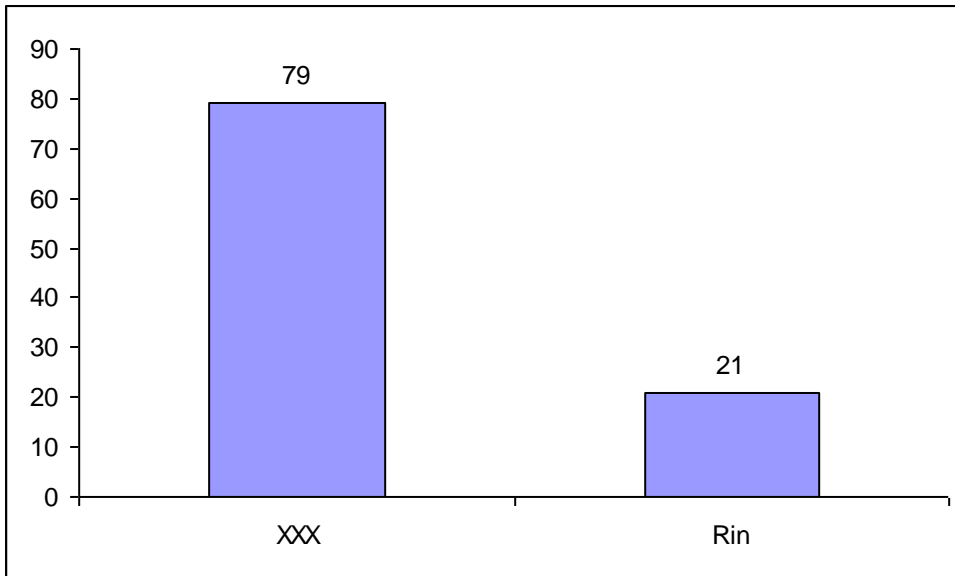
3.9.

No	companies	Response	%
1	XXX	150	79
2	Rin	39	21

Interpretation

From the above table, we can understand that. Majority of 150 dealer's opinion that XXX company trade schemes are very good; whereas 39 dealers opinion that Rin company trade schemes are good comparatively with XXX Company.

Graph – 3.8 The trade schemes offered by which company are good to you



Form the above graph information of the trade schemes. X – Axis is trade schemes taken and Y-axis responses are shown.

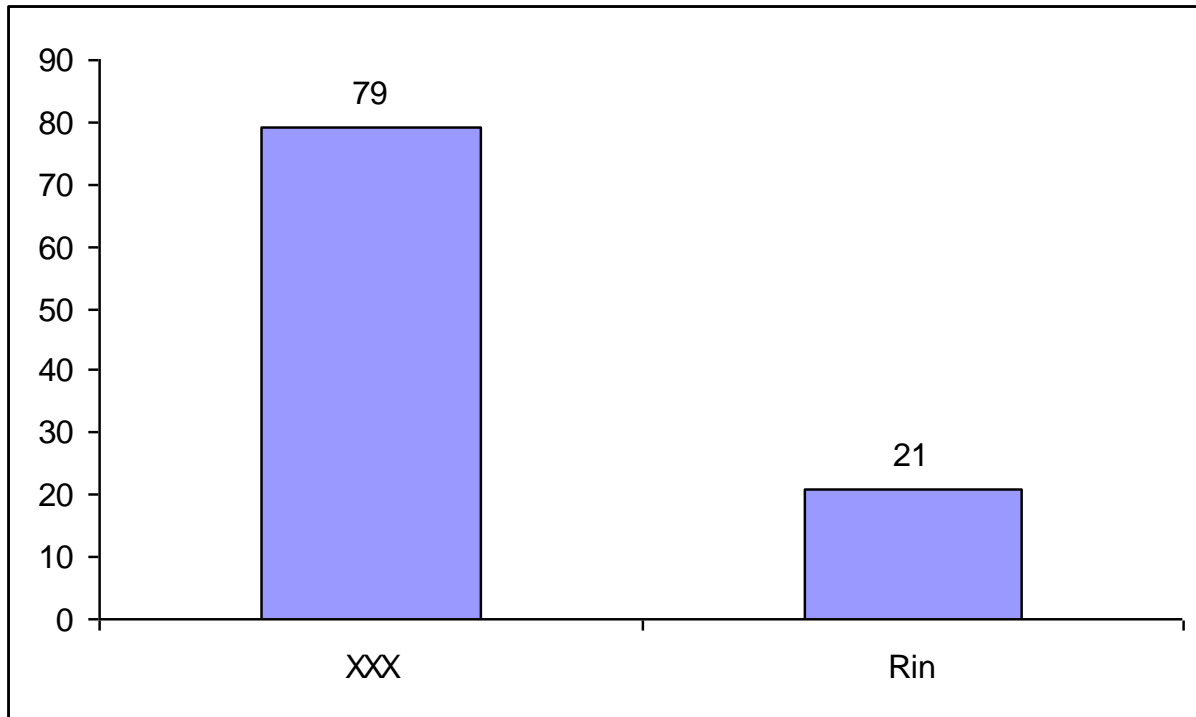
Which company offered best consumer promotions? What is the present consumer promotion of XXX?

No	companies	Response	%
1	XXX	150	79
2	Rin	39	21

Interpretation

From the above table, we can understand that. Majority of the 150 dealer's opinion expressed that the XXX company consumer promotion is very good. The 39 dealers expressed that the Rin company consumer promotion is good. However, XXX Company gives good offers in the market.

Graph – 3.9 Which company offered best consumer promotions? What is the present consumer promotion of XXX?



From the above graph information of the consumer promotion. X – Axis is consumer promotion taken and Y- axis responses are shown.

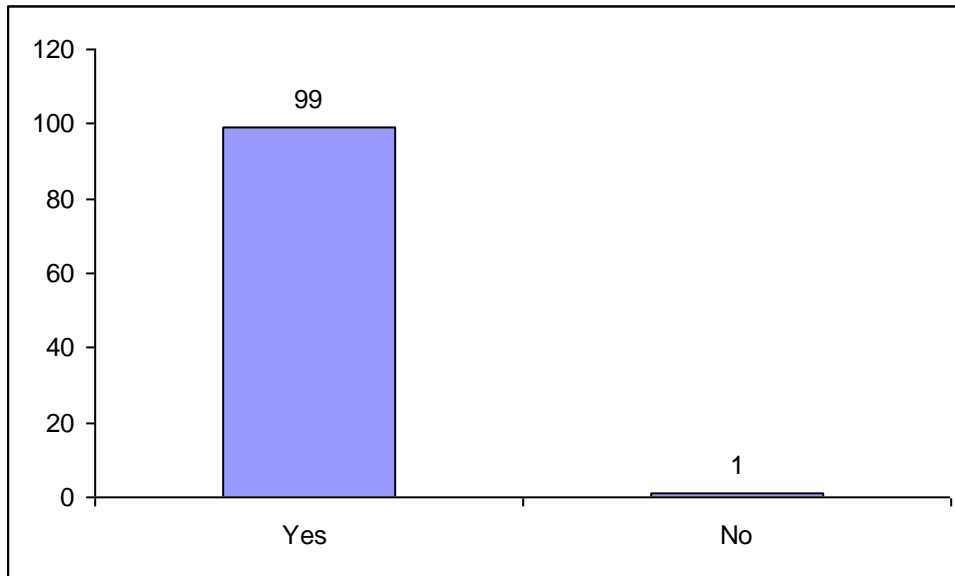
\3.10. Do you feel T.V advertisement by soaps companies helps in more sales of soaps?

No	Opinion	Response	%
1	Yes	187	99
2	No	2	1

Interpretation

From the above table, we can understand that. Majority of the 187 dealer's opinion expressed T.V advertisement help in important of the scale of the soaps. 2 dealers opinion that expressed T.V advertisement do not help in any increase in sales of soaps.

Graph – 3.10 Do you feel T.V advertisement by soaps companies helps in more sales of soaps



From the above graph information of the T.V Advertisement. X – Axis is T.V Advertisement taken and Y- axis responses are shown.

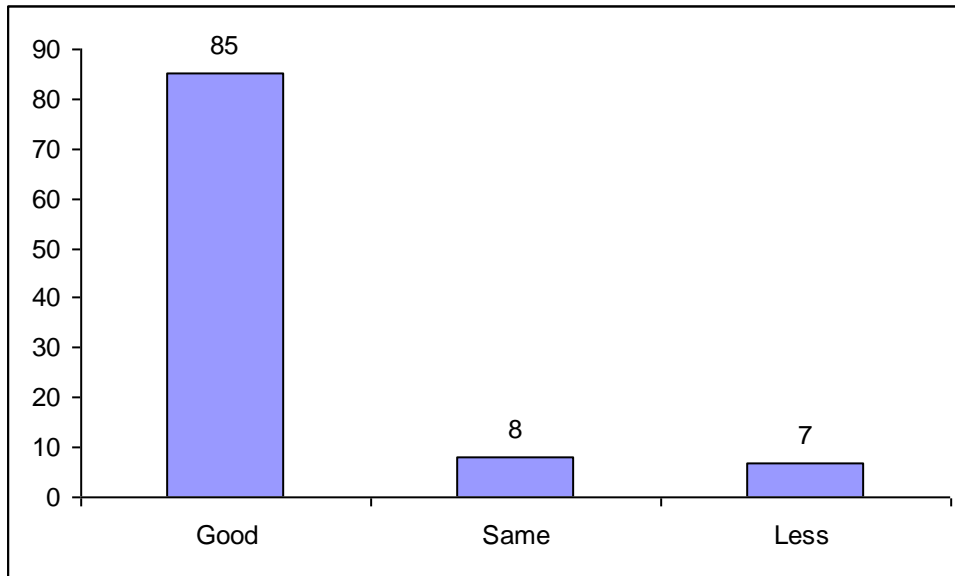
3.11. How is the sales of soaps this year 2010 in your shop?

No	Expressions	Response	%
1	Good	160	85
2	Same	15	8
3	Less	14	7

Interpretation

From the above table, we can understand that, Majority of the 160 dealers response good sales during the year and another 15 dealers response sales same. The 14 dealer's response less sales during the year in respect advertisement by XXX.

Graph – 3.11 How is the sales of soaps this year 2010 in your shop



From the above graph information of sales. X – Axis is market taken and Y- axis 2007Vs 2008 are show

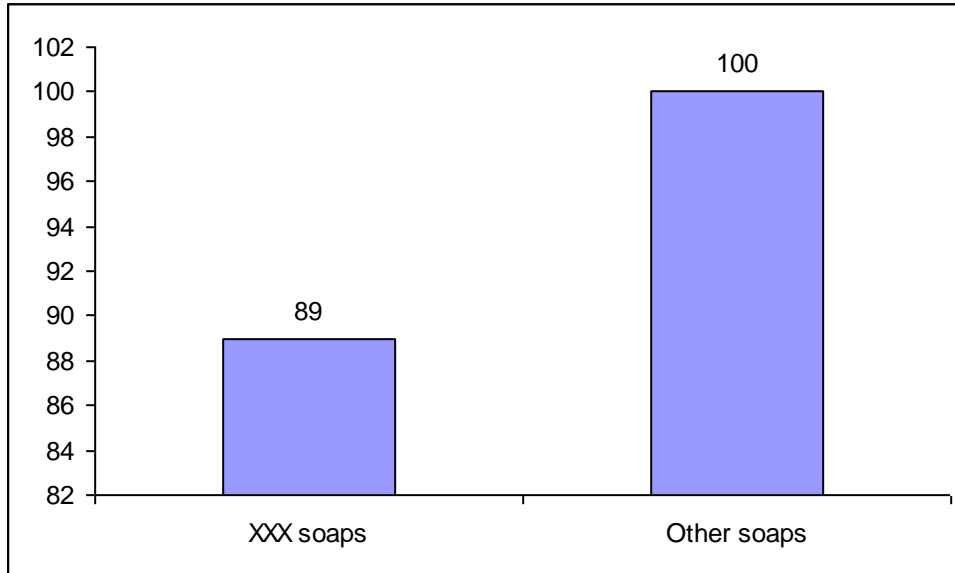
3.12. What is percentage contribution of soaps business in your total shop business?

No	Soaps	% sales
1	XXX soaps	89
2	Other soaps	100

Interpretation

From the above table, we can understand that, Majority 189 dealer's opinion expressed. 89% of soaps sales in the market and another 100% of other drinks sales in the market. Therefore, soaps sales improve the market.

Graph – 3.12 what is percentage contribution of soaps business in your total shop business



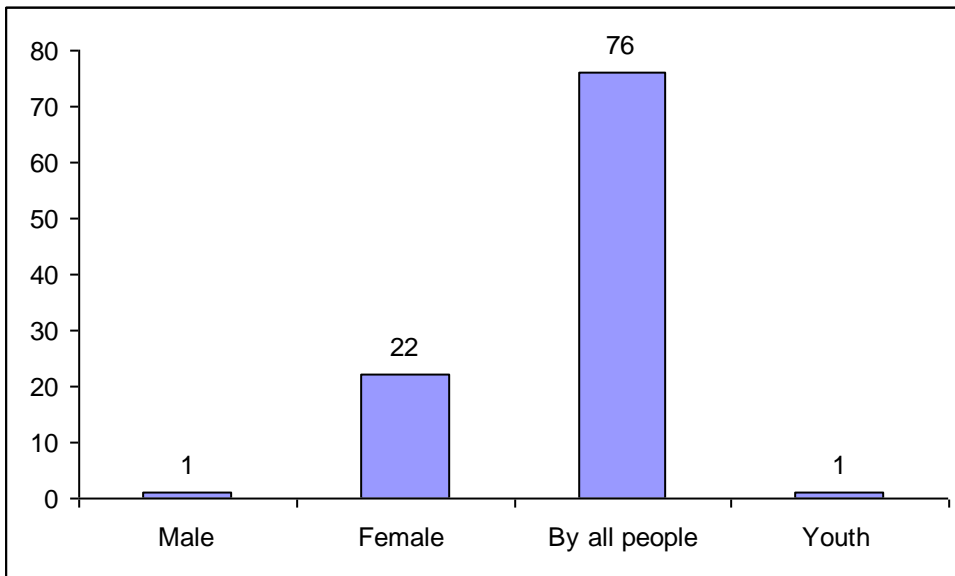
From the above graph information of the sales. X – Axis is drinks taken and Y- axis percentage sales are shown.

3.13. Soaps are consumed by mostly

No	Persons	Numbers	%
1	Male	2	1
2	Female	44	22
3	By all people	144	76
4	Youth	2	1

Interpretation

From the above table, we can understand that. Majority of dealers gives opinion the consumption of 76% of by all people. The consumption of 22% of the Females and another 2% consumption of the females and youth.

Graph – 3.13 Soaps are consumed by mostly

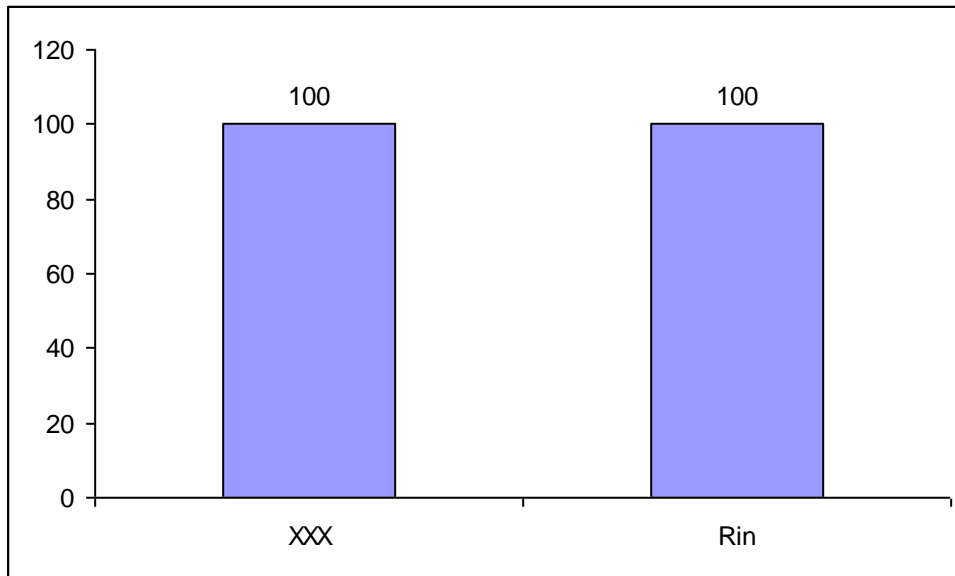
From the above graph information of the sales. X – Axis is persons taken and Y- axis no of outlets are shown.

3.14. How do you buy Soaps?

No	companies	Cash	Credit	%
1	XXX	189	-	100
2	Rin	189	-	100

Interpretation

From the above table, we can understand that. Majority of 189 dealers told most of XXX and Rin cash. They did not sold credit purchasing in the market.

Graph – 3.14 How do you buy Soaps ?

From the above graph information of the sales. X – Axis is companies taken and Y- axis no of outlets are shown.

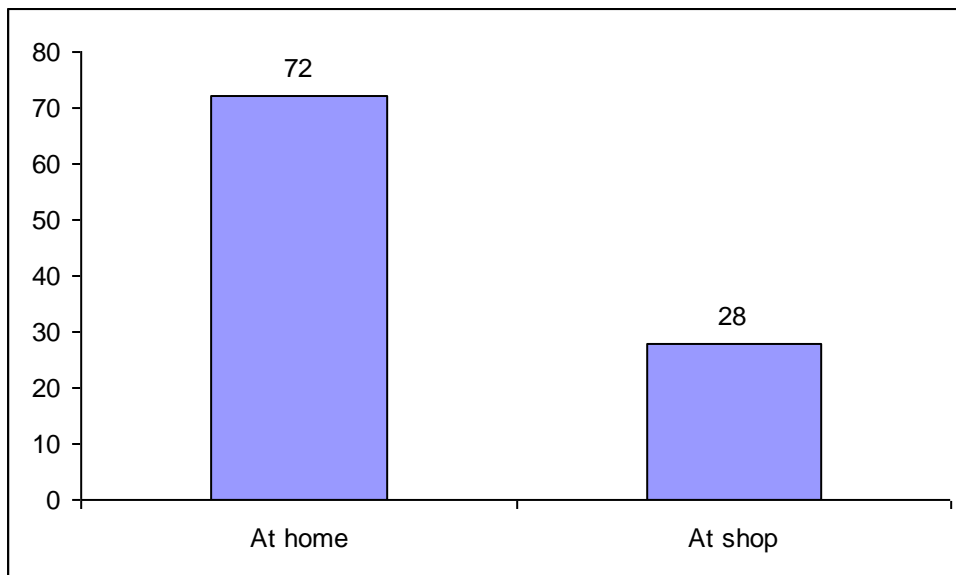
What is the percentage of sale of Soaps at your shop and customer residence?

No	Place	Response	%
1	At home	137	72
2	At shop	52	28

Interpretation

From the above table, we can understand that. Majority of the 189 dealers opinion expressed 137 % of the soaps are selling at at home and another 80 % of the soaps are selling at shops.

Graph – What is the percentage of sale of soaps at your shop and customer residence?



From the above graph information of the soaps consumption. X – Axis is consumption taken and Y- axis no of outlets are shown.

FINDINGS:

- From the study it is observed that, majority of the shopkeepers sold 4 major brands of XXX.
- From the study it is observed that, it is observed that 82% of dealer's opinion expressed XXX company services is good and satisfaction.
- From the study it is observed that, the 79% of the XXX company gives trade schemes offers is very good.
- From the study it is observed that, the 79% of the XXX company gives consumer promotion is very good.
- From the study it is observed that the majority of the dealers are told the T.V. Advertisement main.
- From the study it is observed that, the 85% of the shops are good sales during the year the 15% of the shops are same and less sales during the year.
- From the study it is observed that the majority of the dealers expressed opinion 47% of the sales soaps and other soaps are selling 53%.
- From the study it is observed that the majority dealers opinion 76% & 22% of the by all peoples & mails have the soaps. The 4% of the Males & youth have the soaps.
- From the study it is observed that, majority of the 100% of the both companies dealers are selling soaps cash.
- From the study it is observed that majority of the dealers 72% of dealers are purchasing at shops. 28% of the dealers are purchasing at home.

SUGGESTIONS:

- It is observed that the sales level of XXX Company brands in increasing sales in the market.
- Therefore, it suggests that XXX Company also should improve the sales in market.
- It is observed that has good brand in the market. Therefore, it is suggested that should improve quality and quantity another XXX brand.
- It is observed that the XXX Company is concentrating an only one advertisement. So it is suggested that to concentrate new advertisement.
- It is observed that the XXX Company should formulate new market strategies.
- It is observed that the XXX Company should improve the different channels also.

CONCLUSION

From the survey, we can understand that XXX Company is following good trade schemes and good promotional activities. However, in the soap market Company has good brand image than local brands. Therefore, XXX Company has to formulate new marketing strategies to improve the brand image of XXX brands.

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A FIELD PROJECT REPORT
ON
A Study on the Training and Development Function in Banking Sector in
India

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

(P VYSHNAVI, A NAGA SAI DURGA, G VAMSI KUMAR, T SAI AKSHAYA, SK RUHI)

(Regd. No.221FC01014, 221FC01016, 221FC01017, 221FC01018, 221FC01021)

Under the esteemed guidance of

Dr. S.V.G. Apoorva

Assistant Professor



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled “**A Study on the Training and Development Function in Banking Sector in India**” submitted by **P Vyshnavi, A Naga Sai Durga, G Vamsi Kumar, T Sai Akshaya, Sk Ruhi** bearing the Regd. No. **221FC01014, 221FC01016, 221FC01017, 221FC01018, 221FC01021** from the Department of Management Studies, Vignans Foundation for Science, Technology and Research and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

SIGNATURE OF THE GUIDE

HOD, MBA

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INTRODUCTION

Human resource management

Human Resource Management or Personnel management is the activity of managing personnel, usually employees.

In any organization, managing personnel is the process of making sure the employees (not to the customers) are as productive as they can be. This can include hiring, firing, or transferring people to/from jobs they can do most productively.

This subject is a major at many universities, or a minor in the business school. It is also known as personnel administration, which is functionally an equivalent term.

Meaning of Human Resource Management:

A business unit needs employees to look after different activities. This is called manpower or human resource. Such human resource needs to be developed fully so that it will make positive contribution for the progress and prosperity of a business unit. For this systematic development and management of human resources is necessary. Human Resource Management (HRM) deals with:

- (a) Training
- (b) Self-development
- (c) Promotions
- (d) Performance appraisal of manpower recruited in an organization.

HRM is an organized learning experience aimed at matching the organizational need for career growth and development. It is a process involving series of learning activities designed to acquire desired level of competence among employees. HRM is a continuous process and it needs money. Such investment creates a team of efficient, skilled and trained manpower which brings success and stability to a business unit. HRM programmers offer long term benefits to an organization.

Characteristics of Human Resource Management:

(1). Upgrading Manpower:

HRM is basically concerned with the upgrading of manpower working in an organization. This leads to improvement in the individual performance of an employee and also corresponding improvement in the organizational performance.

(2). Stress on Training:

HRM includes various schemes arranged for providing education, guidance, training and opportunities to learn and develop employees of all categories and working in different departments. There is an integrated use of sub-systems (training, career developments, organizational development) in the HRM program.

(3). Attention to learning and career development:

Learning, self-development, career developments are possible through HRM programs. These are the core areas of HRM. Career development is possible through joining training courses, reading books and periodicals. Learning and career development raise the capacity of employees to work at highest levels. They are given higher positions with monetary benefits.

(4). Organizational Development:

HRM includes organizational development, which includes effective communication within the organization, coordination of different activities elimination of conflicts of different types and creation of orderly atmosphere in the whole organization.

(5). Team Spirit:

HRM is basically for developing team spirit in the whole organization. For this, departments and levels of management are properly integrated. Team spirit facilitates orderly growth of the organization in the right directions

(6). Huge spending by Management:

All companies invest huge money on HRM activities but such expenditure is absolutely essential for survival in the present competitive business world. HRM programs create matured, skilled and efficient manpower, which is a valuable asset of a business unit.

(7). Termination of Employment:

Termination is an unpleasant part of any manager's job. Employees occasionally must be terminated for breaking rules of failing to perform adequately.

(8). Continuous Activity:

HRM is rightly treated as a continuous activity due to new developments taking place regularly in the business world. For this, on the job and off the job training programs are introduced from time-to-time.

(9). Wide Scope:

The scope of HRM programs is very vast. It is multi-disciplinary in character. Training and guidance are given on different aspects of business management to enable managers to deal with complex managerial problems and challenges.

Need and Importance of Human Resource Management:

(1) To create stable labor force:

HRM programs are needed in order to create stable, efficient, skilled and matured manpower required by an enterprise for the present and future period.

(2) To update the quality of manpower:

HRM activities are needed for updating the quality of manpower as per the growing and changing needs of an enterprise. This avoids managerial obsolescence. Even the

vacancies at higher levels can be filled in internally due to HRM programs as they provide training and opportunities of self-development to employees working at lower levels.

(3) To develop strength for survival:

HRM programs are necessary for survival in the present competitive marketing environment. An enterprise can face market competition only by improving quality, reducing costs and avoiding wastages. All this is possible through HRM.

(4) To face challenges of technological changes:

Technological changes are taking place rapidly in every area of business. HRM programs are needed in order to absorb technological changes taking place with speed. In fact, introduction of new technology, computers, automation, etc. will not be possible unless training is provided to the manpower.

(5) To satisfy the demand of self-development of employees:

HRM is needed to meet the needs of employees in regard to self-development and career development aspirations. Employees demand, training facilities, refresher courses, promotions and transfers, career guidance, etc. for their self-development. HRM programs are needed to fulfill self-development and career development of employees.

(6) To meet future manpower needs:

HRM is needed to meet the future manpower needs of the organization. Executives, managers, supervisors leave the job or retire due to age factor. Competent juniors must take their positions. HRM is needed in order to keep ready a team of competent managers as a second line of defence.

(7) To facilitate expansion and diversification:

HRM activities are needed to meet the manpower requirements resulting from expansion and diversification programs undertaken at the enterprise level. Attention should be given to HRM much before the introduction of expansion program.

(8). To utilize production capacity fully:

HRM is needed in order to use the available production capacity to the optimum level. It provides skilled manpower for this purpose.

OBJECTIVE OF THE STUDY

- To study the training and development functions in banking sector in India
- To develop the productivity of the employees and organization
- To develop the employees for advancement

RESEARCH METHODOLOGY

A descriptive research design was adopted for this study. The report is based on the both primary and secondary data. The sources include books of banking and management from different authors and reports

TOOLS FOR ANALYSIS

The tools used for analysis are percentages that are in the form of graphical representation

Human resource management in banking

What is a bank?

The word bank is derived from the Italian banca, which is derived from German language and means bench. The terms bankrupt and "broke" are similarly derived from banca rotta, which refers to an out of business bank, having its bench physically broken. Money lenders in Northern Italy originally did business in open areas, or big open rooms, with each lender working from his own bench or table.

The essential function of a bank is to provide services related to the storing of deposits and the extending of credit. The evolution of banking dates back to the earliest writing, and continues in the present where a bank is a financial institution that provides banking and other financial services. Currently the term bank is generally understood as an institution that holds a banking license. Banking licenses are granted by financial supervision authorities and provide rights to conduct the

most fundamental banking services such as accepting deposits and making loans. There are also financial institutions that provide certain banking services without meeting the legal definition of a bank, a so-called non-bank. Banks are a subset of the financial services industry.

Human resource management (HRM) has long been overlooked in the corporate sector in the country where a small section, comprising mostly the multi-national companies was practicing the same. With the growing realization of proper HRM in the corporate sector, it has grown into an important activity. Now the head of HRM is an important member of the senior teams of any thriving business.

Although the idea is new for many local businesses where entrepreneurs are at the beginning of the learning curve yet in reality the theme is getting support from the organized entrepreneurs. The banking sector has grown from a few institutions primarily involved in deposit acceptance and trade finance into a complex multi-player markets where large number of commercial banks, financial institutions and specialized banks are operating with various products and activities.

HRM background and practices

The banking has become a complex activity within the financial market linked directly and indirectly with an over-all national growth and its impact as an integral part of regional segment of a global banking environment. Almost every bank and financial institution is involved in various functions in a day's job and thus requires a highly effective team and appropriate manpower to run the show. Corporate goals are translated into viable realities and profits only with human element that play their due role in achieving the desired results.

Thus even the high automation would require proper man behind the machine to make things happen. This idea has been realized by top management in progressive banks. Like many other organized sectors, banking requires multi-layer manpower for its various requirements of professionals and support staff. The range may require reasonably educated security guards on the one end and a highly educated and trained professional as head of corporate finance at the other. With liberalization of activities within the banking sector, for example, more emphasis on consumer and house finance and personal loans, etc. banking has turned itself into a more market-based

business where banks have expanded their reach more to customers' door steps in a big way making banking more practical. This has further highlighted the need for proper deployment of man-power to run banks efficiently. For many years, HRM banks like other institutions have been handling this sensitive activity through respective personnel departments. This means human resources were managed like other physical assets e.g. pieces of furniture, calculators, equipment and appliances.

Personnel departments were primarily engaged in approval of leaves, handling of staff loans, issuance of show cause, conducting disciplinary enquiries and termination from service. Recruitment was a routine function and was done in a mechanical way to hire people with specific educational background irrespective of their real value to the institution.

Success stories of large banking companies have been evident of the fact that HRM is quite different from management of physical assets. Human brain has its own peculiar chemistry.

Its strong sensory and decision-making capacity has to be greatly emphasized by the employers. The work force constituting all levels of employees is constantly thinking in many dimensions.

On the one hand it is the assigned duty and task they are to perform and for which they are paid by their employer, on the other they think of their long run goals and objectives.

By no means, their brains can be controlled to think beyond the current situation of employment. Managing this educated, skillful and trustworthy work force is not an easy job. A few of the current challenges faced by the banking industry in terms of human resource management may be the following:

To make the Indian Banking System stronger, efficient and low-cost, the creation of fundamentals must include in the bank's operations, strategies and processes: strengthening the prudential norms and market discipline; adoption of international benchmarks; management of organizational change and consolidation within the financial system; upgrading the technological infrastructure of the financial system; and human resource development as the catalyst of the transformation (2002).

The Human Resource field in the Banking Industry is considered as one of the process of discovery and transformation. The field of Human Resource can be described as emergent and dynamic within the cultural business aspect in a Banking Industry. The success of today's banking business will sparsely depends on the human resources of the organization, in which plays a crucial role in providing the services needed.

The evolution of banking system in India affected the human resource practices, recruitment and selection practices, and training system. It is very important that the details of human resource are discussed along with the employees, to build their own career planning, perceptions and development.

The primary strength of the industry is the human resource that is why the efforts to develop the skills and management are the main subject placed before the human resource. A major challenge for many banks will be to develop the special competencies and skills for credit appraisal and risk management. Putting the information technology is a key contributed in human resource development. Therefore, the HR model of the future will require professionals to be both driving and anticipating change, understanding the complexities of the new business environment and forces shaping it.

HUMAN RESOURCE MANAGEMENT IN BANKS

The classification of the Indian banks into broad groups such as public sector, old private sector, new private sector, foreign, regional rural banks & cooperatives are largely on the basis of ownership pattern. It is also well known that the business mix, delivery channels & IT strategies of these organizations vary substantially. What is little known but of greater importance is that each of these banks follows very distinct HR practices which have contributed, substantially, to the business processes.

HRM in cooperative banks

It is sad that the HR policies of cooperative banks are totally dominated by the Registrar of Cooperatives. This is, perhaps, one reason why the cooperatives are unable to improve themselves.

HRM in regional rural banks(RRBs)

As regards RRBs, most of them adopt the HR policies of sponsor banks, which are not appropriate for their special nature.

HRM in public sector banks

In the recent times, the contours of HR function in public sector banks are slowly but definitely changing. One could say that these banks are discovering the HR function & it is hoped that these banks will fast catch up with others. It may be recalled that, in a controlled environment & to meet with the rapid branch expansion- since 70s- Public Sector Banks (PSBs) have adopted HRM practices similar to that of Government departments. Herein HRM did not have a direct role in business development but was more concerned with centralized recruitment to staff & providing them across the country.

HRM in private banks and foreign banks

The HR function as practiced by private & foreign banks is effectively involved in the identification of specific skills that each job warrants & recruiting suitable staff by every way possible. In these banks, recruitment is a continuous process with a strong focus on getting the right person for the right job by offering appropriate compensation, incentives & designations. There is a great energy spent in keeping the turnover low & offering appropriate training inputs. Possibly there are as many pay structures as there are employees. More importantly, HRM has a role in monitoring & mentoring the employee. There are no routine transfers. Rather people are recruited in different geographical locations & different levels. Technology has helped in centralizing the back office & other functions such that service can be provided from a distance.

These institutions adopt a proactive performance appraisal system but still short of 360 Degree appraisals. Their training process is concerned with both skill building & motivating. It should, however be said that the demand for professionals on account of growth of Indian Business is such that the efforts of HRM have not helped it from completely staving off staff turnover in the ranks.

HRM in public sector unit banks(PSC banks)

In the case of PSU Banks the recruitment process is annual & large scale. People are recruited at the lowest grade & promoted in due course. This makes the career path of each employee the responsibility of the organization. This also underlies a belief that anyone can occupy any desk. In such a system specialization is the loser. Recruitment at higher levels is a recent phenomenon & more an exception than rule. Pay packets are uniform for a grade/level with annual increments & uniform perquisites. Increments are earned automatically. Transfers are not driven by business requirements but a matter of routine. Vacancies get created as & when people move up. It is not

uncommon to see new departments spring up just to allow promotions. In a way such a move is justified as salary is linked to grades & not performance. The concept of job rotation is practiced with great conviction. As regards leave it is seen that modern business organizations, driven by work life balance issues & operational risk ensure that certain annual leave is mandatory.

In the case of PSU Banks, the compulsory leave system has not yet taken root. In the circumstances an important task at hand is training the staff member, who, on account of age profile is not comfortable working in an IT environment. HRM should also take immediate steps to improve productivity. There is a simultaneous need to balance the demand of IT savvy youngsters joining the organization who ask for high salaries.

PSU Banks are not able to offer market driven salary. Given that banking business & the business of Government are distinct, there is, in the case of PSU Banks, an urgent need that salaries are not limited by what is paid in the ministry but unshackled. Till that happens, HRM should, innovatively tackle the issue.

Responsibilities of the HRM department in banks

Role

The role of the Human Resource Department is to create the climate & conditions in which management throughout the Bank will be enabled to optimise the individual

& collective contribution of all employees to the short & long-term success of the Bank.

Responsibilities

- To be the principal sponsor & —guardian of HR policies in the Bank
- To propose & obtain agreement on changes to these policies from time to time & to ensure that policies which have been agreed are being implemented throughout the Bank.
- To contribute fully to the task of meeting the business challenges which the bank has to face by supporting Branch/Unit Managers in continuously developing the potential of employees & in creating conditions in which all the employees are motivated to meet the objectives of the Bank.
- To continuously monitor the Bank's strategies to ensure that HR policies are appropriate & that employee numbers & skills are fully supportive of such strategies.
- To deliver a full range of personnel services in support of line management. These services include manpower planning, recruitment/transfer, remuneration, and training & employee welfare.
- To support line management in their day-to-day management of the workforce by providing advice & consultancy on personnel & performance management issues.

Current challenges faced by banks in HRM

Effective work force:

Time consuming & hectic job is to hunt the right talent. Higher the professional value of the vacancy, tougher is the search. Identifying the right stuff followed by negotiation is the element which makes the job tough for the employer. Banks are keenly interested to fill up two types of breeds of professionals. Ones who are outstanding professionals with high job hopping attitude these are those who come in-work for some time & then leave for better prospects. Others are those who are keenly picked-up, trained & are somehow retained to be developed as future management within the bank.

Management trainees are a growing popular phenomenon where freshly qualified business graduates are engaged by banks & a certain percentage of these well-equipped professionals stay back within the organization to grow into the footsteps of senior managers.

Banking jobs being apparently lucrative for many attract a large number of candidates against advertised vacancies in media creating a large database management problem.

This has been facilitated by specialized hiring agencies who may take up the job of hiring in case of large number of vacancies

Right people:

The most difficult agenda of HRM across the banking sector is to retain the right people. Sudden growth of retail banking & other services has put pressure on HR Managers in banks to engage more professionals within shorter span of time thereby attracting manpower in other banks on attractive packages has made the job market very competing. A bank in a normal course invests time & money to hire & train the appropriate workforce for its own operations. This readymade force is often identified & subsequently picked-up on better terms by others.

Compensation:

How much to pay the right employee & how much to the outstanding performer. Banks have traditionally followed pay scales with predetermined increments, salary slabs, bonuses & time based fringe benefits like car & house advance, gratuity, pensions, etc. The situation is not the same anymore. An increment of Rs.500-800 per annum is no more a source of attraction for a professional anymore. A basic pay with traditional formulas of linkage with medical & other facilities has no soothing today.

A promise of future growth, learning culture & corporate loyalty is out of dictionary & does not mean anything to this energetic & competent performer today. A waiting period of 3-4 years in each cadre haunts the incumbents who strongly believe in immediate compensation.

A freshly hired professional requires a brand new car or car loan n resuming office quite contrary to his previous breed of bankers who would wait for the job seniority to qualify for a car loan.

Job Satisfaction:

Everybody in the bank wants to work in the preferential department, preferential location, city of his own choice & boss of his liking. An administrative deviation from any of these results in lowered job satisfaction. Although hiring is normally based on regional requirement matching the area of activity with that of employee's nativity yet other elements like appointment in the department of choice & preference makes the job of HR manager quite challenging.

Morale boosting:

What has long been overlooked is the morale boosting of the employees by the organizations. Human beings even if satisfied of material wellbeing need to be appraised & encouraged constantly.

Smart banks have realized this need & have taken steps to keep their work force motivated through proper encouragement like man of the month awards, repeat get-togethers, conferences, sports events, dinners, company sponsored travel, reunions, etc. This is the way employees create a feeling of belongingness.

DEVELOPMENT IN BANKS

The banks must emphasis on human resource development as one of the critical areas of its operations. It should redraw its training & development schedules to suit the requirements of the current emerging scenario. Requisite training should be imparted to various branch level functionaries as also administrative staff. Besides in-house training the reputed external agencies should be utilized for human resource development with a view to updating their knowledge & to keep them abreast of the current banking scenario for meeting the challenges ahead. The concept of segment specialization may be resorted to in respect of the personnel selected therefore. It is now thought expedient to plan & strengthen the squad of skilled officers in various

segments as IT, marketing management, risk management, risk based supervisors, law, security, etc. The lead bank must play an effective role in improving the work environment & pursuing staff welfare measures in the form of whole range of financial assistance with reference to various loans of sorts.

Training and development

Training:

Organization & individual should develop & progress simultaneously for their survival & attainment of mutual goals. So every modern management has to develop the organization through human resource development. Employee training is the important sub system of human resource management. Employee training is a specialized function & is one of the fundamental operative functions for human resources management.

After an employee is selected, placed & introduced he or she must be provided with training facilities. Training is the act of increasing the knowledge & skill of an employee for doing a particular job. Dale S. Beach defines the training as —the organized procedure by which people learn knowledge & skill for a definite purpose. The training system in the banking industry has a strong structural base.

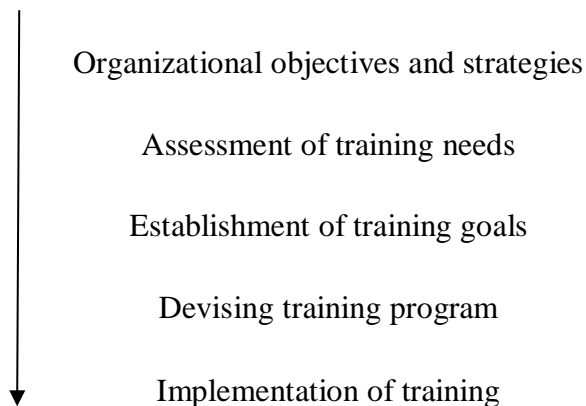
However, in the past the training activities have been more ritualistic due to absence of a strategic link between training & human resources development. Today, it is important that the training function is made an effective organizational intervention by establishing a clear policy of training & development within the framework of total human resource development. The training establishments need to be actively involved in the total training process starting from the identification of the training needs, evaluation of training effectiveness & the benefits of training to the end users viz. the internal & external customers. We can make a distinction among training, education & development. Training, as was started earlier, refers to the process of imparting specific skills. Education, on the other hand, is confined to theoretical learning in the classrooms. Training & Education Differentiated

TRAINING	EDUCATION
Application oriented	Theoretical oriented
Job experience	Classroom learning
Specific tasks	General concepts
Narrow perspective	Broad perspective

Development

Give a man a fish, & you give him meal. Teach man to fish, & you give him a livelihood. This ancient Chinese proverb seems to describe the underlying rationale of all training & development programs. No banking organization can long ignore the training & development needs of its employees without seriously inhabiting the performance. Even the most careful selection does not eliminate the needs for training, since people are not molded to specifications & rarely meet the demands of their jobs adequately. This HRM function deals with the overall development of the employees. This includes their professional & well as their personal development. It is a part of HRM function to identify opportunities for enhancing the skills of the resources. Promotion is regarded as one of the ways of recognizing development undertaken by an employee. Development is also largely dependant on training. Generally people think that training & development are one & the same, but there are many differences between them.

THE TRAINING PROCESS



HRM issues in public sector banks

Background

Among the 12 services classified under the services definition of GATS, banking is one of the prominent one. Banking industry in India is one of the most diversified and heterogeneous in terms of ownership; co-existence of private and public sector is one of the best examples of peaceful co-existence of two entirely different cultural systems in the services sector. Coupled with that, the country has a large number of foreign banks with altogether a different work culture and climate. The simultaneous existence of so many types of work ethos, systems and processes are truly symbolic of the great Indian unity amongst diversity. Notwithstanding the fact that lots of efforts have gone into bringing technological & process congruence, it is really unfortunate that very little has been done on the human resource front in this regard.

Unfortunately, public sector banking has been the biggest victim, being governed by outdated & prohibitive sets of government guidelines. The Management often complains lack of adequate power and flexibility; the Trade Unions often look at any directional change with a sense of suspicion; majority of the workforce remains in dream-world of the pre-liberalized scenario of work security. The result is that public sector banks are least concerned about human resource management and reforms thereto and consequently remain under-productive.

Though renaming of Personnel departments to HR departments took place quite a few years ago in some of the public sector banks, the work processes & culture in many of them till today remain outdated and are not in a position to meet changing expectations of the human talent within.

The scope of this is limited to address some of the fundamental issues in areas of human resource management front in the public sector banking in India.

ORGANIZATIONAL PROFILE OF STATE BANK OF INDIA



State Bank of India is the largest and one of the oldest commercial bank in India, in existence for more than 200 years. The bank provides a full range of corporate, commercial and retail banking services in India. Indian central bank namely Reserve Bank of India (RBI) is the major shareholder of the bank with 59.7% stake. The bank Total is capitalized to the 359.237 billion with the public holding (other than promoters) at 40.3%. SBI has the largest branch and ATM Network spread across every corner of India.

The bank has a branch network of over 15004 branches (including subsidiaries). including 157 foreign offices in 41 countries around the world making it The Largest Banking and Financial Services Company in India, correspondent relationship with 520 International banks in 123 countries. In recent past, SBI has acquired banks in Mauritius, Kenya and Indonesia. The bank had total staff strength of 292,215 as on 31st January, 2013. Of this, 29.51% are officers, 45.19% clerical staff and the remaining 25.30% were sub-staff. The bank is listed on the Bombay Stock Exchange, National Stock Exchange, Kolkata Stock Exchange, Chennai Stock Exchange and Ahmedabad Stock Exchange while its GDRs are listed on the London Stock Exchange. SBI group accounts for around 25% of the total business of the banking industry while it accounts for 35% of the total foreign exchange in India. With this type of strong base, SBI has displayed a continued performance in the last few years in scaling up its efficiency levels. Net Interest Income of the bank has witnessed a CAGR of 13.3% during the last five years. During the same period, net interest margin (NIM) of the bank has gone up from as low as 2.9% in FY02 to 3.40% in FY06 and currently is at 3.32%.

State bank of india		
year	Imperial bank of india 1900	Mumbai,Maharashtra,india 1 july 1995
workers	19000 in 2006	292215 in 2012
branch	12000 in 2006	15004 in 2012
asset	274 billion	359.237 billion
establishment	2 june 1806	169 nationalized
Government of india		

State bank of india

Overview

State Bank of India is a largest commercial Bank in India entity on the corporate scene having diversified business interests that include Financial Institution.

The State Bank of India, the largest public sector bank of India, offered voluntary scheme (VRS) to trim its workforce as recommended that the banking industry was overstaffed. SBI implemented a VRS or the —Golden Handshake system. The vast workforce that was once regarded as one of SBI’s strongest assets became a liability following the computerization of the bank. The introduction of this scheme leads to strong protests and SBI faced with a prospect of losing its talented employees and be left with less efficient employees (2012). Quality is our essence and we, at State Bank of India, have always stressed on the Qualitative aspect. Consequently in this run for quality, quantity has always pursued us. We look forward to reaching the zenith and reaffirm our commitment to the process of sound nation-building.

CORE COMMITMENTS - OUR STRENGTH

- Emotion
- Discipline

- Duty
- No discrimination
- Quality
- Give respect
- Self-respect
- Truth
- Collective Materialism
- Religion
- Absolute Honesty

What

A commitment of State Bank of India to the genuine needs and rights of anybody & everybody - Be it to a depositor, Share Holder, consumer.... all business associates and Sahara India Family Members.

Need

India needs effective consumer protection and protection of workers' genuine rights. There are various agencies, promising protection & action. But no external body can provide justice unless the company becomes 'QUALITY CONSCIOUS' WITH STRICTLY NO DISCRIMINATION POLICY AND JUSTICE CONSCIOUSNESS as its very dominating nature.

Motto

We not only believe but practice NO DISCRIMINATION, JUSTICE & HIGH QUALITY - means enthusiastic, productive performance of duty "KARTAVYA' towards the consumer', workers' genuine satisfaction.

Aim

To provide justice - be it a matter of the tiniest imperfection or injustice in our COMMITMENT - products or services .Direct or indirect, short term or long term.

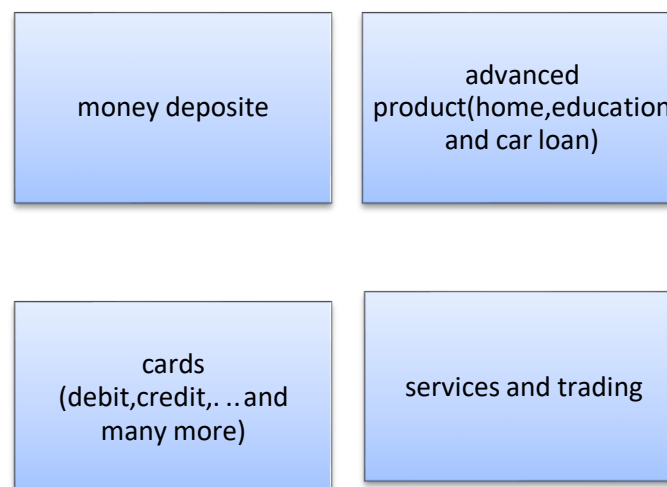
Where

Kindly rush your grievances/suggestions or any queries related to State Bank of India Services to the nearest S.B.I Branch establishment and/or to:

—Response Will Never Be Delayed and Justice Will Never be denied.

BUSINESS ENTITIES

STATE BANK OF INDIA



DATA ANALYSIS AND INTERPRETATION

Analysis of secondary data

Training and development function in banking sector

Team head

- TNI
- Training calander
- Training budget
- Training feedback
- Training manuals
- Approvals/concept paper

Team member 1

- IT support
- Project/summer training
- Induction manual/ppt
- Training feedback or evaluation
- Admin task
- Database management
- MIS-T&D

Team member 2

- Module design
- Module development
- Internal TNI
- External TNI
- Product/process training
- Project/summer training
- HRIS support
- Best HR practices

Team member 3

- training initiative
- internal
- external
- concept development
- write-ups & briefing
- training evaluation
- PD e-manual
- Project/summery

Team member 4

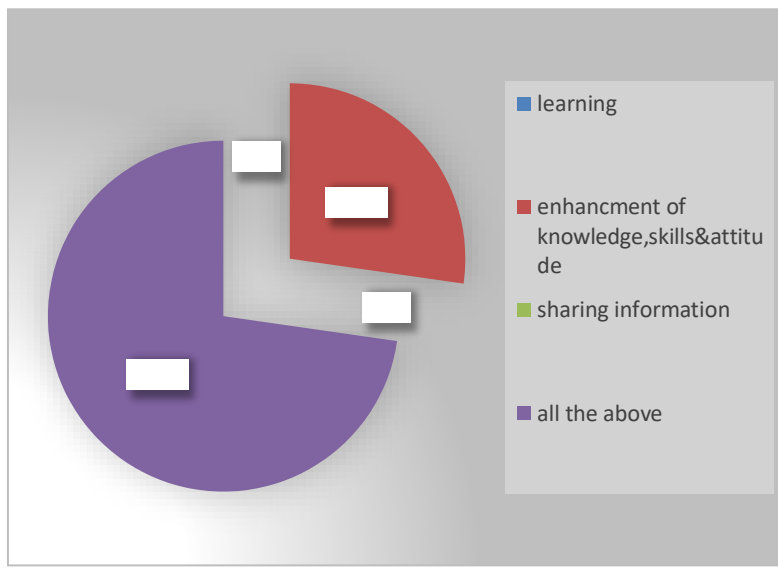
- Library management
- Books

- Journal
- News paper
- Dark (in/out) database
- Record maintenance
- Admin follow up

ANALYSIS OF PRIMARY DATA

1.what do you understand by training?

Learning	0
Enhancement of knowledge	6
Sharing information	0
All the above	16

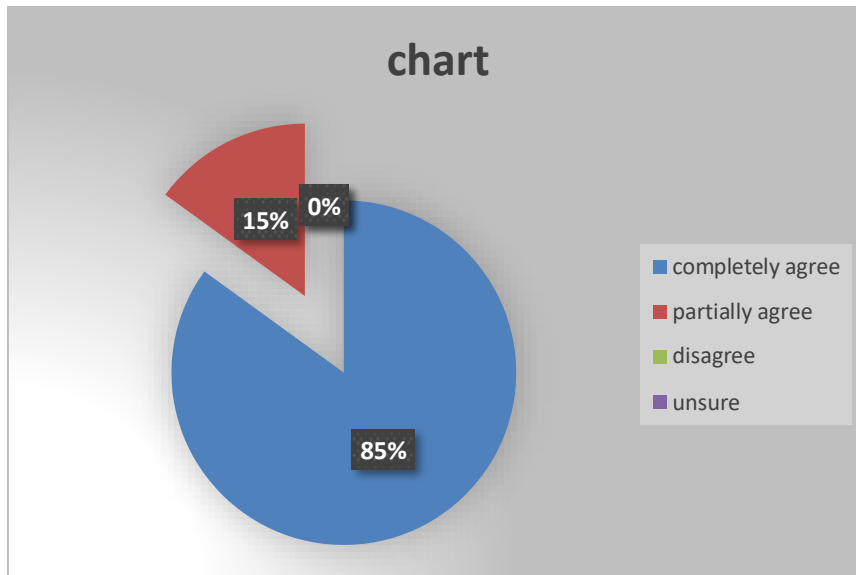


Analysis

The above result shows that most of the State Banks of India Employees are well aware of the definition, inputs and purpose of the training program. They are self-motivated to attend such training program as it will result in their skill enhancement & improving their interpersonal skill.

2.training is must for enhancing productivity and performance.

Completely agree	17
Partially agree	3
Disagree	0
unsure	0

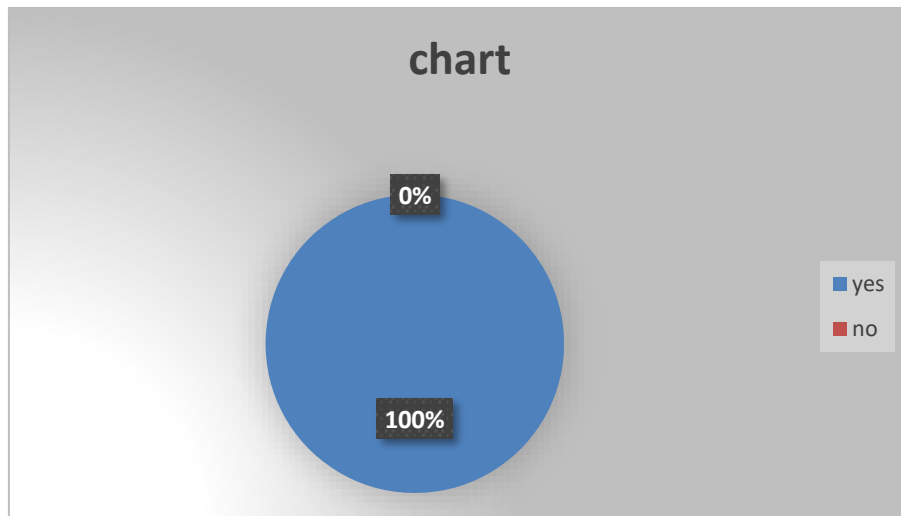


Analysis

The above result shows that mostly State Banks of India Employees are well aware of the role and importance of the training. It means somewhere their productivity and performance has been improved after the training program attended by them and it helped them to achieve their goal.

3.(i). have you attended any training program in the last 1 year?

Yes	20
no	0

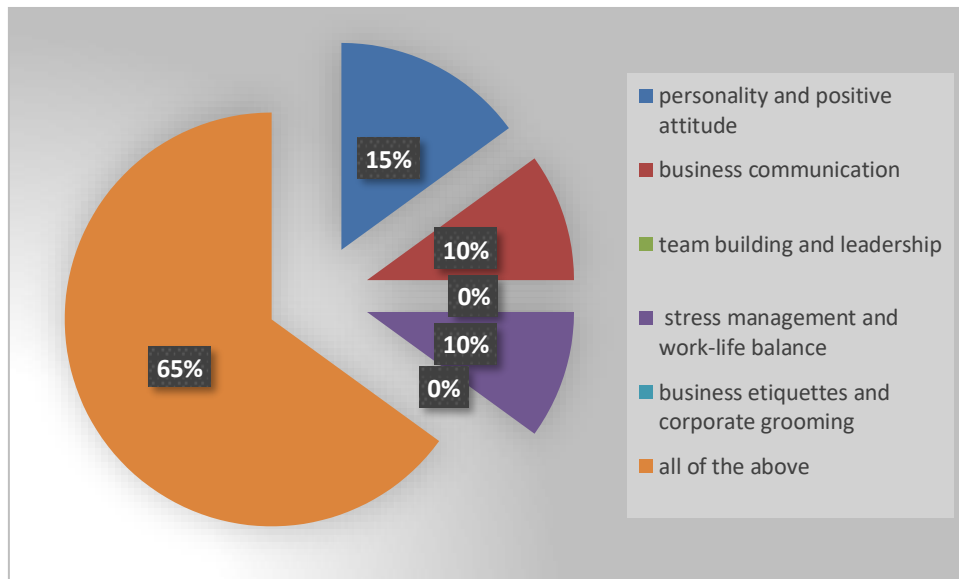


Analysis

100% respondents had attended training program in the last 01 year. It means in State Banks of India HR Department, time to time training is provided to all the Bank's Employs and it is continuous process.

(ii).if yes, which module of soft skill development training?

Personality and positive attitude	3
Business communication	2
Team building and leadership	0
Stress management and work life balance	2
Business etiquettes and corporate grooming	0
All of the above	13
If any other	0

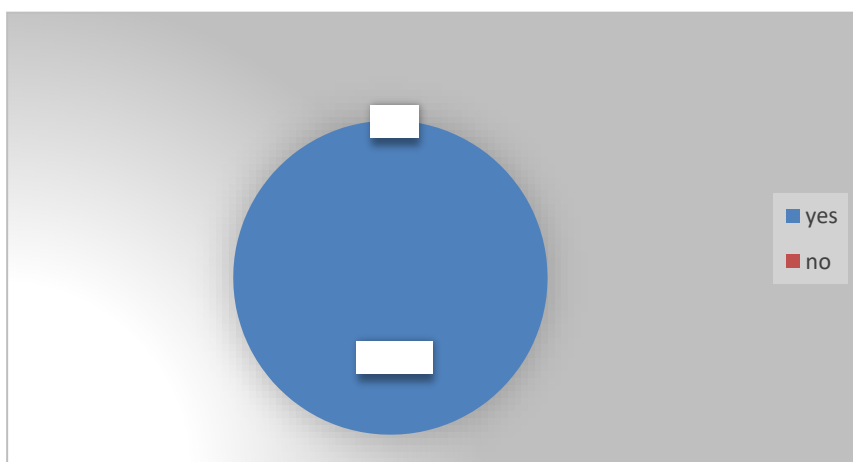


Analysis

65% respondents had attended all the five modules of soft skill development training. But besides soft skill development training, HR department of State Banks of India Employees should also provide product/process or skill based training to enhance the employability.

4. (i).after the training, have you given any feedback of it?

Yes	20
no	0

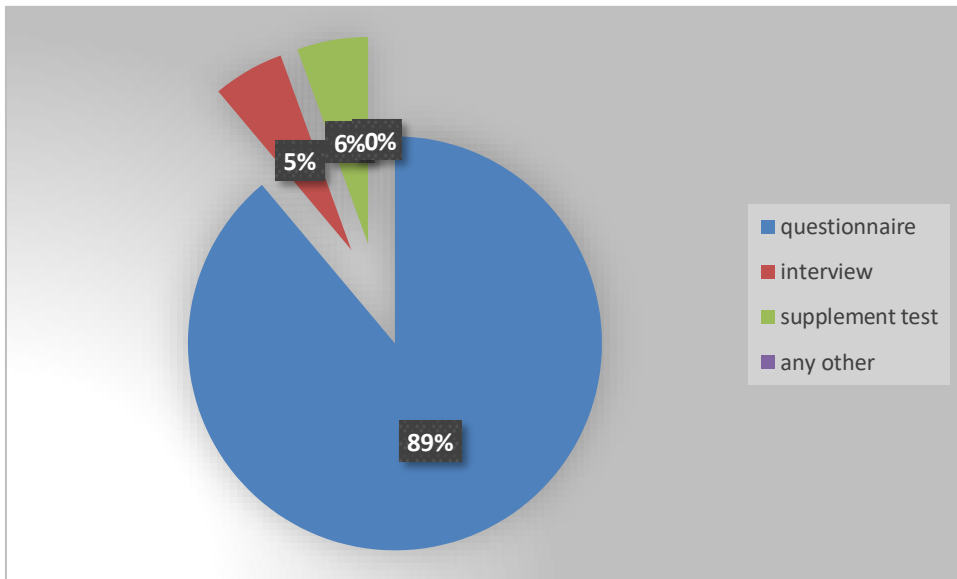


ANALYSIS:

100% respondent had given feedback after attending the training. It means each and every respondent are well aware of the importance of giving feedback. They know that their feedback is very important to identify the effectiveness and valuation of training program.

(ii). If yes, through which method?

Questionnaire	16
Interview	1
Supplement test	1
Any other	0

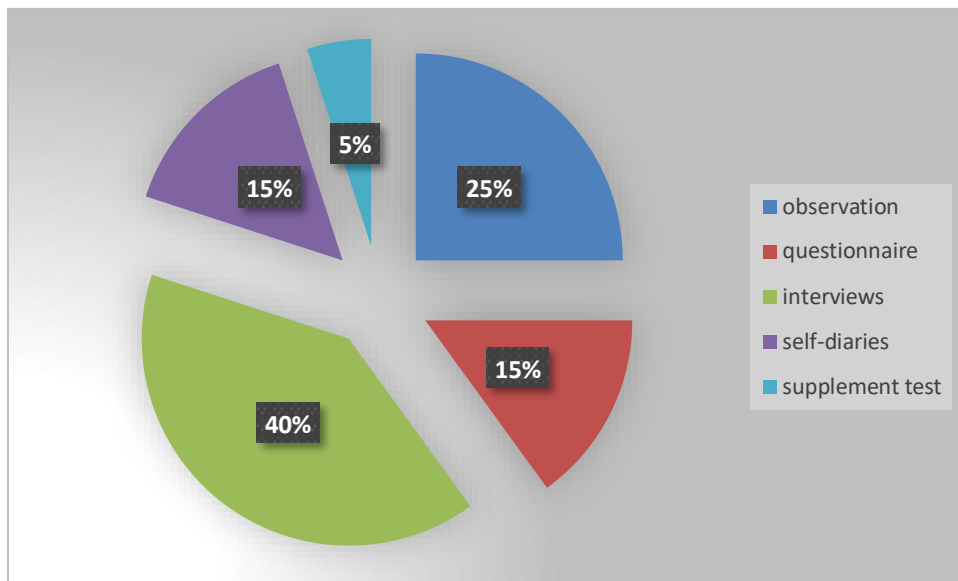


Analysis

The above result shows that the questionnaire is the most popular method of evaluating the training program and other methods are not very much in practice in co HR Department, State Banks of India But since there are various other methods of evaluation of training program like interviews, supplement test, self-diaries & observation so it should also implement the other methods also to identify the ROI (return on investment) & effectiveness and valuation of the training program.

5. which method of post training feedback according to you is more appropriate ?

Observation	5
Questionnaire	3
Interviews	8
Self-diaries	3
Supplement test	1



Analysis

I. Corporate HR, Sahara India Pariwar, mostly use the questionnaire to get the feedback of trainees but only 15% respondents are in favor of questionnaire because in it there is a possibility of getting inaccurate data and in this responding conditions are also not controlled.

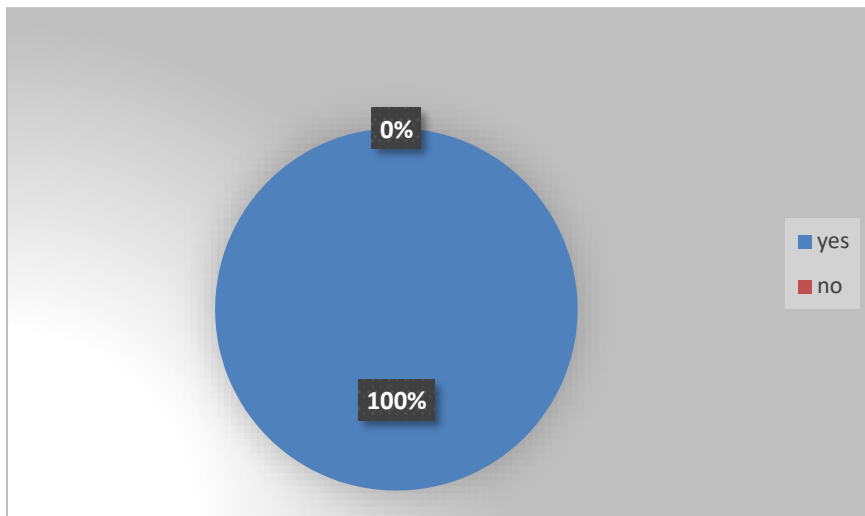
II. On the other side 40% respondents feel that interview is the most appropriate method of evaluating the training program because it is more flexible method, and in this they can get the opportunity for clarification and the most important thing is that in the interview, personal interaction is also possible.

III. 25% are in favors of observation because this is non-threatening and is excellent way to measure the behavioral changes.

IV. Beside this, 15% are in favours of self-diaries and 5% are in the favour of supplement test. It means that HR department of State Banks of India Employees should also try to use other method of evaluation of training program.

6.(i).do you think that the feedback can evaluate the training effectiveness?

Yes	20
no	0

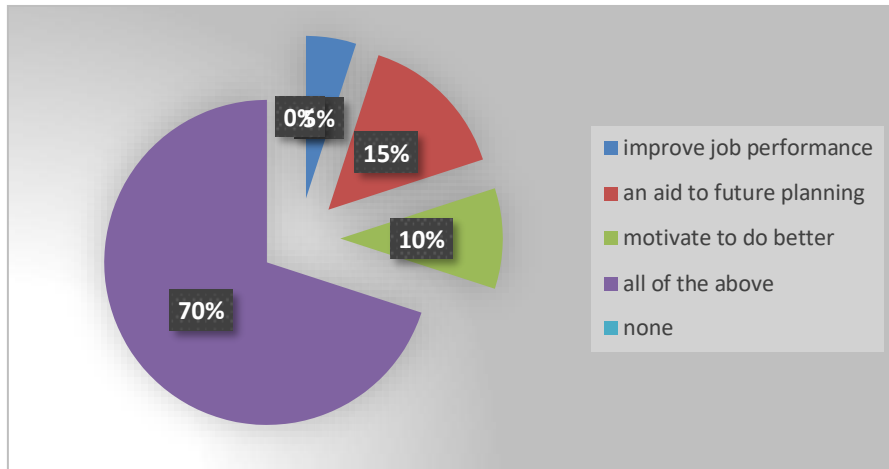


Analysis

100% respondents think that the feedback can evaluate the training effectiveness. It means that HR department of State Bank of India are well aware of the importance of taking feedback after the training.

(ii).if yes, how can the post training feedback can help the participants?

Improve job performance	1
An aid to future planning	3
Motivate to do better	2
All of the above	14
none	0

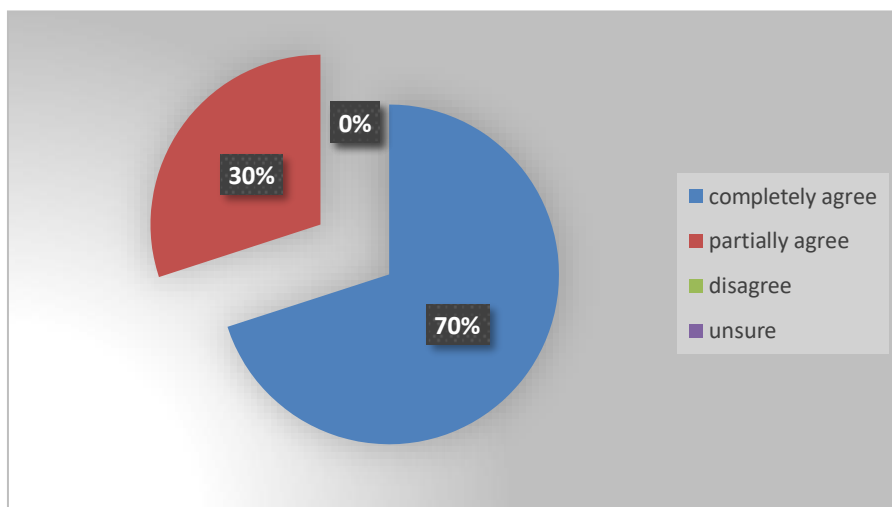


Analysis

70% respondent feel that the post training feedback can help the participants to improve their job performance, is an aid to future planning and can motivate to do better. It means that they are benefited by giving feedback of the training, attended by them.

7.post training evaluation focus on result rather than on the effort expended in conducting training.

Completely agree	14
Partially agree	6
Disagree	0
unsure	0

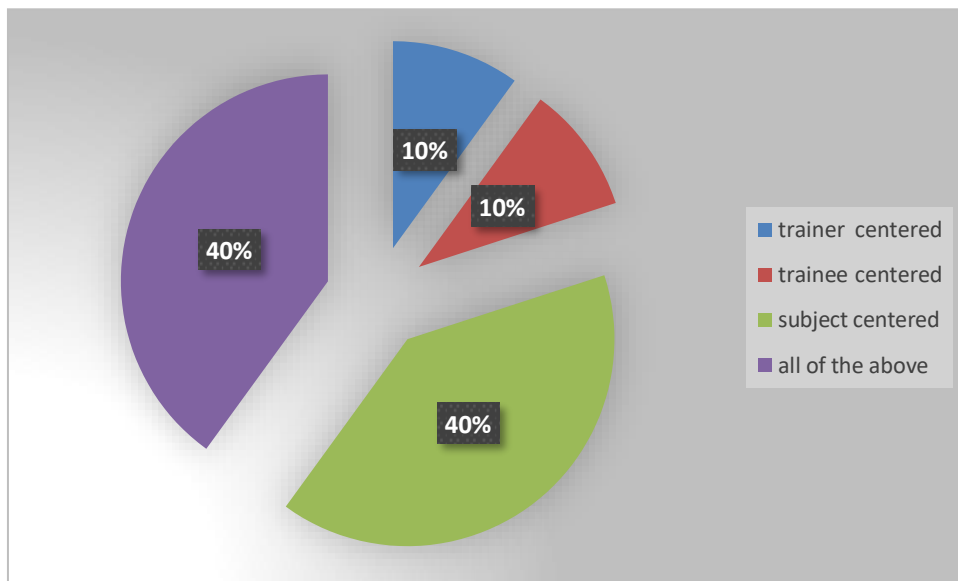


Analysis

70% respondents are completely agree and 30% respondents are partially agree with the statement that post training evaluation focus on result rather than on the effort expended in conducting training program. It means that all the respondent are well aware of the purpose and objective of the post training evaluation.

8. what should be the approach of post training evaluation?

Trainer centered	2
Trainee centered	2
Subject centered	8
All of the above	8



Analysis

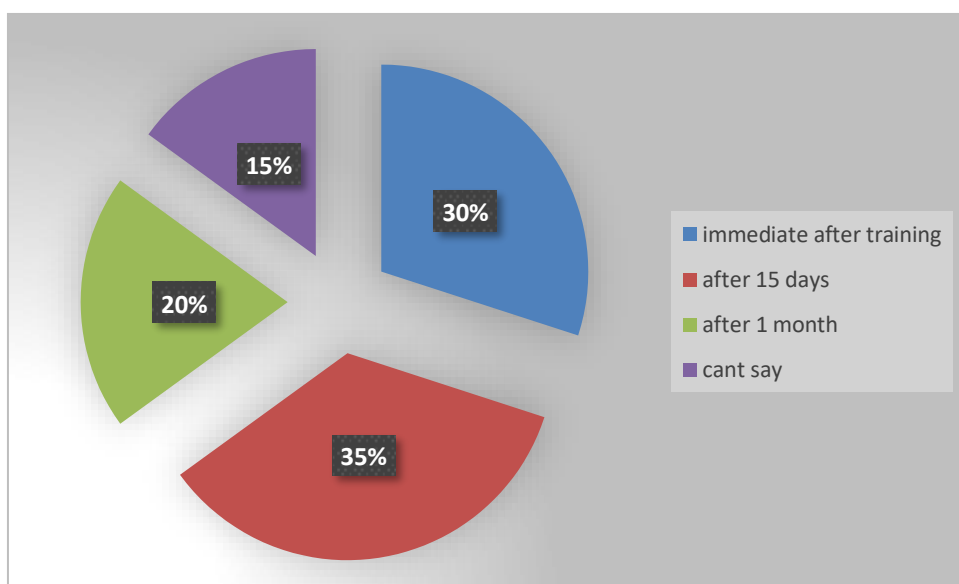
I. 40% respondents feel that the approach of post training evaluation should be subject cantered and 40% respondent also feel that it should be trainer, trainee and subject cantered.

II. 10% respondents are in favors of trainee cantered approach and 10% respondents are in favors of trainer cantered approach.

It means that the evaluation procedure should be implemented concerning trainer, trainee and subject.

9. What should be the ideal time to evaluate the training?

Immediate after training	6
After 15 days	7
After 15 days	4
Cant say	3



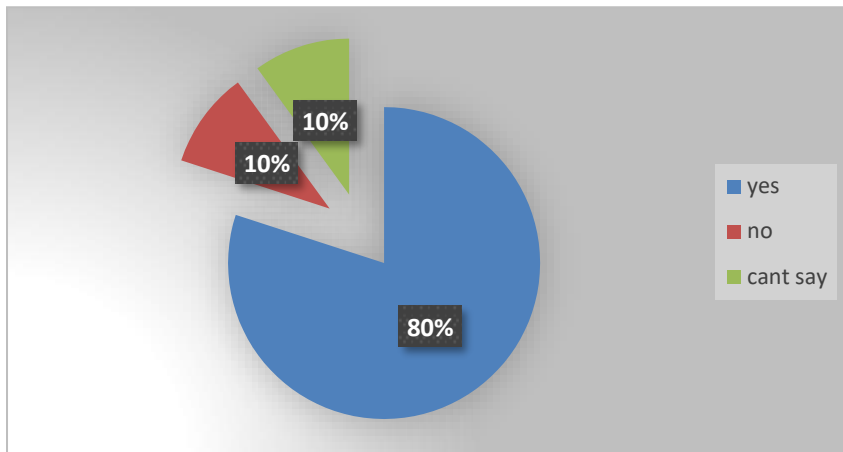
Analysis

35% respondent feel that training should be evaluate after 15 days.30% feel that it should be immediate after training. 20% feel that ideal time to evaluate the training is after 1 month and 15% are unsure.

Since each respondent had attended different training program. So the ideal time of evaluation of training depends on types of training. It could be vary for different training.

9. Should the post training evaluation procedure reviewed and revised periodically?

Yes	16
No	2
Cant say	2

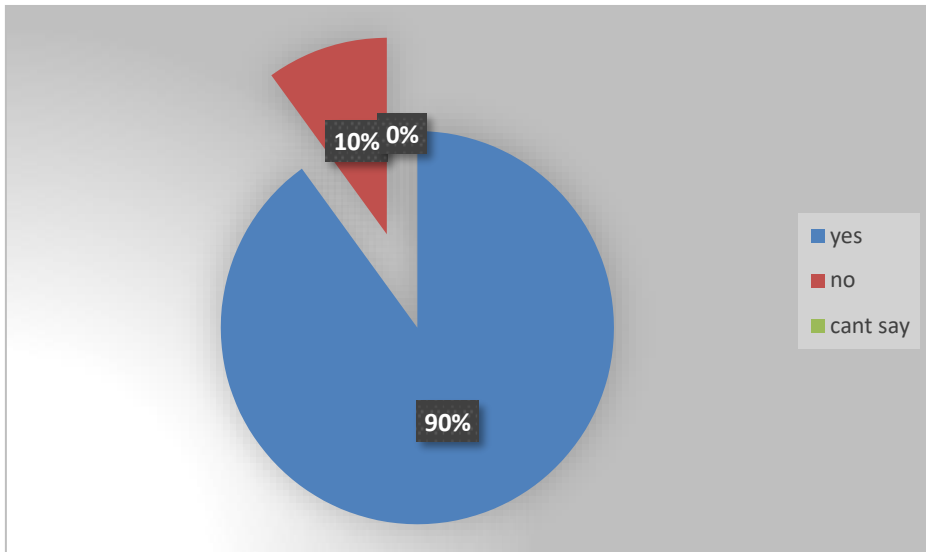


Analysis

80% respondents feel that the post training evaluation procedure should be reviewed and revised periodically. It means that it has to be a continuous process and be taken regularly by the line manager/Reporting manager of the participants. It could also be taken by peer group. Still 10% feel that the post training evaluation procedure should not be reviewed and revised periodically. It means they are satisfied with the post training evaluation procedure, followed by State Bank of India HR Department.

11. Is the whole feedback exercise after the training worth the time, money and effort?

Yes	18
No	2
Cant say	0



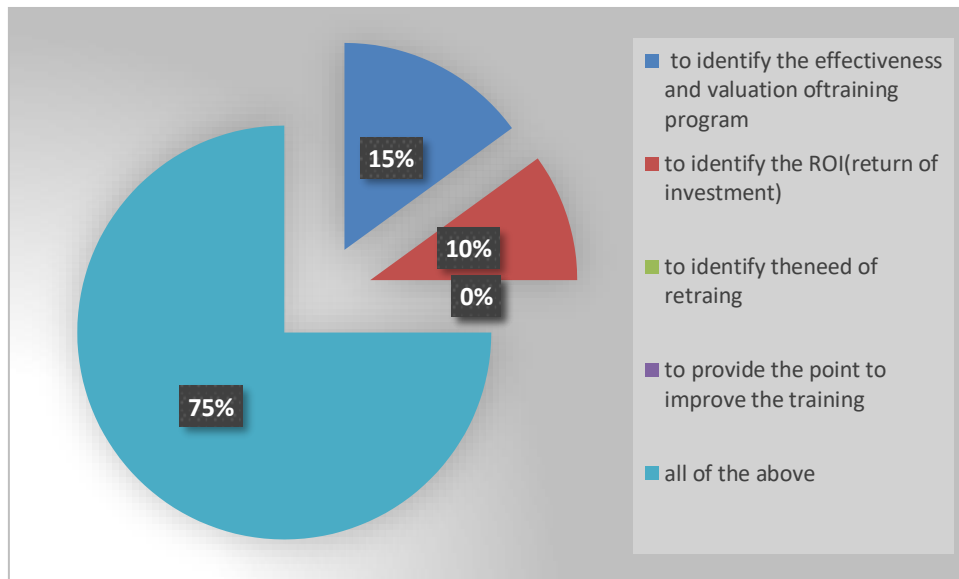
Analysis

90% respondents feel that the whole feedback exercise worth the time, money and effort and 10% respondent are not agree with this. It means that feedback exercise is valuable and wrathful for the participant to achieve their personal goal as well as for the organization.

Still 10% are unsure about it. So there is a need to create awareness among them that how much the feedback exercise is important to identify the effectiveness and valuation of the training program, to identify the ROI(return on investment),to identify the need of retraining and identify the points to improve the training.

12. The post training feedback can be used:

To identify the effectiveness and valuation of training program	3
To identify the ROI(return on investment)	2
To identify the need of training	0
To provide the points to improve the training	0
All of the above	15



Analysis

75% respondents feel that post training feedback can be used to identify the effectiveness and valuation of training program, to identify the ROI, to identify the need of retraining and to provide the points to improve the training. And others are also aware of the importance of post training feedback.

KEY FINDINGS

- Mostly all the State Banks Of India Employees are well aware of the role and importance of the training They are self-motivated to attend such training program as it will result in their skill enhancement & improving their interpersonal skill.
- Corporate HR, State Banks of India, time to time training is provided to all the Employees and it is continuous process.
- Two types of training are provided to the Employees by State Banks of India -induction training and soft skill development training.
- Questionnaire is the most popular mean of evaluating the training program in State Banks of India.
- Most of the Employees feel that interview is the most appropriate method of evaluating the training program.

- Post training evaluation focus on result rather than on the effort expended in conducting the training and it worth the time, money and effort. ➤ Most of the participants are benefitted by giving feedback after attended the training. It motivated them to do better, helped them to increase their job performance and is an aid to future planning.
- In State Bank Of India , post training evaluation is used to identify the effectiveness and valuation of training program, to identify the ROI(return on investment), to identify the need of retraining and to provide the points to improve the training.

SUGGESTIONS AND RECOMMENDATIONS

- The management must commit itself to allocate major resources and adequate time to training.
- Ensure that training contribute to competitive strategies of the firm. Different strategies need different HR skill for implementation. Let training help employees at all levels acquire the needed skill.
- Ensure that a comprehensive and systematic approach to training exists, and training and retraining are done at all levels on a continuous and on-going basis.
- Skill based training (product/process training) should also be provided.
- Besides questionnaire other methods of post training evaluation should also be used like interviews, self-diaries, observation and supplement test.
- The evaluation procedure must be implemented concerning trainer, trainee and subject.
- Post training feedback has to be continuous and should also be taken from line manager/superior & from peers to find out the effectiveness and valuation of training.

CONCLUSION

Today, banks focus on designing programs and process and services to attract, develop and retain top talent. Utilizing the latest technologies HR team has launched sophisticated online systems that provide the employees with details on benefits, compensation, special programs and internal job opportunities. As a global employee population continues to grow, these cuttingedge activities are increasingly important to the deliver world-class HR solution.

The core function of HRD in the banking industry is to facilitate performance improvement, measured not only in terms of financial indicators of operational efficiency, but also in terms of the quality of financial services provided. Factors like skills, attitudes and knowledge of the human capital play a crucial role in determining the competitiveness of the financial sector. The quality of human resources indicates the ability of banks to deliver value to customers. Capital and technology are replicable but not the human capital which needs to be valued as a highly valuable resource for achieving that competitive edge. The primary emphasis needs to be on integrating human resource management strategies with the business strategy. HRM strategies include managing change, creating commitment, achieving flexibility and improving teamwork. The other processes representing the overt aspects of HRM are recruitment, placement and performance management.

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A FIELD PROJECT REPORT
ON
“CONSUMER BUYING BEHAVIOUR TOWARDS ONLINE SHOPPING”

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

**(A SRI KEERTHI, K SNEHA, M ANJALI SRIVALLI, J D SURYA PRASAD, Y ADITYA
MANIKANTA)**

(Regd. No.221FC01023, 221FC01024, 221FC01025, 221FC01026, 221FC01027)

Under the esteemed guidance of

Dr. S.V.G. Apoorva

Assistant Professor



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled “**CONSUMER BUYING BEHAVIOUR TOWARDS ONLINE SHOPPING**” submitted by **A Sri Keerthi, K Sneha, M Anjali Srivalli, J D Surya Prasad, Y Aditya Manikanta bearing the Regd. No.221FC01023, 221FC01024, 221FC01025, 221FC01026, 221FC01027** from the Department of Management Studies, Vignan's Foundation for Science, Technology and Research and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

SIGNATURE OF THE GUIDE

HOD/MBA

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CHAPTER – 1

1.1 INTRODUCTION

Internet is changing the way consumers shop and buy goods and services, and has rapidly. Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service, over the Internet. It is a form of electronic commerce. It is also popular as e- shop, e-store, online store and virtual store. Earlier food, cloth and shelter were called as primary need but today one more need is added in that is “internet”. Due to revolution in telecommunication sector internet has changed the way consumers shop and buy goods and services. The sale or purchase transaction is completed electronically and interactively in real-time such as in Amazon.com for new books. However in some cases, an intermediary may be present in a sale or purchase transaction such as the transactions on eBay.com. An online shop, e-shop, e-store, internet shop, web shop, web store, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or in a shopping centre. The process is called Business-to-Consumer (B2C) online shopping. This is the type of electronic commerce conducted by companies such as Amazon.com. When a business buys from another business it is called Business-to-Business (B2B) online shopping.

Online shopping saves crucial time for modern people because they get so busy that they cannot or unwilling to spend much time shopping. The consumer, in case of online shopping can buy the selected product rapidly by doing some clicks from home or work saving time and energy. In addition, the internet can also facilitate the shopping of consumers with reduced mobility. Since the consumer does not have to go to the premises of the trader, and is not limited by the opening hours, he/she can place an order at all times. Such items can also be purchased that are not available in the surroundings of the consumer, thus the choice of goods is significantly broader, and furthermore the delivery can be requested not only to the place of residence but to the workplace, as well. The various offer offered by online sites can be compared along with other sites as well to make a distinction regarding the purchase behavior but, Besides the advantages

however, it is good to know that there may also be risks connecting to online shopping, since there is no personal contact and the consumer sitting in front of a computer/screen tends not to think over or consider his/her intention of buying. Many studies have focused that the high touch products that the consumer feels when they need to touch, smell or try the product. It requires the offline shopping at the purchasing stage because it cannot be done in the online shopping. Even with the increase in the online shopping and the recognition that online shopping is more likely to impose the pressure on offline shopping or traditional shopping. The research is very limited in this area or field. Online or e-shopping is a kind of electronic shopping which allow the consumer to purchase goods over the internet directly from the seller using a web browser. There are some alternative names of online shopping those are as follow- e-web store, e-shop, e-store, internet shop, web-shop, web store, online store, online store front and virtual store. Mobile commerce or m-commerce is described as purchasing from the online retailer by the mobile optimized online sites or application (app).

1.2 STATEMENT OF THE PROBLEM

During my research study I found that the customer facing the numerous problem in online shopping in India. Some problems are listing here:

- Quality and right product
- Return policy
- Hidden charges
- Security
- Delivery problem

1.3SIGNIFICANCE OF THE STUDY

Understanding consumer behavior is essential for a company to find success for its current products as well as new product launches. Every consumer has a different thought process and attitude towards buying a particular product in online. If a company fails to understand the reaction of a consumer towards a product, there are high chances of product failure. Due to the changing fashion, technology, trends, living style, disposable income, and similar other factors,

consumer behavior also changes. A marketer has to understand the factors that are changing so that the marketing efforts can be aligned accordingly.

I want to know whether the people (respondents) are satisfied and what is the buying attitude of respondents. So i had to address the problem in my study.

1.4SCOPE OF THE STUDY

The study aims to understand the consumer buying behaviour towards online shopping which covers convenience, time, quality of the product, payment transaction, price of the product etc... The study is conducted covering 175 respondents and data collected based on the questionnaire prepared. The scope is to understand the Buying behaviour towards online shopping and also:

- To determine which factor influences the consumer to go for online shopping
- To find out whether online shopping is beneficial for the user
- To analyze which factors influence the user to buy online.

1.5OBJECTIVES OF THE STUDY

Primary objective

- The primary objective of the research is to find consumer buying behaviour towards online shopping.

Secondary objective

- To study the online shopping behaviour of customers.
- To study the factors influencing online shoppers and consumers
- To study the customers level of satisfaction with regard to online shopping.
- To examine whether customers prefer online shopping to physical stores

CHAPTER – 2

INTRODUCTION OF ONLINE SHOPPING:

Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers. As of 2021, customers can shop online using a range of different computers and devices, including desktop computers, laptops, tablet computers, smart phones, and smart speakers. An online shop evokes the physical analogy of buying products or services at a regular "bricks-and-mortar" retailer or shopping center; the process is called business-to consumer (B2C) online shopping. When an online store is set up to enable businesses to buy from another businesses, the process is called business-to-business (B2B) online shopping. A typical online store enables the customer to browse the firm's range of products and services, view photos or images of the products, along with information about the product specifications, features and prices. The Internet has brought about sweeping changes in the purchasing habits of the people. In the comfort of one's home, office or cyber cafe or anywhere across the globe, one can log on and buy just about anything from apparel, books, music, and jewellery to digital cameras, mobile phones, MP3 players, video games, movie tickets, rail and air tickets. Ease, simplicity, convenience and security are the key factors turning the users to buy online. It is a fact that a great online shopping revolution is expected in India in the coming years. There is a huge purchasing power of a youth population aged 18-40 in the urban area.

History Of Online Shopping

In 1990, Tim Berners-Lee created the first World Wide Web server and browser in UK. It opened for commercial use in 1991. In 1994 other advances took place, such as online banking and the opening of an online pizza shop by Pizza Hut. During that same year, Netscape introduced SSL encryption of data transferred online, which has become essential for secure online shopping. Also in 1994, the German company Inter shop introduced its first online

shopping system. In 1995, Amazon launched its online shopping site, and in 1996, eBay appeared.

Originally, electronic commerce was identified as the facilitation of commercial transactions electronically, using technology such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT). These were both introduced in the late 1970s, allowing businesses to send commercial documents like purchase orders or invoices electronically. The growth and acceptance of credit cards, automated teller machines (ATM) and telephone banking in the 1980s were also forms of electronic commerce. Another form of e-commerce was the airline reservation system typified by Sabre in the USA and Travicom in the UK. From the 1990s onwards, electronic commerce would additionally include enterprise resource planning systems (ERP), data mining and data warehousing.

In 1990, Tim Berners-Lee invented the World Wide Web web browser and transformed an academic telecommunication network into a worldwide everyman everyday communication system called internet/www. Commercial enterprise on the Internet was strictly prohibited by NSF until 1995.² Although the Internet became popular worldwide around 1994 with the adoption of Mosaic web browser, it took about five years to introduce security protocols and DSL allowing continual connection to the Internet. By the end of 2000, many European and American business companies offered their services through the World Wide Web. Since then people began to associate a word "ecommerce" with the ability of purchasing various goods through the Internet using secure protocols and electronic payment services.

Customers:

Online customers must have access to the Internet and a valid method of payment in order to complete a transaction. Generally, higher levels of education and personal income correspond to more favorable perceptions of shopping online. Increased exposure to technology also increases the probability of developing favorable attitudes towards new shopping channels.

Customer buying behaviour in digital environment:

The marketing around the digital environment, customer's buying behavior may not be influenced and controlled by the brand and firm, when they make a buying decision that might concern the interactions with search engine, recommendations, online reviews and other information. With the quickly separate of the digital device's environment, people are more likely to use their mobile phones, computers, tablets and other digital devices to gather information. In other words, the digital environment has a growing effect on consumer's mind and buying behavior. In an online shopping environment, interactive decision may have an influence on aid customer decision making. Each customer is becoming more interactive, and though online reviews customers can influence other potential buyers' behaviors.

Subsequently, risk and trust would also be two important factors affecting people's behavior in digital environments. Customer consider to switch between e-channels, because they are mainly influence by the comparison with offline shopping, involving growth of security, financial and performance-risks In other words, a customer shopping online that they may receive more risk than people shopping in stores. There are three factors may influence people to do the buying decision, firstly, people cannot examine whether the product satisfy their needs and wants before they receive it. Secondly, customer may concern at after-sale services. Finally, customer may afraid that they cannot fully understand the language used in e-sales. Based on those factors customer perceive risk may as a significantly reason influence the online purchasing behavior.

Online retailers have placed much emphasis on customer trust aspect, trust is another way driving customer's behavior in digital environment, which can depend on customer's attitude and expectation. Indeed, the company's products design or ideas cannot meet customer's expectations. Customer's purchase intension based on rational expectations and additionally impacts on emotional trust. Moreover, those expectations can be also establish on the product information and revision from others.

Product Selection:

Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine. Once a particular product

has been found on the website of the seller, most online retailers use shopping cart software to allow the consumer to accumulate multiple items and to adjust quantities, like filling a physical shopping cart or basket in a conventional store. A "checkout" process follows (continuing the physical-store analogy) in which payment and delivery information is collected, if necessary. Some stores allow consumers to sign up for a permanent online account so that some or all this information only needs to be entered once. The consumer often receives an e-mail confirmation once the transaction is complete. Less sophisticated stores may rely on consumers to phone or e-mail their orders (although full credit card numbers, expiry date, and Card Security Code, or bank account and routing number should not be accepted by e-mail, for reasons of security).

Payment:

Online shoppers commonly use a credit card or a PayPal account in order to make payments. However, some systems enable users to create accounts and pay by alternative means, such as:

- Billing to mobile phones and landlines
- Bitcoin or other Crypto currencies
- Cash on delivery (C.O.D.)
- Cheque/ Check
- Debit card
- Direct debit in some countries
- Electronic money of various types
- Gift cards

- Invoice, especially popular in some markets/countries, such as Switzerland.

Some online shops will not accept international credit cards. Some require both the purchaser's billing and shipping address to be in the same country as the online shop's base of operation. Other online shops allow customers from any country to send gifts anywhere. The financial part of a transaction may be processed in real time (e.g. letting the consumer know their credit card was declined before they log off) or may be done later as part of the fulfillment process.

Product benefit:

Once a payment has been accepted, the goods or services can be delivered in the following ways. For physical items:

- Shipping: The product is shipped to a customer-designated address. Retail package delivery is typically done by the public postal system or a retail courier such as FedEx, UPS, DHL, or TNT.
- Drop shipping: The order is passed to the manufacturer or third-party distributor, who then ships the item directly to the consumer, bypassing the retailer's physical location to save time, money, and space.
- In-store pick-up: The customer selects a local store using a locator software and picks up the delivered product at the selected location. This is the method often used in the bricks and clicks business model.

Few Factors That Boost Online Shopping In India

- Rapid growth of cybercafés across India
- Access to Information
- The increase in number of computer users
- 10 Reach to net services through broadband

- Middle-class population with spending power is growing. There are about 200 million of middle-class population good spending powers. These people have very little time to spend for shopping. Many of them have started to depend on internet to satisfy their shopping desires.

Need for Internet Shopping:

Few developments have altered India's lifestyle more quickly and more completely than the Internet. Online access has enabled people from all walks of life to bring entire libraries, entertainment venues, post offices and financial centers to a workplace, to a desktop or to a shirt pocket. The Internet's largest and most meaningful impact may very well be on the way consumers shop for everything from gifts, gadgets and groceries to clothing, cars, and cruises. The ease and selection that the Internet provides to shoppers has changed the face of retailing. More and more, consumers visit a store's Web site to make their choices before travelling to the store itself; and in a rapidly swelling tide, many shoppers are bypassing the store altogether and ordering online directly from the Web sites of their favourite brands and outlets. Companies like Sephora, Sears and Crate & Barrel have increased the range and quantity of products available at their online stores and are sending online coupons and sale announcements via e-mail directly to their customers.

Because online stores are open 24 hours a day, seven days a week, and their inventories are often more complete than those of their brick-and-mortar counterparts, the Internet makes it easy for shoppers to compare products within or between stores, to read product reviews from other customers, to access vendor return policies and to find warranty information.

Objectives:

The Online Shopping System (OSS) is a web-based application. The purpose of the application is to automate and facilitate the whole process of shopping. This application fixes the limitation and problems of paper based processes. The main goal to increase the quantity of sales by making the new technology of web pages design more attractive and to search a lot of customers and company to their location. By this system we can advertise and send procure to a lot of customer by sending email. Its objectives so basically its objectives are for fulfilling its needs.

Objectives are:

1. High reach ability –

The main objective and at the same time need is traction on your web store. Of, course if you are selling products online what you require are customers. If you are getting good reach ability then your business will definitely grow. Therefore one of the objective is high reach ability.

2. High Conversions –

If people are coming on your web store and purchasing something then it will calculate as conversions and from the number of people who are buying stuff from your web store we can calculate the conversion rate.

3. Customer satisfaction –

Customer is the main part of any E-commerce business so its very important to make your customer happy and satisfied. By providing quality and desirable products, on time delivery, 24*7 customer support, and timely sale & best deal offers you can make your customer happy. It is one of the main objectives of E-commerce.

4. Social popularity –

Unless and until you are not famous and popular among people you cannot establish your brand. Social presence with Omni channel & Digital marketing is essential for any E-commerce business.

CHAPTER – 3
COMPANY PROFILE

1. AMAZON



Amazon.com, Inc., doing business as Amazon, is an American electronic commerce and cloud computing company based in Seattle, Washington that was founded by Jeff Bezos on July 5, 1994. The tech giant is the largest Internet retailer in the world as measured by revenue and market capitalization, and second largest after Alibaba Group in terms of total sales. The amazon.com website started as an online bookstore and later diversified to sell video downloads/streaming, MP3 downloads/streaming, Audiobook downloads/streaming, software, video games, electronics, apparel, furniture, food, toys, and jewelry. The company also produces consumer electronics— Kindle e-readers, Fire tablets, Fire TV, and Echo—and is the world's largest provider of cloud infrastructure services. Amazon also sells certain low-end products under its in-house brand Amazon Basics.

Amazon has separate retail websites for the United States, the United Kingdom and Ireland, France, Canada, Germany, Italy, Spain, Netherlands, Australia, Brazil, Japan, China, India, and Mexico. In 2016, Dutch, Polish, and Turkish language versions of the German Amazon website were also launched. Amazon also offers international shipping of some of its products to certain other countries.

In 2015, Amazon surpassed Walmart as the most valuable retailer in the United States by market capitalization. Amazon is the fourth most valuable public company in the world, the largest Internet company by revenue in the world, and the eighth largest employer in the United States. In 2017, Amazon acquired Whole Foods Market for \$13.4 billion, which vastly increased Amazon's presence as a brick-and-mortar retailer. The acquisition was interpreted by some as a direct attempt to challenge Wal-Mart's traditional retail stores.

Products & Services:

Amazon.com product lines available at its website include several media (books, DVDs, music CDs, videotapes and software), apparel, baby products, consumer electronics, beauty products, gourmet food, groceries, health and personal-care items, industrial & scientific supplies, kitchen items, jewelry, watches, lawn and garden items, musical instruments, sporting goods, tools, automotive items and toys & games.

Amazon is now gearing up in India to play a role in the grocery retail sector aimed at delivering customer needs.

Amazon.com has a number of products and services available, including:

- Amazon Fresh
- Amazon Prime
- Amazon Web Services
- Alexa
- Appstore
- Amazon Drive
- Echo
- Kindle
- Fire tablets
- Fire TV
- Video
- Kindle Store
- Music
- Music Unlimited
- Amazon Digital Game Store
- Amazon Studios
- Amazon Wireless

Multi Level Sales Strategy

Amazon employs a multi-level e-commerce strategy. Amazon started by focusing on business-to-consumer relationships between itself and its customers and business-to-business relationships between itself and its suppliers and then moved to facilitate customer-to-customer with the Amazon marketplace which acts as an intermediary to facilitate transactions. The company lets anyone sell nearly anything using its platform. In addition to an affiliate program that lets anyone post-Amazon links and earn a commission on click-through sales, there is now a program which lets those affiliates build entire websites based on Amazon's platform.

Some other large e-commerce sellers use Amazon to sell their products in addition to selling them through their own websites. The sales are processed through Amazon.com and end up at individual sellers for processing and order fulfillment and Amazon leases space for these retailers. Small sellers of used and new goods go to Amazon Marketplace to offer goods at a fixed price. Amazon also employs the use of drop shippers or meta sellers. These are members or entities that advertise goods on Amazon who order these goods direct from other competing websites but usually from other Amazon members. These meta sellers may have millions of products listed, have large transaction numbers and are grouped alongside other less prolific members giving them credibility as just someone who has been in business for a long time. Markup is anywhere from 50% to 100% and sometimes more, these sellers maintain that items are in stock when the opposite is true. As Amazon increases their dominance in the marketplace these drop shippers have become more and more commonplace in recent years.

In November 2015, Amazon opened its first physical bookstore location. It is named Amazon Books and is located in University Village in Seattle. The store is 5,500 square feet and prices for all products match those on its website. Amazon will open its tenth physical book store in 2017; media speculation suggests Amazon plans to eventually roll out 300 to 400 bookstores around the country. Amazon plans to open brick and mortar bookstores in Germany.

2. FLIPKART

Flipkart



Flipkart is an electronic commerce company headquartered in Bengaluru, India. It was founded in October 2007 by Sachin Bansal and Binny Bansal (no relation). Flipkart has launched its own product range under the name "DigiFlip" with products including tablets, USB flash drives, and laptop bags. As of April 2017, the company was valued at \$11.6 billion.

Flipkart was founded on 2007 by Sachin Bansal and Binny Bansal both alumni of the Indian Institute of Technology Delhi. They worked for Amazon.com, and left to create their new company incorporated in October 2007 as Flipkart Online Services Pvt. Ltd. Flipkart started by selling books online and popularised the idea of buying books online in India. Flipkart now employs more than 33,000 people.

In October and November 2011, Flipkart acquired the website Mime360.com and rights to digital catalogue of Chakpak.com. Later, in February 2012, the company revealed its new Flyte Digital Music Store. Flyte, a legal music download service in the vein of iTunes and Amazon.com, offered DRM-free MP3 downloads. But it was shut down on 17 June 2013 as paid song downloads did not get popular in India due to the advent of free music streaming sites. After its 2014 Big Billion Sale, Flipkart carried out a second Big Billion Sale. Where it is reported that they saw a business turnover of \$300 million in gross merchandise volume.

In 2015, Flipkart bought a minority stake in navigation and route optimization startup Map my India to help improve its delivery using Map my India assets.

In a report dated 25 November 2014, a leading media outlet reported that Flipkart were operating through a complex business structure which included nine firms, some registered in Singapore and some in India. In 2012, Flipkart co-founders sold WS Retail to a consortium of investors led by Rajeev Kuchha.

Flipkart is an electronic commerce company headquartered in Bengaluru, India. It was founded in October 2007 by Sachin Bansal and Binny Bansal.

Flipkart also sells several branded electronics and other products.

- In July 2014, Flipkart launched its own set of tablet, mobile phones & Phablet. The first among this series of tablet phones was the DigiFlip Pro XT 712 Tablet.
- In July 2014, Flipkart launched the first networking router under its own brand name, named the DigiFlip WR001 300 Mbit/s Wireless N Router.
- In September 2014, Flipkart launched its in-house home appliances and personal healthcare brand Citron. The label includes a wide range of cooking utilities and grooming products.
- In December 2016, Flipkart started selling electronics and home products under the label Flipkart Smartbuy.
- In October 2017, Flipkart launched its in-house brand for large appliances under the name MarQ .
- In November 2017, Flipkart launched its own mobile phones under Billion Brand.

Product categories provided by Flipkart

- Books
- Mobiles & Accessories
- Computers
- Gaming
- Movies & TV shows
- Music , Cd's , DVD's & Vinyl
- TV , Video & Mp3 Players
- Personal & Healthcare
- Home & Kitchen
- Pens & Stationary
- Fragrances

Payment options in Online Shopping

Online shoppers commonly use a credit card to make payments, however some systems enable users to create accounts and pay by alternative means, such as:

- Billing to mobile phones and landlines
- Cash on delivery (C.O.D)
- offered by very few online stores)
- Cheque
- Debit card
- Direct debit in some countries
- Electronic money of various types
- Gift cards
- Postal money order
- Wire transfer/delivery on payment

3. SNAPDEAL



Snapdeal is an Indian e-commerce company based in New Delhi, India. The company was started by Kunal Bahl and Rohit Bansal in February 2010. As of 2014 Snapdeal had 300,000 sellers, over 30 million products across 800+ diverse categories from over 125,000 regional, national, and international brands and retailers and a reach of 6,000 towns and cities across the country.

Investors in the company include SoftBank Corp, Ru-Net Holdings, Tybourne Capital, PremjiInvest, Alibaba Group, Temasek Holdings, Bessemer Venture Partners, IndoUS Ventures, Kalaari Capital, Saama Capital, Foxconn Technology Group, Blackrock, eBay, Nexus

Ventures, Intel Capital, Ontario Teachers' Pension Plan, Singapore-based investment entity Brother Fortune Apparel and Ratan Tata. Snapdeal acquired FreeCharge for \$400 million.

Snapdeal was started on 4 February 2010 as a daily deals platform, but expanded in September 2011 to become an online marketplace. The move came as a surprise to investors, since the company had a 70 percent share in the daily deals business. Snapdeal has grown to become one of the largest online marketplace in India offering an assortment of 10 million products across diverse categories from over 100,000 sellers, shipping to more than 5,000 towns and cities in India. In March 2015, Snapdeal brought actor Aamir Khan for the promotion of its website in India. In October 2017, According to the reported, Snapdeal's CFO Anup Vikal resigned.

Product Categories provided by SNAPDEAL.COM

- Mobile & Accessories
- Men's & Women's Apparel
- Watches , Bags & accessories
- Electronics & cameras
- Computer & Peripherals
- Perfumes, Beauty & Health
- Jewelry
- Books & Movies
- Footwear
- Home, Kitchen & Appliance
- Infants, Kids & Toys
- Sports & Hobbies
- Travel Packages

4. EBAY



eBay Inc. is a multinational e-commerce corporation based in San Jose, California that facilitates consumer-to-consumer and business-to-consumer sales through its website. eBay was founded by Pierre Omidyar in 1995, and became a notable success story of the dot-com bubble. eBay is a multibillion-dollar business with operations in about 30 countries, as of 2011. The company manages eBay.com, an online auction and shopping website in which people and businesses buy and sell a wide variety of goods and services worldwide. The website is free to use for buyers, but sellers are charged fees for listing items after a limited number of free listings, and again when those items are sold.

In addition to its original auction-style sales, the website has since evolved and expanded to include "Buy It Now" shopping; shopping by UPC, ISBN, or other kind of SKU number (via Half.com); online classified advertisements (via Kijiji or eBay Classifieds); online event ticket trading (via StubHub); and other services. It previously offered online money transfers (via PayPal which was a wholly owned subsidiary of eBay from 2002 until 2015).

Acquisitions

PayPal

On October 3, 2002, PayPal became a wholly owned subsidiary of eBay. Its corporate headquarters were sited in San Jose, California, United States at eBay's North First Street satellite office campus. On September 30, 2014, eBay Inc. announced the divestiture of PayPal as an independent company, which was completed on July 20, 2015.

Craigslist

In the summer of 2004, eBay acknowledged that it had acquired 25% of classified listings website Craigslist. Former Craigslist executive Phillip Knowlton was the seller, and he insisted

that his former employer was aware of his plans to divest his holdings. Initially, eBay assured Craigslist that they would not ask the company to change the way it does business.

In March 2005, eBay launched the classifieds service Kijiji. In April 2008, eBay sued Craigslist to "safeguard its four-year financial investment", claiming that in January 2008, Craigslist took actions that "unfairly diluted eBay's economic interest by more than 10%." Craigslist countersued in May 2008 "to remedy the substantial and ongoing harm to fair competition" that Craigslist claimed was constituted by eBay's actions as a Craigslist shareholder. In September 2010, Delaware Judge William Chandler ruled that the actions of Craigslist were unlawful and that the actions taken by Craigslist founders Jim Buckmaster and Craig Newmark had "breached their fiduciary duty of loyalty", and restored eBay's stake in the company to 28.4% from a diluted level of 24.85%. However, the judge dismissed eBay's objection to a staggered board provision, citing that Craigslist has the right to protect its own trade secrets. eBay spokesman Michael Jacobson stated "We are very pleased that the court gave eBay what it sought from the lawsuit."

Skype

In October 2005, eBay Inc. acquired Skype Technologies, developer of the Skype VoIP and Instant messaging service, significantly expanding its customer base to more than 480 million registered users worldwide. eBay later sold a majority stake in Skype in November 2009, while retaining a minority investment in the company. This eventually led to the sale of the entire Skype business to Microsoft for \$8.5 billion in May 2011.

StubHub

StubHub's acquisition by eBay was announced in January 2007 for a reported \$310 million. According to CNN Money, 2007 was a very successful year for the company, handling five million individual transactions, more than in the previous six years combined of its history. Staffing at StubHub had increased to 350 workers by the time of the sale. Eight months after the acquisition, StubHub reached an exclusive agreement with Major League Baseball (MLB). They get a piece of the 25% in commissions StubHub earns on either end of a sale. Ticketmaster filed a lawsuit against StubHub and eBay in 2007, alleging "intentional interference" with Ticketmaster's contractual rights.

5. SHOP CLUES



ShopClue is an online marketplace owned by Clues Network Pvt. Ltd. It was established in July 2011 in Silicon Valley by Sanjay Sethi, Sandeep Aggarwal and Radhika Aggarwal. Based in Gurgaon, India the company claims to have over 6 lakh merchants and 2.8 crore products on its platform, serving over 32,000 pincodes across the country.

Valued at USD 1.1 billion, ShopClues has Tiger Global, Helion Ventures, and Nexus Venture Partners as major investors.

In June 2015, ShopClues launched a financing platform Capital Wings to fund its merchants' businesses.

In May 2016, Joined hands with Go Daddy to assist its small and medium entrepreneurs in starting their own e-commerce websites.

In July 2016, launched an ad platform, AdZone wherein sellers may market their products with the help of native and custom advertising.

Acquisition

In July 2016, ShopClues collaborated with a hybrid e-commerce company, StoreKing to promote its products on the latter's app. In the same year, the company acquired Momoe, a Bangalore-based mobile payments company.

In 2016 ShopClues acquired the IP of a SaaS platform from Squeakee Media which was founded by Abrar Shaikh in Mumbai, India.

Investment

In December 2015, the company invested towards seed funding in HeyBiz, which is a real-time shopping assistant app.

Funding

In January 2016, Shop Clues raised USD 100 million from Tiger Global Management and joined the Unicorn Club.

CHAPTER – 4
LITERATURE REVIEW

Online shopping indicates electronic commerce to buy products or services directly from the seller through the Internet. Internet-based or Click and Order business model has replaced the traditional Brick and Mortar business model. More people than before are using the web to shop for a wide variety of items, from house to shoes to airplane tickets. Now people have multiple options to choose their products and services while they are shopping through an online platform.

Sinha and Uniyal[1] in the study explored that the Shopping environment refers to the landscape of shopping, changing as it did from the first departmental store to present-day malls to virtual shopping through the Internet. It has been found that shoppers behave differently depending on the type of shopping situations.

Richards Sarah [2] studied on Internet shopping by carrying out a worldwide Survey of 1001 adults. The Survey aimed to identify why people do or don't shop online, what they buy and how much they spend, if they have encountered any problems and what proportion of their shopping they intend to do online in the future. This study showed some interesting trend. Over six in ten people with internet access had shopped online over the previous 12 months. Convenience was a large motivating factor for people to shop online than prices. Most people shop once every two to three months, with men was being slightly more likely to do so than women. CDs, tapes and records were the most popular items to be purchased online, followed by DVDs, videos, computer games, books and travel tickets. Fears over the security of websites were the main reason why some people with Internet access choose not to shop online.

Douglas, et al[3] conducted an empirical study to explore key aspects of consumer response towards shopping on the Internet. The major findings of study were: - convenience was not a major inducement in local Internet shopping, probably because of (its) geographical proximity. For instance, "Pricing" was the major motivation behind online

shopping. Product variety and product brand name were also important factors. Trust was a major concern for Internet shoppers.

Pooja Modani [4] explored the study on investigation of consumer's perception towards internet-based e-shopping and the study involved an experiment in which the respondents were asked to go through the online shopping process and relate their experiences. The study found that the positive experience with a website plays a vital role in forming consumers trust while shopping online and if consumers trust the website, then they will perceive ease of use, perceive enjoyment and perceive the 89 website to be less risky which would finally culminate into an intention to transact with the website.

Amar Cheema and Purushottam Papatla [5] made an attempt to study the relative importance of online information versus offline information for internet purchase. The study found that relative importance of online information is higher for utilitarian products such as computer hardware and software than for hedonic products such as books, music and movies, the relative importance of online information decreases with increasing consumer internet experience and consumers' trust of online search engine information decreases with increasing internet experience.

Chih-Chien Wang [6] analyzed that knowledge is one important factor influencing the level of trust. The results revealed that knowledge is positively associated with trust and online shopping activities. In other words, people who know more about online shopping will trust and go shopping more online. Online retailing practice should make the public knowledgeable about online transaction security mechanisms to build users' trust in online shopping.

Ankur Kumar Rastogi[7] conducted the study on —a study on Indian online consumers and their buying behavior and the study attempts to analyze the features related to the buying behavior of online shoppers. Consumer buying behavior in respect of online shopping was studied using different socio-economic variables. It also provides a support that helps researchers understand the drivers of consumers' attitude and goal to shop on

the Internet, and consumers, perceptions regarding ease of use and usefulness. Conclusions derived from the analysis can be used as useful guide for market orientation. The outcomes of the study suggest that assessment of consumer buying behavior can contribute to a better understanding of consumer buying behavior in respect of online shopping.

A study has conducted by **Feng Zhu[8]**, indicates that how product and consumer characteristics moderate the influence of online consumer reviews on product sales using data from the video game industry. The findings reveal that online reviews are more influential for less popular games and games whose players have greater Internet experience Prashant Singh[9] in his article “Consumer’s Buying Behavior towards Online Shopping A case study of Flipkart.Com users in Lucknow City” published in Abhinav stated that future of e-retailers in India looking very bright. E-retailers give consumers the best way to save money and time through purchasing online within the range of budget. Flipkart.com offering some of the best prices and completely hassle-free shopping experience. The whole concept of online shopping has altered in terms of consumers purchasing or buying behavior and the success of E-tailers in India is depending upon its popularity, its branding image, and its unique policies.

Selvakumar [9] concentrated on consumer’s perception of the product sold online and the issues considered important to online shopping. This study was conducted among the online shoppers at Coimbatore which is in Tamil Nadu state. It is to analyze the impact of consumer opinion and the attitude. Questionnaire was made to collect the data from the population; these questionnaires were given to college going students. The total sample size is 150 respondents. The finding of this study shows that improvement and accessibility influence the customer’s intention to shop online.

Hausman and Siekpe [10] analysed an practical study in US regarding the effect of web interface features on consumer online purchase intention. E-commerce system is different from traditional information system. It has both features of information system and marketing channels. It contains machine and human element. An empirical finding shows that to know the

motivation factors for online shopper, cognitive and psychological factors do have meanings. The study finds both human and computer factors are necessary for antecedent for online shopping.

Iyer and Eastman [11] found that the population of senior who are more literate, more knowledgeable and who are more aware of the technology and those who have a positive behavior towards online shopping and internet are more into online shopping. But the population of senior who are less aware of the internet and the shopping sites are less involved in the shopping sites because they do not have a positive attitude towards online shopping rather they are much more interested in offline shopping and the seniors who are more involved in the internet uses more online sites for purchasing the goods over the internet. The senior which have more knowledge about the internet and the shopping sites they compare both the shopping i.e. online and offline shopping for their purchasing of goods. However, their knowledge and the use of internet by them has no connection with their age and their satisfaction level while purchasing online.

Chafing and Dholakia [12] carried out a study in which they examined the purpose the customer to purchase goods online during their shopping. Mainly there are three variables in their study those affects the consumer to purchase online or to go offline. Those are the accessibility features of the shopping sites, the type of the products and their characteristic, and the actual price of the product. The study revealed that the accessibility and the convenience of the shopping sites create the intention in the customer to purchase or not. When there is difficulty faced by a consumer to purchase online then the customer switch to the offline shopping for the purchase behavior and the consumer face difficulty in offline purchasing then they go to the online purchasing. After relating both the medium of shopping the consumer said that the online shopping is more convenient for them and gives more satisfaction which inspires the consumer to purchase online on the internet

CHAPTER – 5
RESEARCH METHODOLOGY

The data needed for the study is collected from the respondents, through questionnaire. Analysis and interpretation has been done by statistical tools and data presented through tables and charts.

RESEARCH DESIGN

The study was based on the survey method. Aim of the study to find consumer buying behaviour towards online shopping.

SAMPLE DESIGN

A sample design is a defined plan for obtaining a sample form a given population. Convenience ampling method used in selected samples.

PERIOD OF STUDY

This is study on consumer buying behaviour towards online shopping was conducted during the period of twenty one days.

SAMPLE SIZE

The sample size of this study is 178 respondents.

DATA COLLECTION

The data is collected for the study consists of both primary data and secondary data.

PRIMARY DATA

In this study primary data were collected through using questionnaire.
The questionnaire was administered to 178 respondents.

SECONDARY DATA

Secondary data for this study was collected from.

- Previously published records, statistics, research reports and documents.
- Books, Periodical and websites.

QUESTIONNAIRE

In this study the researcher have used a questionnaire consisting 12 based questions

TOOLS USED FOR THE ANALYSIS

Percentage analysis is used as statistical tools for the analysis.

GRAPHICAL REPRESENTATION OF DATA

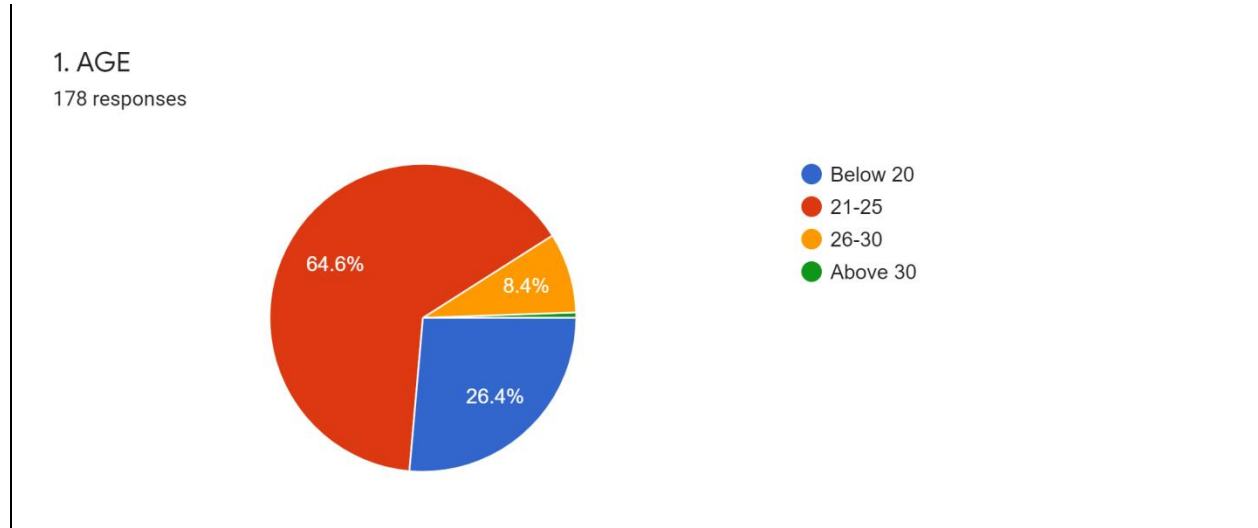
Graphical Design tool such as Pie Charts are used for the data analysis.

LIMITATIONS OF THE STUDY

- The research was carried out in a short span of time, where in the research could not widen the study.
- The period of study was too short. So it was not possible to collect the relevant information with in that period.
- The findings are based on the answers given by the respondents, so any error or bias may be affect the validity of the finding
- The sample size is limited to 178.
- The study largely is based on the perception of the respondents.

CHAPTER – 6
DATA ANALYSIS & INTERPRETATION

6.1 AGE

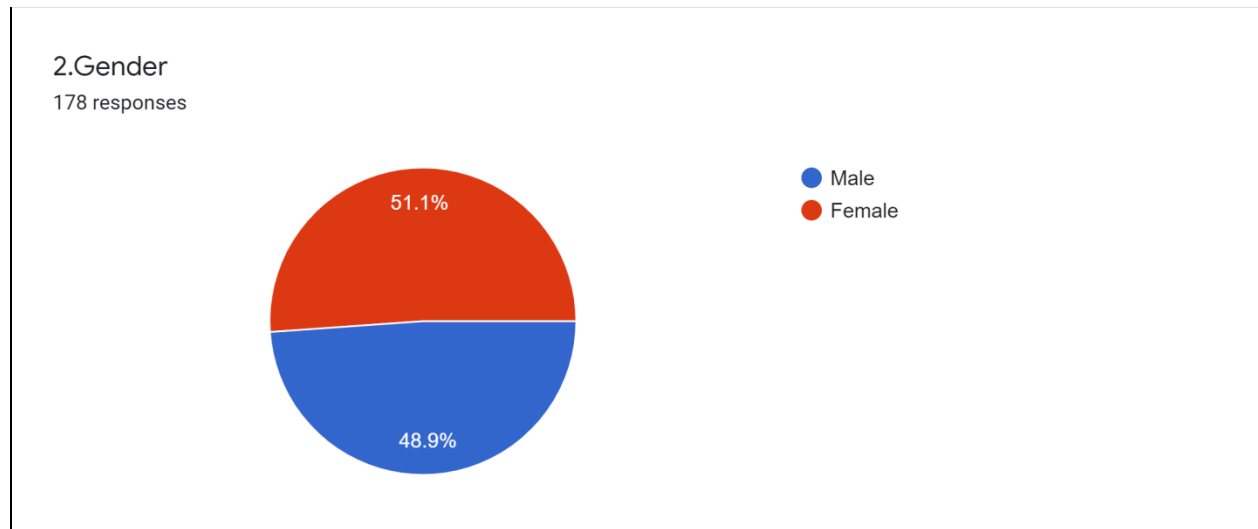


AGE	No. of respondents (in %)
Below 20	26.4
21-25	64.6
26-30	8.4
Above 30	0.6

Interpretation:

From the above pie chart, 64.6% of respondents are between the age group of 21-25, 26.4% are below the age 20, 8.4% are between 26-30years, 0.6% of respondents are above the age of 30 years

6.2 Gender

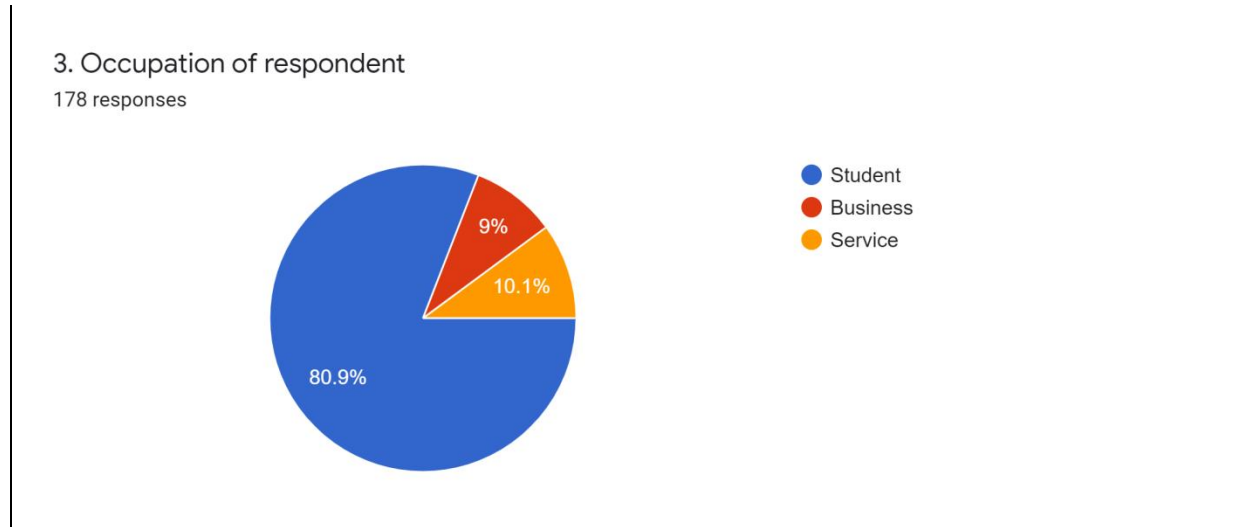


Gender	No. of respondents (in %)
Male	48.9
Female	51.1

Interpretation:

From the graph, 48.9% of respondents are male and 51.1% of respondents are female.

6.3 Occupation of the respondent

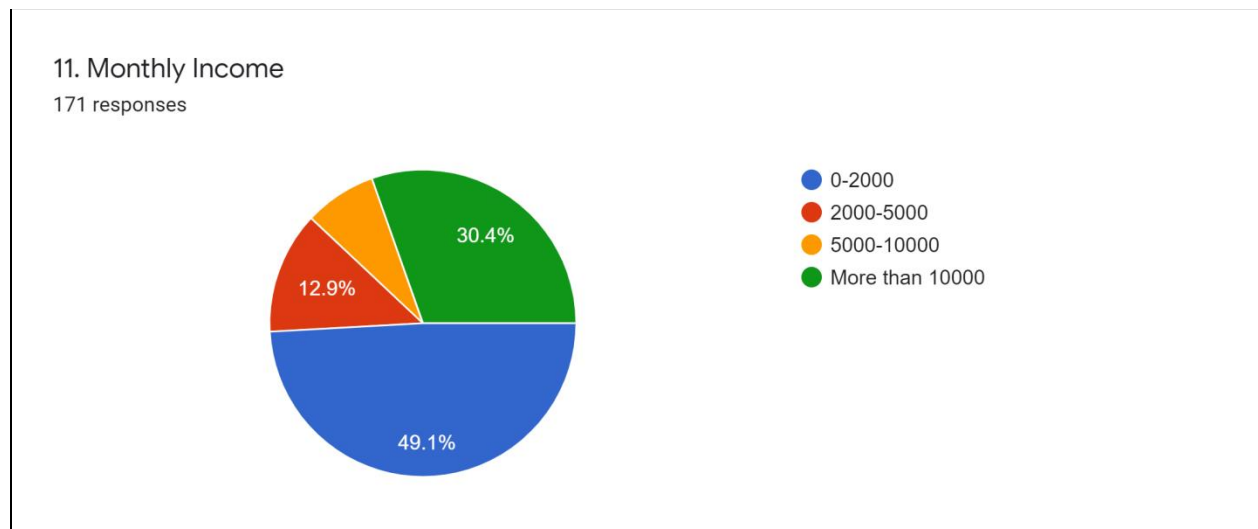


Occupation of the respondent	No.of respondents (in %)
Student	80.9
Business	9
Service	10.1

Interpretation:

From the survey, 80.9% are students, 10.1% are service providers, 9% are business people.

6.4 Monthly Income



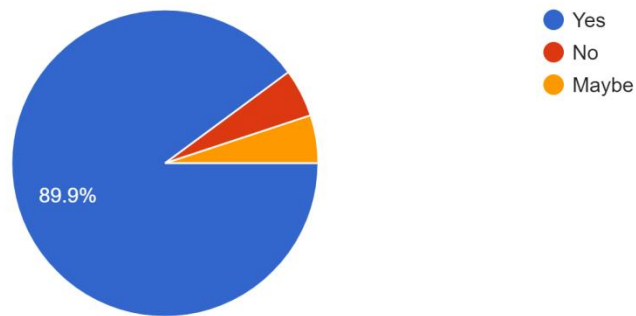
Monthly Income	No. of respondents (in %)
0-2000	49.1
2000-5000	12.9
5000-10000	7.6
More than 10000	30.4

Interpretation:

49.1% of respondents monthly income is 0-2000/-, 30.4% of respondents monthly income is above 10,000/-, 7.6% of respondents monthly income is 5000-10000, 12.9% of respondents monthly income is 2000-5000

6.5 Have you ever had online shopping?

4. Have you ever had online shopping
178 responses

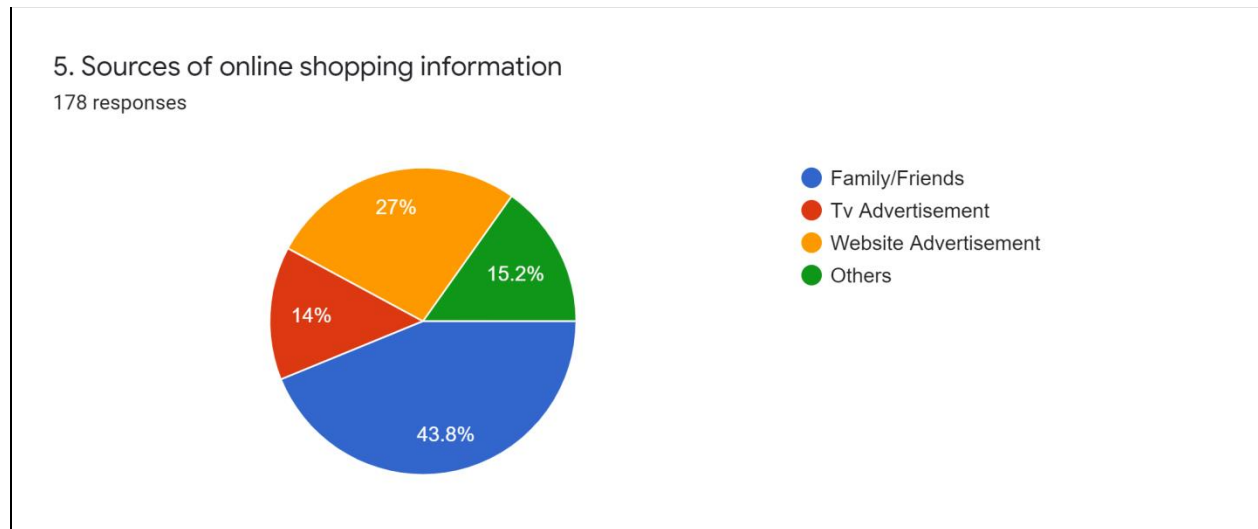


Have you ever had online shopping	No.of respondents (in %)
Yes	89.9
No	5.1
May be	5

Interpretation:

From the above chart, 89.9% of respondent had online shopping and 5.1% of respondents didn't shop online and 5% of respondents may be shop online.

6.6 Sources of online shopping information



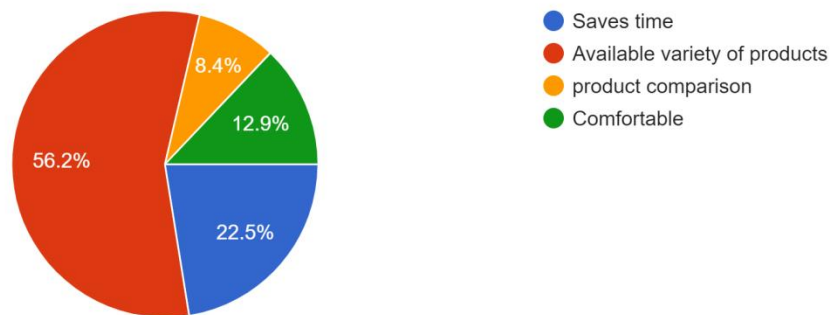
Sources of online shopping information	No.of respondents (in %)
Family/friends	43.8
Tv advertisements	14
Website advertisements	27
Others	15.2

Interpretation:

The pie chart shows the sources of online shopping information. 43.8% got information from family and friends, 27% of respondents got information from website advertisement, 14% of respondents got information from Tv Advertisement and 15.2% of respondents got information from others may be from social media networks, Pamphlets etc..

6.7 Reason for choosing online shopping

6. Reasons for choosing online shopping
178 responses



Reason for choosing online shopping	No.of respondents (in %)
Saves time	22.5
Available variety of products	56.2
Product comparison	8.4
Comfortable	12.9

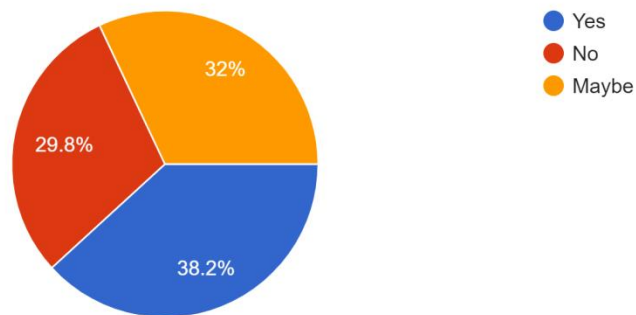
Interpretation:

The chart says that 56.2% of respondents choose online shopping as it is available of variety of products, 22.5% as it saves time, 12.9% of respondents feel it is comfortable to shop online and 8.4% of respondents choose because of product comparison.

6.8 Have you felt any problem while conducting online purchase

7. Have you felt any problem while conducting online purchase

178 responses



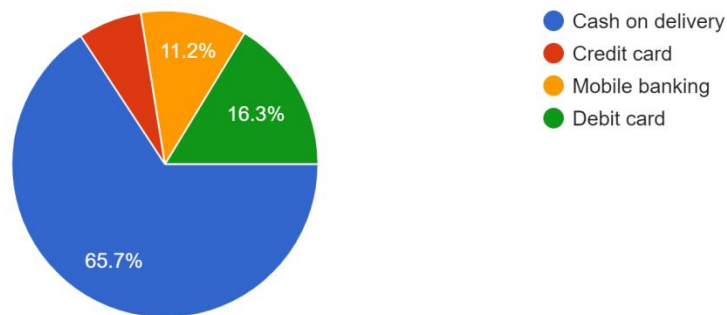
Have you felt any problem while conduct online shopping	No.of respondents (in %)
Yes	38.2
No	29.8
May be	32

Interpretation:

From the pie chart, 38.2% of respondents felt problem while shopping online, 29.8% of respondents didn't felt problem and 32% of respondents stated may be they felt the problem.

6.9 Mode of payments you prefer in online shopping

8. Mode of payment you prefer in online shopping
178 responses



Mode of payments you prefer in online shopping	No.of respondents (in %)
Cash on delivery	65.7
Credit card	6.8
Mobile banking	11.2
Debit card	16.3

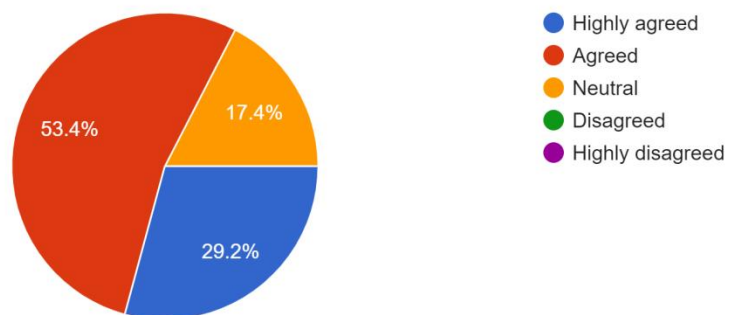
Interpretation:

65.7% of respondents prefer cash on delivery, 16.3% of respondents prefer Debit card, 11.2% of respondents prefer Mobile banking and 6.8% of respondents prefer credit card.

6.10 Payment system security

9. Payment system security

178 responses

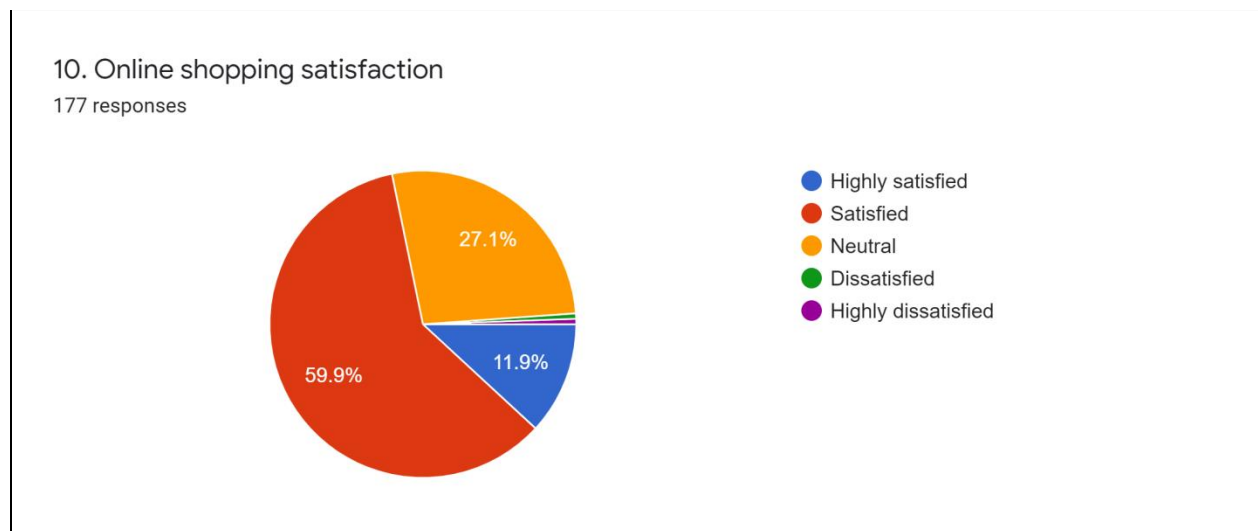


Payment system security	No.of respondents (in %)
Highly agreed	29.2
Agreed	53.4
Neutral	17.4
Disagreed	0
Highly disagreed	0

Interpretation:

The above pie chart shows that 29.2% of respondents highly agreed, 53.4% of respondents agreed for payment system security, 17.4% of respondents feel neutral and no one (0%) is disagreed or highly disagreed.

6.11 Online shopping satisfaction

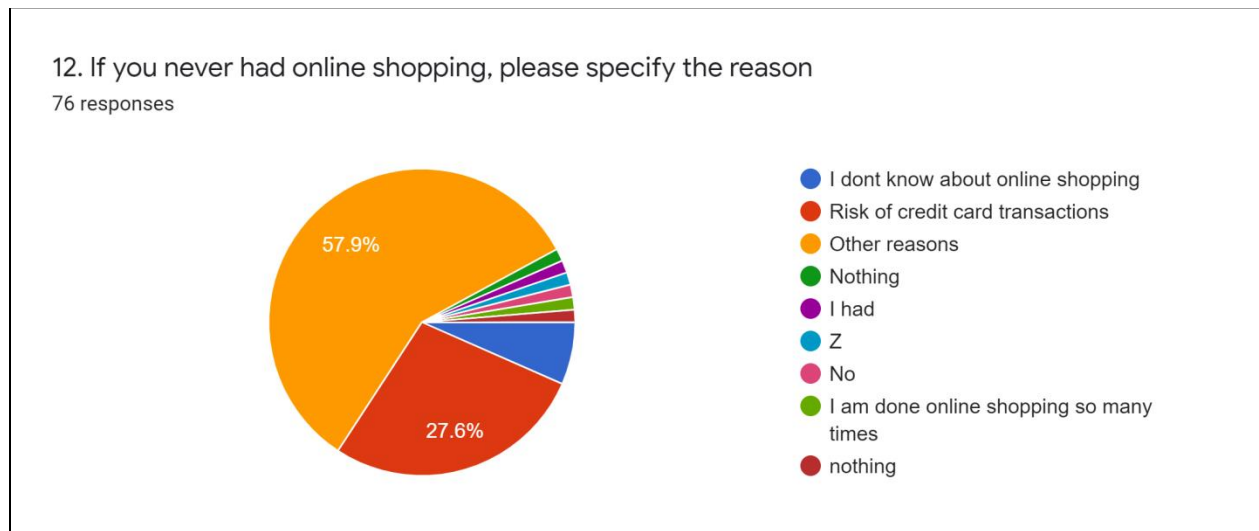


Online shopping satisfaction	No.of respondents (in %)
Highly satisfied	11.9
Satisfied	59.9
Neutral	27.1
Dissatisfied	0.6
Highly Dissatisfied	0.5

Interpretation:

11.9% of respondents are highly satisfied, 59.9% of respondents are satisfied on online shopping, 27.1% of respondents are neutral, 0.6% are dissatisfied and 0.5% are highly dissatisfied.

6.12 If you never had online shopping, please specify the reason



If you never had online shopping, please specify the reason	No.of respondents (in %)
I don't know about online shopping	6.6
Risk of credit card transactions	27.6
Other Reasons	65.8

Interpretation:

The above chart describes the reason for never had online shopping. 6.6% of respondents never had online shopping because they don't know about online shopping, 27.6% of respondents didn't

because of risk of credit card transactions and 65.8% of respondents for other reasons which isn't mentioned.

CHAPTER – 7

FINDINGS, SUGGESTIONS & CONCLUSION

7.1 Findings

- The finding and analysis show that the consumer who are between the age group 21-25 are using online shopping than rest of the group.
- The group which is coming under the age 30 and above are not much aware of the online shopping platforms and as well as they are not technically advanced to do online shopping they fear whether the product they are ordering will come genuine or not so they less do online shopping rather they prefer traditional market. So, it is clear from the finding that the youth are more into-shopping.
- The study reveals that the male is less doing the online shopping than female. The female is more into online shopping because they enjoy doing shopping whether it is traditional shopping or e-shopping.
- There is an increasing demand of online shopping because the variety of options for the consumers to choose and that to at a reasonable price, saves time and comfortable to use.
- The analysis says that the consumers are highly satisfied and satisfied with online shopping.

7.2 Suggestions

- Due to revolution in telecommunication sector no. of users of internet are increased in India in recent time and customers are using internet for online shopping but still for regular purchase most of customers first choice is manual shopping.
- Companies should aware customers regarding how security regarding customers credit card no. is maintained by companies
- Companies should made aware customers regarding return policy and procedure if wrong or bad product arrived.
- The company can create a strategy to advertise their products focusing on men consumers.
- The company has to keep an eye on the consumers who are above the age of 30 years by introducing various products through online marketing.

- Online retailers should take proper measures to avoid risk involved in online shopping.
- People should also get updated with the computer knowledge and mobile application as the entire world is changing towards digitalization.

7.3 Conclusion

The online shopping is becoming more popular day by day with the increase in the usage of internet. Understanding customer's needs and desires for online buying, the selling has become challenging task for marketers. Specially understanding the consumer's attitudes towards online shopping, making improvement in the factors that influence consumers to shop online and working on factors that affect consumers to shop online will help marketers to gain the competitive advantage over the others. Thus, The survey reveals that consumers shop online to save time, and for available varieties of products and services. Both male and female both have the same type of behavior towards liking and disliking factors; they like home delivery facility and dislike inability to touch and feel the product most. The faster their concerns can be addressed the more likely they are to buy.

CHAPTER – 8

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- www.ebay.com

A FIELD PROJECT REPORT
ON
“A STUDY ON CUSTOMER SATISFACTION TOWARDS AMAZON”

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

**(C BHARGAVI HYMA, K KANAKA DEEPTHI, G VARSHA, M LAKSHMI VENKATA
SINDHURI, T LAKSHMI KANTH)**

(Regd. No.221FC01028, 221FC01029, 221FC01030, 221FC01031, 221FC01032)

Under the esteemed guidance of

Dr S.V.G. Apoorva

Assistant Professor



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



VIGNAN'S

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-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled “**A STUDY ON CUSTOMER SATISFACTION TOWARDS AMAZON**” submitted by **C Bhargavi Hyma, K Kanaka Deepthi, G Varsha, M Lakshmi Venkata Sindhuri, T Lakshmi Kanth** bearing the Regd. No. **221FC01028, 221FC01029, 221FC01030, 221FC01031, 221FC01032** from the Department of Management Studies, Vignans Foundation for Science, Technology and Research and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

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CHAPTER-I

1.1 INTRODUCTION

The online shopping trend around the world spread very fast. The Neilson Company conducted survey in 2010 and polled over 27000 internet user in 55 market from Asia Pacific, Europe, middle east, north America to look at how consumers shop online (Neilson, 2010). Globally online shopping is made on books and cloths as per survey data. Most people are interested to purchase and bought usually books and cloths. Alternative names are: e-web-store, e-shop, e-store, internet shop, web-store, online store, online storefront and virtual store. Mobile commerce (or m-commerce) describes purchasing from an online retailer's mobile optimized online site or app. Internet makes life simple and innovative. People are doing business online and trade has become more easy and fast. Internet provides new ways to promote business. Website becomes the essence of online business as to show their services and products. Internet gathers all competitors and consumers in one place. It brings new lane to promote, advertise products and services in market. Online consumers are always seeking new products, new attractiveness and the most important thing being price compatibility with their budget. The internet is best way to save time and money through purchasing online within their range of budget at home or in anywhere. Online consumers don't have limits to online shopping. They also use internet for comparison of prices of goods and services, news, visit social networks and search information and so on. Online shopping behaviors depends upon factors such as shopping motives, personality variables, internet knowledge and experience and last factor of shopping incentives ,etc.,. The main purpose of this research is to analyse online consumer behaviour in a systematic way. What factors affect online shopper while making the decision to buy goods and services from internet, to buy more items and give information about the product from website. Online shopping is the process of buying goods and services through internet. Since the development of World Wide Web, retailers sought to sell their goods and services through internet.. It offers you to Access to products and services which are not handy in local market. Online shopping is described as a computer activity performed by a consumer via a computer based interface, where consumer's computer is connected to retailer's digital storefront through a network (Haubl&Trifts, 2000).

1.2 OBJECTIVES

- To study about customer satisfaction towardsamazon.
- To identify the offers andreplacement.
- To identify what type of product are sold inamazon.
- To determine the impact of factors towards online shopping experience ofamazon
- To know the price level issued by theamazon

1.3 METHODOLOGY

Descriptive research includes surveys and fact findings enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. In social science and business research we quite often use the term Ex Post Facto Research for descriptive research studies. The main characteristics of this method are that the researcher has no control over the variables; he can only report what has happened or what is happening. Most ex post facto research projects are used for descriptive studies in which the researcher seeks to measure such items as, for example, frequency of shopping, preferences of people, or similar data. The methods of research utilized in descriptive research are survey methods of all kinds, including comparative and correlational methods.

CHAPTER-II

LITERATURE REVIEW

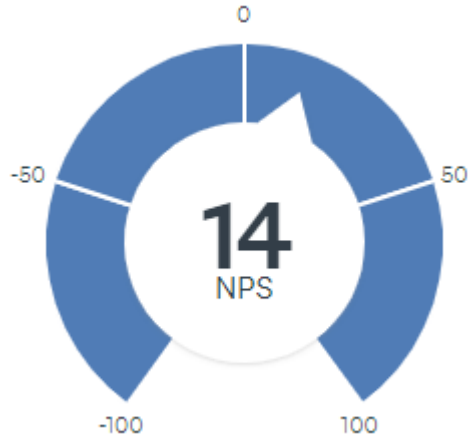
- Wilson, Zeithaml, Bitner&Gremler's (2008) view, the marketing is not like the traditional marketing anymore. It has turned into relationship marketing now which means customers also involve the whole business process. Who should take their customers into consideration and know what customers really needs (Wilson et al., 2008).
- Oliva, Oliver & MacMillan (1992), primarily proposed the theory of "expectation inconformity", that is, when the goods' practical situation is beyond their expectation the customers will feel satisfied. However, contemporarily come up with that the products and service quality will also directly affect the customers' Satisfaction.
- Lee & Lin (2005) identified the main factors influencing the customer perception of the e-service quality online shopping: website design (degree of users friendliness), reliability (reliability and security), responsiveness (responsiveness and helpfulness), trust (trust and mechanisms provided by a website), and personalization (differentiating services to satisfy specific individual needs).

CHAPTER-III

ANALYSIS AND INTERPRETATION

1.How likely is it that you would recommend this company to a friend or colleague?

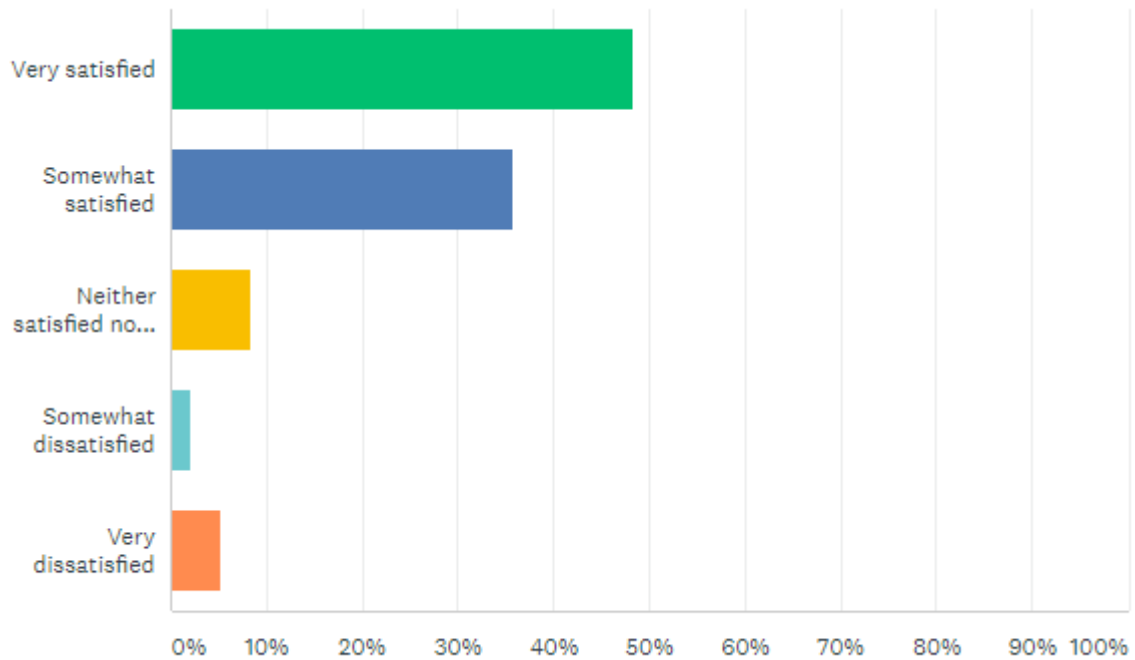
Answered: 88, Skipped: 7



DETRACTORS (0-6)	PASSIVES (7-8)	PROMOTERS (9-10)	NET PROMOTER® SCORE
34%	18%	48%	14
30	16	42	

2.Overall, how satisfied or dissatisfied are you with Amazon company?

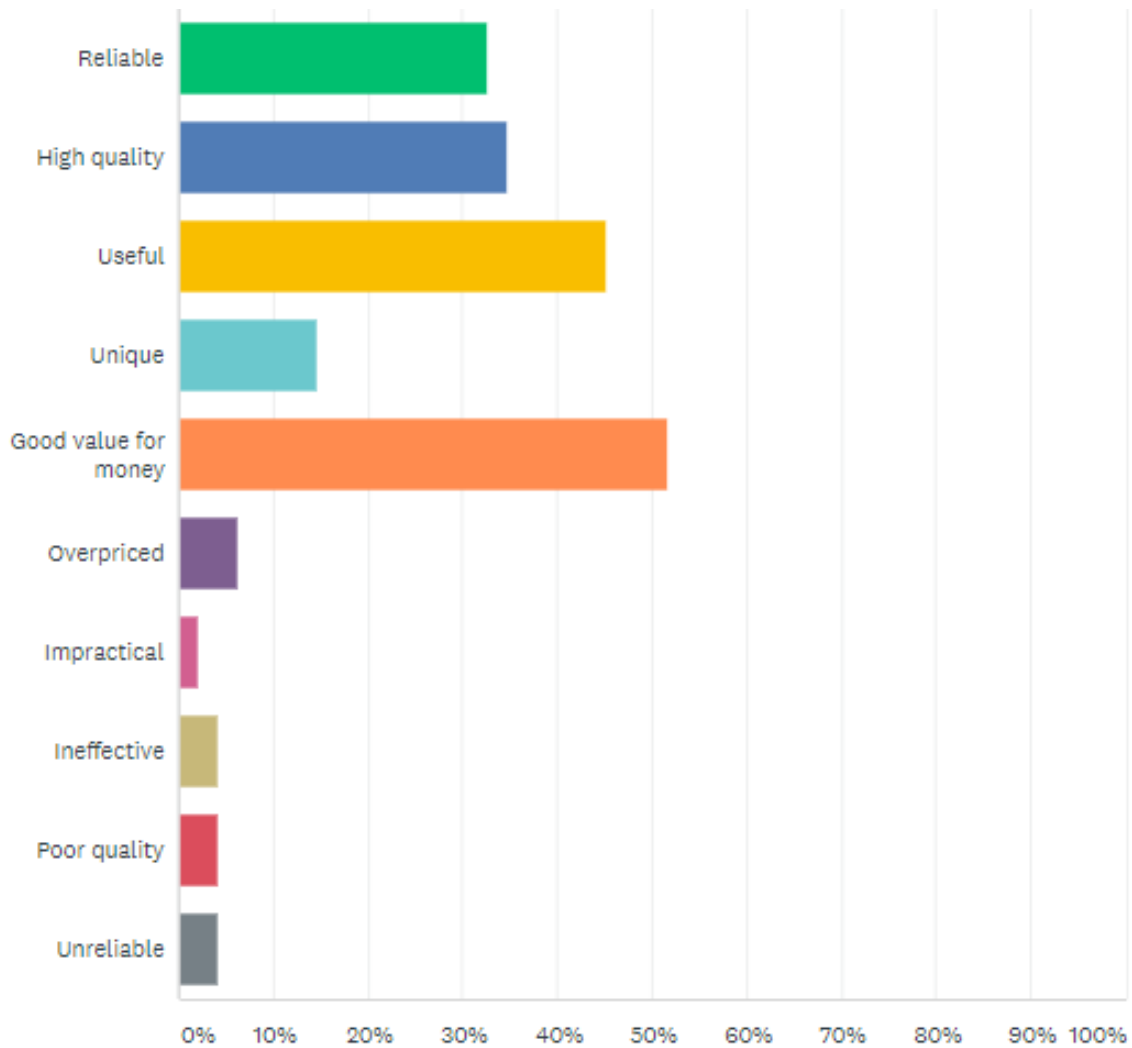
Answered: 95, Skipped: 0



ANSWER CHOICES	RESPONSES
Very satisfied	48.42% 46
Somewhat satisfied	35.79% 34
Neither satisfied nor dissatisfied	8.42% 8
Somewhat dissatisfied	2.11% 2
Very dissatisfied	5.26% 5
TOTAL	95

3. Which of the following words would you use to describe Amazon products? Select all that apply.

Answered: 95, Skipped: 0

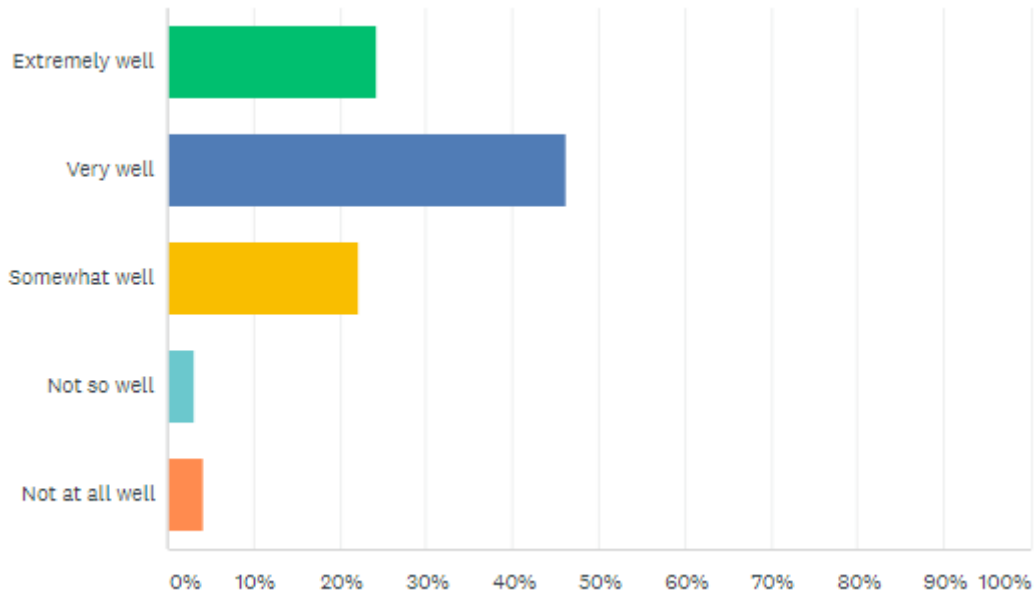


ANSWER CHOICES	RESPONSES
Reliable	32.63% 31
High quality	34.74% 33
Useful	45.26% 43
Unique	14.74% 14
Good value for money	51.58% 49

ANSWER CHOICES	RESPONSES
Overpriced	6.32% 6
Impractical	2.11% 2
Ineffective	4.21% 4
Poor quality	4.21% 4
Unreliable	4.21% 4
Total Respondents: 95	

4.How well do Amazon products meet your needs?

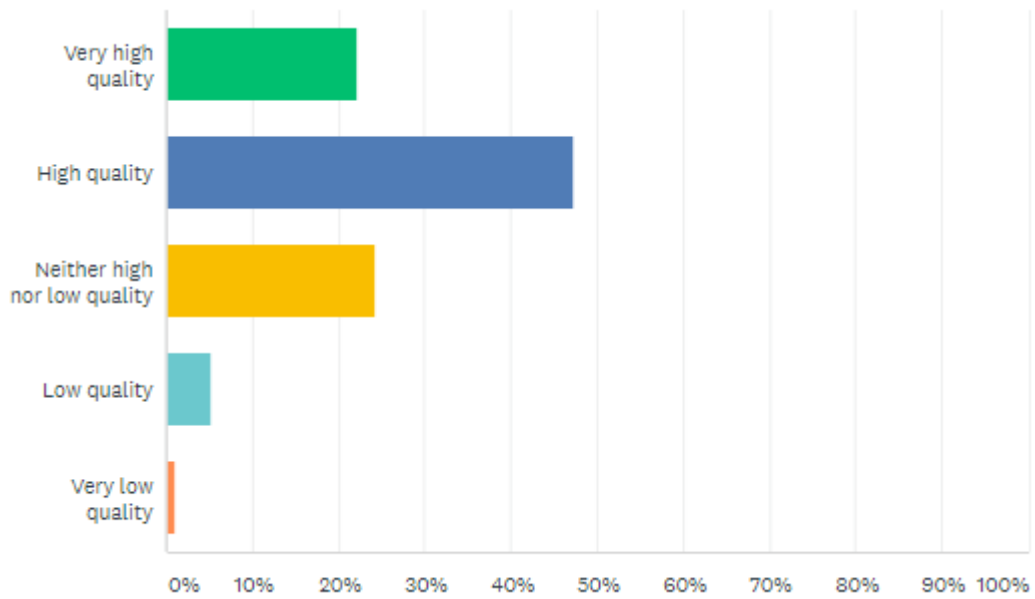
Answered: 95, Skipped: 0



ANSWER CHOICES	RESPONSES
Extremely well	24.21% 23
Very well	46.32% 44
Somewhat well	22.11% 21
Not so well	3.16% 3
Not at all well	4.21% 4
TOTAL	95

5.How would you rate the quality of the product?

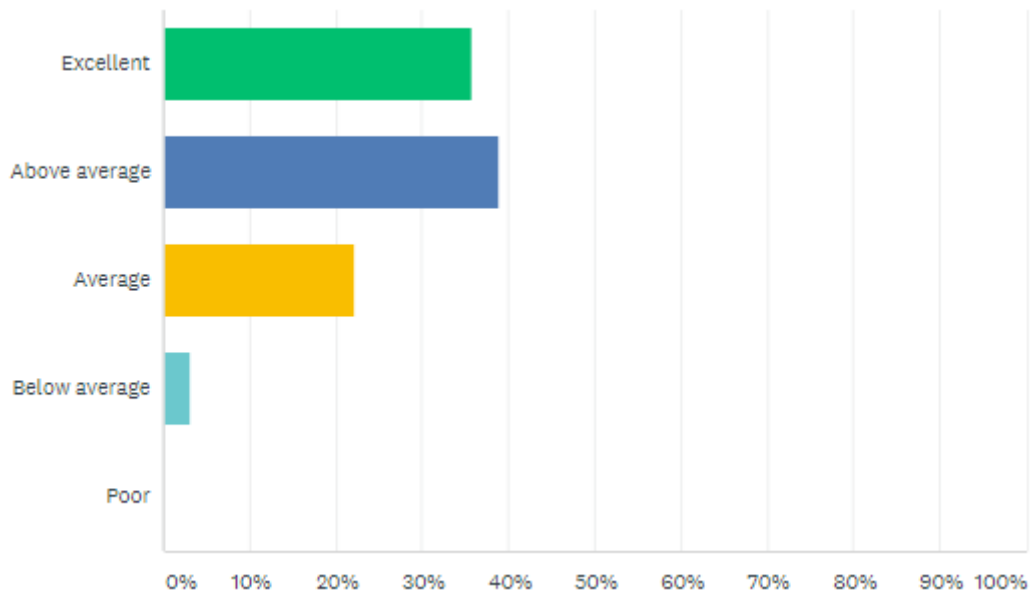
Answered: 95, Skipped: 0



ANSWER CHOICES	RESPONSES
Very high quality	22.11% 21
High quality	47.37% 45
Neither high nor low quality	24.21% 23
Low quality	5.26% 5
Very low quality	1.05% 1
TOTAL	95

6.How would you rate the value for money of the Amazon product?

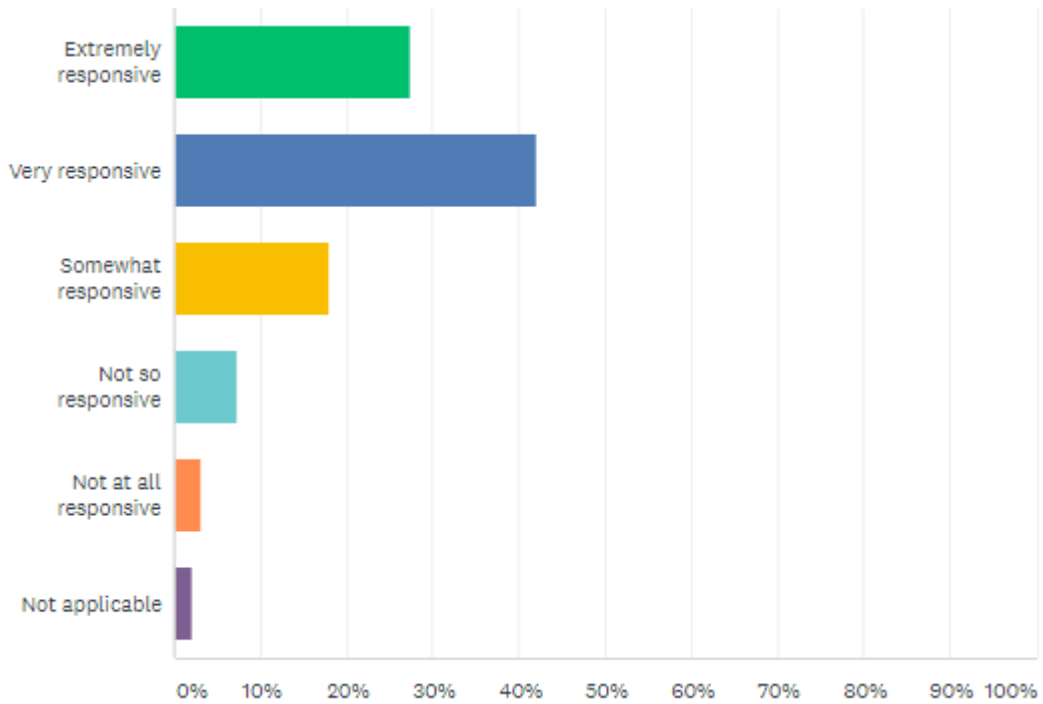
Answered: 95, Skipped: 0



ANSWER CHOICES	RESPONSES
Excellent	35.79% 34
Above average	38.95% 37
Average	22.11% 21
Below average	3.16% 3
Poor	0.00% 0
TOTAL	95

7.How responsive have we been to your questions or concerns about Amazon products?

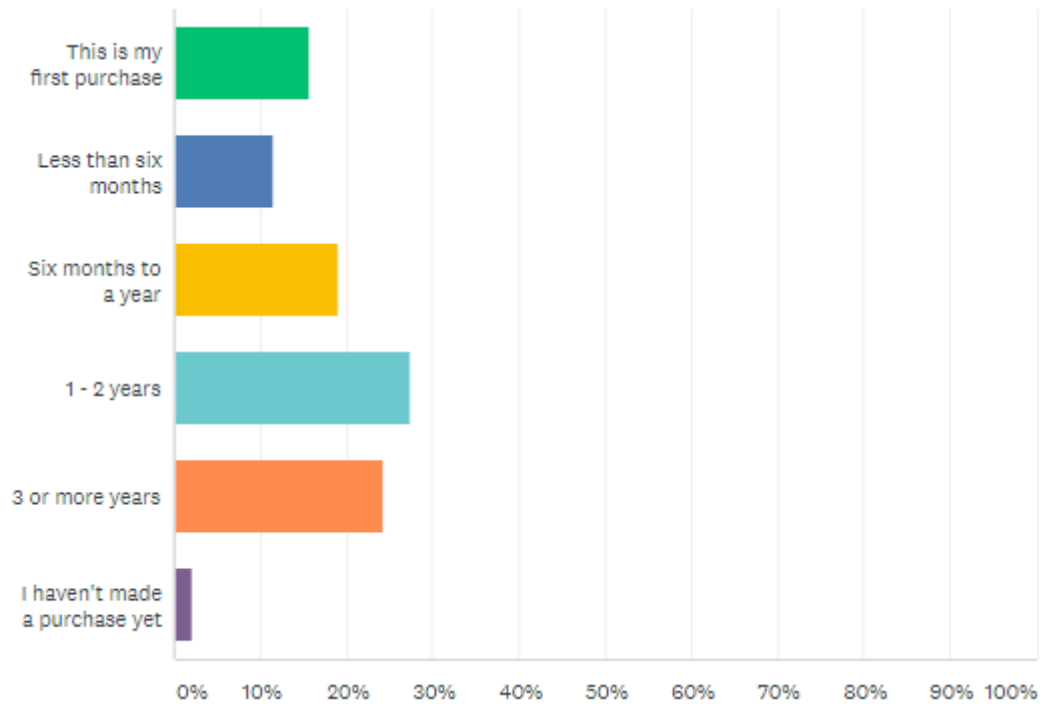
Answered: 95, Skipped: 0



ANSWER CHOICES	RESPONSES
Extremely responsive	27.37% 26
Very responsive	42.11% 40
Somewhat responsive	17.89% 17
Not so responsive	7.37% 7
Not at all responsive	3.16% 3
Not applicable	2.11% 2
TOTAL	95

8.How long have you been a customer of Amazon company?

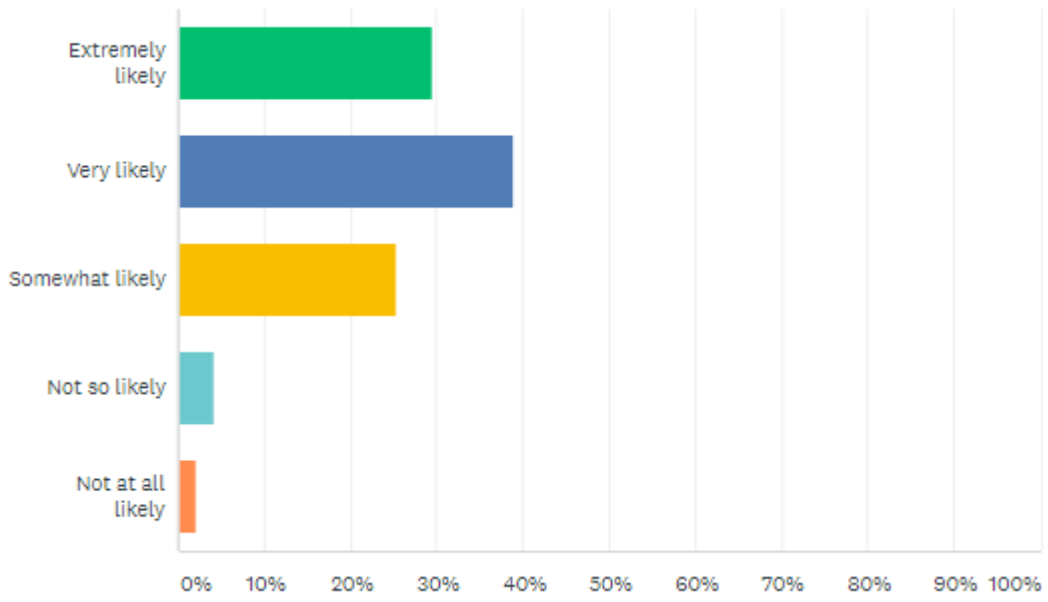
Answered: 95, Skipped: 0



ANSWER CHOICES	RESPONSES
This is my first purchase	15.79% 15
Less than six months	11.58% 11
Six months to a year	18.95% 18
1 - 2 years	27.37% 26
3 or more years	24.21% 23
I haven't made a purchase yet	2.11% 2
TOTAL	95

9.How likely are you to purchase any of Amazon products again?

Answered: 95, Skipped: 0



ANSWER CHOICES	RESPONSES
Extremely likely	29.47% 28
Very likely	38.95% 37
Somewhat likely	25.26% 24
Not so likely	4.21% 4
Not at all likely	2.11% 2
TOTAL	95

CHAPTER-IV

FINDINGS, SUGGESTIONS & CONCLUSION

FINDINGS:

- 15-25 years and 36-45 years age group. They each account for 36 percent of the total respondents. Male respondents were slightly more than female respondents with 54 respondents and 46 respondents.
- Based on the occupation self-employed respondents dominated rest of the respondents. All the respondents preferred to use online shopping.
- The occasional purchasers were 36 percent, monthly purchasers were 41 percent and weekly purchasers were 23 percent.

SUGGESTIONS:

- It is observed from the above table that F value (2.514) is not statistically significant at five percent level which indicates that there is no internal difference among male and female respondents towards product reliability on Flipkart.
- The Amazon e-commerce sites should take the primary issues really serious as well as the delivery of product with better return policies to make themselves credible before the eyes of the customer.
- Consumer should be educated on online shopping procedures with proper steps to be followed while online shopping.
- Can make very delivery to all priced product.
- Amazon focused on the review given by customer for changes begin the product.
- The Amazon should add some offers with the products is every quarter so as to gain more and move no of customers.
- If Amazon would provide different designs to variety of products, they can gain more no of customers and can easily satisfy them.
- The Amazon is making tremendous mark among the customer, because whatever the product is their packing will obviously be safe and secure, so they can maintain it for ever, to retain customer.

CONCLUSION:

A Study on online shopping is a new technology that has been created along with the development of the Internet. The study consisted with the aspects in which customers of Amazon are satisfied and the Customer satisfactions of the sites. The innovative thinking of online shopping sites to reach more and more consumers is appreciable. They increased their network as much as possible with ultimate aim of reaching more and more customers. Based upon customer's survey, However, Amazon satisfies the customer in the aspect of quality of products

APPENDIX-I

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APPENDIX -2
QUESTIONNAIRE

PART-A

1. How likely is it that you would recommend this company to a friend or colleague?

NOT AT ALL LIKELY					EXTREMELY LIKELY					
0	1	2	3	4	5	6	7	8	9	10

2. Overall, how satisfied or dissatisfied are you with Amazon company?

- Very satisfied
- Somewhat satisfied
- Neither satisfied nor dissatisfied
- Somewhat dissatisfied
- Very dissatisfied

3. Which of the following words would you use to describe Amazon products? Select all that apply.

- Reliable
- High quality
- Useful
- Unique
- Good value for money
- Over priced
- Impractical
- Ineffective
- Poor quality
- Unreliable

4. How well do Amazon products meet your needs?

- Extremely well
- Very well
- Somewhat well
- Not so well
- Not at all well

5. How would you rate the quality of the product?

- Very high quality
- High quality
- Neither high nor low quality
- Low quality
- Very low quality

6. How would you rate the value for money of the Amazon product?

- Excellent
- Above average
- Average
- Below average
- Poor

7. How responsive have we been to your questions or concerns about Amazon products?

- Extremely responsive
- Very responsive
- Somewhat responsive
- Not so responsive
- Not at all responsive
- Not applicable

8. How long have you been a customer of Amazon company?

- This is my first purchase
- Less than six months
- Six months to a year
- 1 - 2 years
- 3 or more years

9. How likely are you to purchase any of Amazon products again?

- Extremely likely
- Very likely
- Somewhat likely
- Not so likely
- Not at all likely

10. Do you have any other comments, questions, or concerns?

A FIELD PROJECT REPORT

ON

**“CUSTOMER SATISFACTION TOWARDS JIO NETWORK WITH SPECIAL
REFERENCE TO GUNTUR REGION”**

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

**(Y NAGA VENKATA SASIKANTH, ABDUL SAKEENA BANU, KONDA MOHAN
MANIDEEP REDDY, T POOJITHA, C PRANITHA)**

(Regd. No.221FC01033, 221FC01034, 221FC01035, 221FC01036, 221FC01037)

Under the esteemed guidance of

Dr G Krishna Harshitha

Assistant Professor



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DEPARTMENT OF MANAGEMENT STUDIES

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VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **“CUSTOMER SATISFACTION TOWARDS JIO NETWORK WITH SPECIAL REFERENCE TO GUNTUR REGION”** submitted by **Y Naga Venkata Sasikanth, Abdul Sakeena Banu, Konda Mohan Manideep reddy, T Poojitha, C Pranitha** bearing the Regd. No. **221FC01033, 221FC01034, 221FC01035, 221FC01036, 221FC01037** from the Department of Management Studies, Vignans Foundation for Science, Technology and Research and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

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Chapter-1

Introduction

In general customer is the real asset for every organization and their satisfaction occupies major part in getting revenue and profits for that organization. For that the management of that firm mainly concentrates on the satisfaction of the customers.

In the year of 1989 the people using mobile phones in the India was zero. In the year 1999 it grown up to 13 lacks in the year 2000 it was 1 million, where as it is grown to 227 million to the year 2010-2011. For the 2016 it is 1058.6 millions. By this year it is at an predictable stage.

India is currently in the world second position of largest telecommunication marketing and with a base of 1.183 billion and it ranks third place in the internet market. As the market of android users increased in India, India was in 4th position in the app economy in the world.

Reliance Industries Ltd's (RIL) telecom unit starts offering free services from 5th September 2016 to 31 Dec 2016. And again launches free services extend next three month from 31 Mar 2017 onwards. While the company has stated an objective for Reliance Jio Infocomm Ltd. that of putting India on the global map for mobile broadband Internet access there is no denying that this announcement has jolted the telecom ecosystem across the country.

Reliance Jio to get more customers and for huge customer base it has come with low subscription charges with free net work services for a long period like more than one year. It provided an additional cost benefit for the company also as free advertising for the company brand and also its specifications.

According to a survey conducted by Bank of America Merrill Lynch around 67% surveyed customers in India are willing to use Reliance Jio as a secondary connection rather than a primary connection once the company stops offering free services in the country.

Scope of study

This study mainly covers the company profile of reliance jio products and services provided by the reliance Jio, competition for reliance jio and milestone archived by the reliance jio

This study makes us to know how the customers of reliance jio get satisfied by its products and of its services. And what were the expectations that are need to fulfilled for more customer satisfaction. This is subject is taken because of, for every telecomm industry it is very important to get large number of customers.

In brief this study shows the relation between the customer and the customer how long he will be as a loyal customer to the company.

Objectives of the study:

- To know the customer satisfaction levels towards the reliance jio.
- To know the factors influencing the customer satisfaction.
- To identify to know the reason of buying the reliance jio sim.
- To know the customer opinion about the reliance jio services.
- To know the main competitors of jio in Guntur region.

CHAPTER-2

REVIEW OF THE LITERATURE

Abhishek Kumar Singh and Malharpangrikar (2013), they conclude their study that 4G revolution is started in Pune by Airtel. Drastic changes and improvements from 3G technology need to be a priority. But if done intelligently and thoroughly, 4G holds enormous potential for Pune and can really create a boom in the IT industry, key to the Indian economy. Hence the evolution from 3G to 4G will be stimulated by services offering enhanced quality, requires increased band width, needs elevated sophistication of large scale information provisions and must have improved customization capabilities to support user demands.

According to Serkan and Gorhan, there are four dimensions that influence customer loyalty in choosing desired telecommunication service providers. These dimensions are corporate image, Perceived service quality, trust and switching cost.

According to Anderson and Narus, faith is belief to another party's word or pledge because the party is measured as integral, honest, truthful, and able to perform actions that will result in positive outcomes or prevent actions that will end in negative results. A customer who believes a definite brand is likely to form optimistic buying custody towards the brand

M. Nandhini and D. Sivasakthi made a study on customer attitude perception towards branded broad band. This indicated that the broad band is the new oxygen. It opens up a large box of information with a single click of a button. Get ready to surf the world in the www with a high speed connection like access mails faster, download music, share multimedia instantly, video chat with friends and play games with someone at the other end of the globe.

S. Nemat Sheereen studied on customer satisfaction of BSNL services in Kerala. It has been stated that BSNL is one of the leading telecommunication service providers in Kerala. Most of the studies conducted in this area indicate the exploring development of services provided by number telecommunication providers which opened new world to the customer around the world. This paper analyses the customer satisfaction of BSNL services provided in Kerala. Quality of service and maximum network coverage are the most important factor which satisfy the customers in relation to telecommunication.

PL. Senthil and S. Mohammed Safi analyzed the behavior of Mobile Phone users in Tiruchirappalli District. The consumer behavior is the act of individuals directly involve in obtaining and using economic goods and services. It includes the decision processes that precede and determine this act. Cell phone users meet many problems. Problems pertaining to buying a cell phone, choosing an activation card, tower problem, variety of schemes, recharge coupons, roaming and optimum use of cell phone facilities are some of the vital issues of the cell phone users. So the researcher has made sincere attempt to analyze the consumer behavior of mobile phones in the study area.

Sreekumar D Menon conducted a study on customer perception towards public sector telecom company (BSNL) in mobile services. The telecommunication service providers are of paramount importance to both developed and emerging economies in India and the world. With stiff competition between the providers, customer satisfaction is a necessary for survival in the market. Many telecommunication service providers are offering various products and services in the market.

CHAPTER-3

INDUSTRY PROFILE

India has a fast-growing mobile services market with excellent potential for the future. With almost five million subscribers amassed in less than two years of operation, India's growth tempo has far exceeded that of numerous other markets, such as China and Thailand, which have taken more than five years to reach the figures India currently holds. The number of mobile phone subscribers in the country would exceed 50 million by 2010 and cross 30 million by 2016, according to Cellular Operators Association of India (COAI).

According to recent strategic research by Frost & Sullivan, Indian Cellular Services Market, such growth rates can be greatly attributed to the drastically falling price of mobile handsets, with price playing a fundamental role in Indian subscriber requirements. Subscribers in certain regions can acquire the handset at almost no cost, thanks to the mass-market stage these technologies have reached internationally. The Indian consumer can buy a handset for \$150 or less. This should lead to increased subscribership. This market is growing at an extremely fast pace and so is the competition between the mobile service providers. With the presence of a number of mobile telephony services providers including market leaders like Airtel, Reliance, Idea Cellular, BSNL etc. who are providing either of the two network technologies such as Global System for Mobile Communications (GSM) and Code Division Multiple Access (CDMA). In cellular service there are two main competing network technologies: Global System for Mobile Communications (GSM) and Code Division Multiple Access (CDMA). Understanding the difference between GSM and CDMA will allow the user to choose the preferable network technology for his needs.

Global System for Mobile Communication (GSM) is a new digital technology developed by the European community to create a common mobile standard around the world. It helps you achieve higher sell capacity and better speech quality and one can enjoy crystal clear reception on ones mobile phone. It automatically solves the problem of eavesdropping on ones calls.

Before analyzing the telecom licensing framework in India, it is imperative that one must examine what is a license. License issued by the government is an authority, given to a person upon certain conditions to do something which would have been illegal or wrongful otherwise. For example, a driver's license issued by the government, gives the authority to a person to drive a motor vehicle. There are three main types of license fee which the government charges: (I) initial license fee, which generally is non-refundable, (ii) annual license fee, and (iii) additional fee for allocation of spectrum.

Licensing framework has been an integral part of India's telecommunication law. Under the Indian Telegraph Act, 1885, section 4 gives power to the government to grant license to any person to establish, maintain or use a telegraph.

Code Division Multiple Access (CDMA) describes a communication channel access principle that employs spread spectrum technology and a special coding scheme (where each transmitter is assigned a code). It is a spread spectrum signaling, since the modulated coded signal has a much higher bandwidth than the data being communicated. CDMA is the current name for mobile technology and is characterized by high capacity and small cell radius. It has

been used in many communication and navigation systems, including the Global Positioning System and the omnitracs satellite system for transportation logistics.

Indian mobile telephony market is increasing day by day and there is more to happen with technological up gradations occurring nearly every day and the ever-increasing demand for easier and faster connectivity, the mobile telephony market is expected to race ahead.

NATIONAL TELECOM POLICY 1994 (NTP 1994):-

The National Telecom Policy was announced in 1994 which aimed at improving India's competitiveness in the global market and provides a base for a rapid growth in exports. This policy eventually facilitated the emergence of Internet services in India on the back of established basic telephony communication network. This policy also paved way for the entry of the private sector in telephone services.

The main objectives of the policy were:

- To ensure telecommunication is within the reach of all, that is, to ensure availability of telephone on demand as early as possible
- To achieve universal service covering all villages, that is, enable all people to access certain basic telecom services at affordable and reasonable prices
- To ensure world-class telecom services. Remove consumer complaints, resolve disputes and encourage public interface and provide a wide permissible range of services to meet the demand at reasonable prices
- To ensure that India emerges as a major manufacturing base and major exporter of telecom equipment
- To protect the defense and security interests of the nation

The policy also announced a series of specific targets to be achieved by 1997 and further recognized that to achieve these targets the private sector association and investment would be required to bridge the resource gap.

Thus, to meet the telecom needs of the nation and to achieve international comparable standards, the sector for manufacture of telecom equipment had been progressively relicensed and the sub-sector for value-added services was opened up to private investment (July 1992) for electronic mail, voice mail, data services, audio text services, video text services, video conferencing, radio paging and cellular mobile telephone. The private sector participation in the sector was carried out in a phased manner. Initially the private sector was allowed in the value added services, and thereafter, it was allowed in the fixed telephone services. Subsequently, VSAT services were liberalized for private sector participation to provide data services to closed user groups.

Establishment of TRAI:

The entry of private players necessitated independent regulation in the sector; therefore, the TRAI was established in 1997 to regulate telecom services, for fixation/revision of tariffs, and also to fulfill the commitments made when India joined the World Trade Organization (WTO) in 1995. The establishment of TRAI was a positive step as it separated the regulatory

function from policy-making and operation, which continued to be under the purview of the DoT2.

The functions allotted to the TRAI included:

- a. To recommend the need and timing for introduction of new service provider
- b. To protect the interest of customers of telecom services
- c. To settle disputes between service providers
- d. To recommend the terms and conditions of license to a service provider
- e. To render advice to the Central government on matters relating to the development of telecommunication technology and any other matter applicable to the telecommunication industry in general.

NEW TELECOM POLICY 1999 (NTP 1999):-

In recognition of the fact that the entry of the private sector, which was envisaged during NTP-94, was not satisfactory and in response to the concerns of the private operators and investors about the viability of their business due to non realization of targeted revenues the government decided to come up with a new telecom policy. The most important milestone and instrument of telecom reforms in India is the New Telecom Policy 1999 (NTP 99). The New Telecom Policy, 1999 (NTP-99) was approved on 26th March 1999, to become effective from 1st April 1999. Moreover, convergence of both markets and technologies required realignment of the industry. To achieve India's vision of becoming an IT superpower along with developing a world class telecom infrastructure in the country, there was a need to develop a new telecom policy framework. Accordingly, the NTP 1999 was framed with the following objectives and targets:

- Availability of affordable and effective communication for citizens was at the core of the vision and goal of the new telecom policy.
- Provide a balance between provision of universal service to all uncovered areas, including rural areas, and the provision of high-level services capable of meeting the needs of the economy
- Encourage development of telecommunication facilities in remote, hilly and tribal areas of the nation
- To facilitate India's journey to becoming an IT superpower by creating a modern and efficient telecommunication infrastructure taking into account the convergence of IT, media, telecom and consumer electronics
- Convert PCOs, wherever justified, into public telephone information centers having multimedia capability such as ISDN services, remote database access, government and community information systems etc.

- To bring about a competitive environment in both urban and rural areas by providing equal opportunities and level playing field for all players
- Providing a thrust to build world-class manufacturing capabilities and also strengthen research and development efforts in the country

CHAPTER-4

COMPANY PROFILE

Jio also known as Reliance Jio and officially as Reliance Jio Infocomm Limited (RJIL), is an upcoming provider of mobile telephony, broadband services, and digital services in India. Reliance Jio Infocomm Limited (RJIL), a subsidiary of Reliance Industries Limited (RIL), India's largest private sector company, is the first telecom operator to hold pan India Unified License. Formerly known as Infotel Broadband Services Limited (IBSL), Jio will provide 4G services on a pan-India level using LTE technology. The telecom leg of Reliance Industries Limited, it was incorporated in 2007 and is based in Mumbai, India. It is headquartered in Navy Mumbai.

RJIL is setting up a pan India telecom network to provide to the highly underserved India market, reliable (4th generation) high speed internet connectivity, rich communication services and various digital services on pan India basis in key domains such as education, healthcare, security, financial services, government citizen interfaces and entertainment. RJIL aims to provide anytime, anywhere access to innovative and empowering digital content, applications and services, thereby propelling India into global leadership in digital economy. RJIL is also deploying an enhanced packet core network to create futuristic high capacity infrastructure to handle huge demand for data and voice. In addition to high speed data, the 4G network will provide voice services from / to non-RJIL network.

RJIL holds spectrum in 1800 MHz (across 14 circles) and 2300 MHz (across 22 circles) capable of offering fourth generation (4G) wireless services. RJIL plans to provide seamless 4G services using FDD-LTE on 1800 MHz and TDD-LTE on 2300 MHz through an integrated ecosystem.

Reliance Jio is part of the "Bay Of Bengal Gateway" Cable System, planned to provide connectivity between South East Asia, South Asia and the Middle East, and also to Europe, Africa and to the Far East Asia through interconnections with other existing and newly built cable systems landing in India, the Middle East and Far East Asia.

RJIL's subsidiary has been awarded with a Facility Based Operator License ("FBO License") in Singapore which will allow it to buy, operate and sell undersea and/or terrestrial fiber connectivity, setup its internet point of presence, offer internet transit and peering services as well as data and voice roaming services in Singapore. R-Jio is also in the process of installing hundreds of monopoles, unlike the regular rooftop-mounted telecom towers typically used by telcos, said the company executive quoted above. Monopoles, or ground-based masts (GBMs), are expected to double up as street lights and surveillance systems, and provide real time monitoring of traffic and advertising opportunities.

The company, which plans to be rolled out commercial telecom service operations from January, is currently in the testing phase for most of its offerings including 4G services, a host of mobile phone applications and delivery of television content over its fibre optic network

R-Jio, meanwhile, faces its share of challenges in terms of return on investment and capturing market share. The company, according to industry analysts, is expected to spend \$8-9 billion for the 4G roll-out. The company will battle for subscribers with leading Telco such as Bharti Airtel Ltd, Vodafone India Pvt Ltd and Idea Cellular Ltd.

HISTORY: In June 2010, Reliance Industries (RIL) bought a 96% stake in Infotel Broadband Services Limited (IBSL) for Rs 4,800cr. Although unlisted, IBBL was the only firm to win broadband spectrum in all 22 zones in India in the 4G auction that took place earlier that year. Later continuing as RIL's telecom subsidiary, Infotel Broadband Services Limited was renamed as Reliance Jio Infocomm Limited (RJIL) in January 2013.

Acquisition & Subsidiaries:

- Acquired Infotel Broadband Services Limited in 2010.
- Technology – Rancor Technologies
- ILD & NLD – Infotel Telecom.

Agreements:

- An agreement with Ascend Telecom for their more than 4,500 towers across India. (June 2014)
- An agreement with Tower Vision for their 8,400 towers across India. (May 2014)
- An agreement with ATC India for their 11,000 towers across India. (April 2014)
- An agreement with Viom Networks for their 42,000 telecom towers. (March 2014)
- Agreement with Bharti Airtel for a comprehensive telecom infrastructure sharing agreement to share infrastructure created by both parties to avoid duplication of infrastructure wherever possible. (December 2013)
- A key agreement for international data connectivity with Bharti to 24odafon dedicated fiber pair of Bharti's i2i submarine cable that connects India and Singapore. (April 2013)
- Agreements with Reliance Communications Limited for sharing of RCOM's extensive inter-city and intra-city optic fiber infrastructure of nearly 1,20,000 fiberpair kilometers of optic fiber and 500,000 fiber pair kilometers respectively (April 2013 / April 2014), and 45,000 towers (June 2013).

Technology:

- Reliance Jio Infocomm is currently laying OFC across the country to offer Fiber to the home/premises (FTTH). This fiber backbone will also help them to carry huge amount of data originated from their 4G network as well as public Wi-Fi network.
- Reliance Jio is deploying LTE-TDD technology for 2.3 GHz spectrum band, acquired in 2010.
- Reliance Jio will deploy LTE-FDD for 1.8 GHz spectrum, which will ultimately paved to roll out of LTE-A network aggregation of both technology and both spectrum band.

- At present in different cities of India Reliance Jio offers Wi-Fi services. Most of these cities are in Gujarat, where Reliance Industries also have one of the largest petro-refinery.
- Once commercially launched, Jio users can have access to Reliance Communications' 2G & 3G network.

OPERATIONS:

In June 2015, Jio announced that it will start its operations all over the country by the end of year. However, four months later in October 2015, the company's spokesmen sent out a press release stating that the launch was postponed to the first quarter of the financial year 2016-2017. Later in July, a PIL filed in the Supreme Court by an NGO called the Centre for Public Interest Litigation, through Prashant Bhushan, challenged the grant of pan-India license to Jio by the Government of India. The PIL also alleged that Jio was allowed to provide voice telephony along with its 4G data service, by paying an additional fees of just 165.8 crore (US\$25 million) which was arbitrary and unreasonable, and contributed to a loss of 2,284.2 crore (US\$340 million) to the exchequer.

The Indian Department of Telecom (DoT), however, refuted all of CAG's claims. In its statement, DoT explained that the rules for 3G and BWA spectrum didn't restrict BWA winners from providing voice telephony. As a result, the PIL was revoked, and the accusations were dismissed.

Beta Launch:

The 4G services were launched internally to Jio's partners, its staff and their families on 27 December 2015. Bollywood actor Shah Rukh Khan, who is also the brand ambassador of Jio, kick started the launch event which took place in Reliance Corporate Park in Navi Mumbai, along with celebrities like musician A R Rahman, actors Ranbir Kapoor and Javed Jaffrey, and filmmaker Rajkumar Hirani. The closed event was witnessed by more than 35000 RIL employees some of whom were virtually connected from around 1000 locations including Dallas in the US.

PRODUCT & SERVICES:

RELIANCE JIO 4G BROADBAND:

The company has launched its 4G broadband services throughout India in the first quarter of 2016 financial year. It was slated to release in December 2015 after some reports said that the company was waiting to receive final permits from the government. Mukesh Ambani, owner of Reliance Industries Limited (RIL) whose Reliance Jio is the telecom subsidiary, had unveiled details of Jio's fourth-generation (4G) services on 12 June 2015 at RIL's 41st annual general meeting. It will offer data and voice services with peripheral services like instant messaging, live TV, movies on demand, news, streaming music, and a digital payments platform. The company has a network of more than 250,000 km of fiber optic cables in the country, over which it will be partnering with local cable operators to get broader connectivity for its broadband services. With its multi-service operator (MSO) license, Jio

will also serve as a TV channel distributor and will offer television-on-demand on its network.

Pan-India Spectrum:

Jio owns spectrum in 800 MHz and 1,800 MHz bands in 10 and 6 circles, respectively, of the total 22 circles in the country, and also owns pan-India licensed 2,300 MHz spectrum. The spectrum is valid till 2035. Ahead of its digital services launch, Mukesh Ambani-led Reliance Jio entered into a spectrum sharing deal with younger brother Anil Ambani-backed Reliance Communications. The sharing deal is for 800 MHz band across seven circles other than the 10 circles for which Jio already owns.

VISION:

Reliance jio's vision for India is that broadband and digital services will no longer be a luxury item ,Rather convert it into a basic necessity that can be consumed in abundance by consumers and small businesses .The initiatives are truly aligned with the Government of India's 'Digital India' vision for our nation.

- Digital Healthcare
- Affordable Devices
- Jio Drive
- Digital Education
- Digital Currency
- Digital Entertainment and social connectivity

PRODUCTS AND SERVICES

JIO-FI:

- Prior to its pan-India launch of 4G data and telephony services, Jio has started providing free Wi-Fi hotspot services in cities throughout India.
- In March 2016, Jio started providing free Wi-Fi internet to spectators at six cricket stadiums hosting the 2016 ICC World Twenty20 matches. Jionet was made available in Wankhede Stadium (Mumbai), IS Bindra Stadium (Mohali), Himachal Pradesh Cricket Association Stadium (Dharamshala), Chinnaswamy Stadium (Bengaluru), Feroz Shah Kotla (Delhi) and Eden Gardens (Kolkata).

LYF SMARTPHONES:

- In June 2015, Jio tied up with domestic handset maker Index to supply 4G handsets enabled with VoLTE feature. Through this, it planned to offer 4G voice calling besides rolling out high-speed Internet services using a fiber network, in addition to the 4G wireless network.
- However, On 25 January 2016, the company launched its LYF Smartphone series starting with Water 1, through its chain of electronic retail outlets, Reliance Retail. Three more handset models have been released so far, namely Water 2, Earth 1, and Flame 1.

JIO APPS:

- In May 2016, Jio launched a bundle of multimedia apps on Google Play as part of its upcoming 4G services. While the apps are available to download for everyone, a user will require a Jio SIM card to use them. Additionally, most of the apps are in beta phase.
- MyJio – Manage Jio Account and Digital Services associated with it.
- JioTV – A live TV channel service.
- JioCinema – An online HD video library.
- JioChat Messenger – An instant messaging app.
- JioMusic – A music player.
- Jio4Gvoice (earlier JioJoin) – A VoLTE phone simulator.
- JioMags – E-reader for magazines.
- JioXpressNews – A news and magazine aggregator.
- JioSecurity – Security app.
- JioDrive – Cloud-based backup tool.
- JioMoney Wallet – An online payments/wallet app.
- JioSwitch – Transfer content.

Brand ambassador:

On December 24, 2015, **Bollywood** actor **Shah Rukh Khan** was appointed as Jio's brand ambassador.

COMPETITION WITH RIVAL COMPANIES

STRATEGIES APPLIED BY RELIANCE JIO

- Undercut the market price by giving attractive discounts.
- Let everyone switch to Jio for internet use at cheap rates.
- Unleash the power of fiber optic network to give super fast internet
- Grow your subscriber base.
- Recover your investment using the large number of user.

MARKET COMPETITORS

- With the launch of Reliance Jio, market shares of other major Telco's like Airtel, Vodafone, Idea have been falling abruptly.
- With unlimited free voice call, 4G data, Messaging, and much more, Reliance Jio has turned out to be a real phenomenon for the world.
- While the craze of people for acquiring a Jio SIM all over the country is mounting over time, other telecom operators are dragging into the edge of competition more and more.
- The unlimited offers of Jio and its boosting trend have made other major telecom service providers to re-think about their tariffs. And to step with this intensifying volume of rivalry and drive users.

CHAPTER-5

RESEARCH AND METHODOLOGY

The purpose of the methodology is to design the research procedure. This includes the overall design, the sampling procedure, the data collection method and analysis procedure. Marketing research is the systematic gathering recoding and analyzing of data about problem retaining to the marketing of goods and services.

The essential purpose of marketing research is to provide information, which will facilitate the identification of an opportunity of problem situation and to assist manager in arriving at the best possible decisions when such situations are encountered.

Basically there are two types of researches, which according to their applicability, strength, weaknesses, and requirements used before selecting proper type of research, their suitability must be seen with respect to a specific problem two general types of researches are exploratory and conclusive.

CONCLUSIVE RESEARCH:

It is also known as quantitative research; it is designed to help executives of action that is to make decision.

When a marketing executive makes a decision are course of action is being selected from among a number of available. The alternatives may be as few as two or virtually infinite. They may be well defined or only vaguely glimpsed.

Conclusive research provides information, which helps the executives make a rational decision. In some instances, particularly if any experiment is run, the research may come close to specifying the precise alternatives to choose, in their cases especially with descriptive studies the research will only particularly clarify the situation and much will be left to the executive's judgment.

The type of research here is "Descriptive Research Design". This kind of design is used for more precise investigation or of developing the working hypothesis from an operational point of view. It has inbuilt flexibility, which is needed because the research problem, broadly defined initially, is transformed into one with more precise meaning in exploratory studies, which in fact may necessitate changes in research procedure for gathering relevant data.

SAMPLE SIZE

Sample size refers to the numbers of respondents researcher have selected for the survey.

I have selected 315 respondents

SAMPLING TECHNIQUE

The sample design provides information on the target information and final sample sizes. I used conveyed convenient sampling surveyed in research.

SAMPLING AREA: Guntur

DATA COLLECTION TOOL

I have used Questionnaire, as the research instrument to conduct the market survey. The questionnaire consisted closed ended questions designed in such a way that it should gather maximum information possible.

The questionnaire was a combination of 4 questions consisting of personal details and 17 questions of subject research. If choices are given it is easier for the respondent to respond from the choices rather they think and reply also it takes lesser time. Because the keep on responding and one has tick mark the right choice accordingly. Data was collected through two sources: Primary Source: Primary data was collected through a questionnaire. Secondary Source: The secondary source was from the internet and news articles.

METHOD OF SAMPLING

Convenient sampling is used to do sampling as all the customers in the sites are Surveyed..

DATA ANALYSIS

Data analysis was done mainly from the data collected through the customers. The data Collected from secondary sources is also used to analyze on one particular parameter. Qualitative analysis was done on the data collected from the primary as well as secondary Sources.

DATA ANALYSIS AND INTERPRETATION

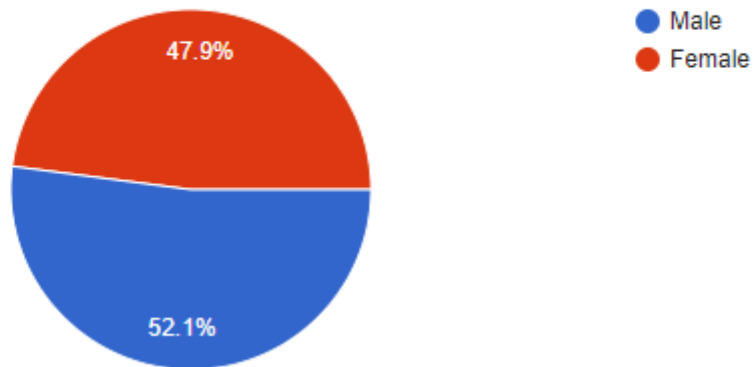
1. Gender:

Table:1

s.no	Category	Responces
1	Male	151
2	Female	164
	Total	315

Gender

315 responses



:

According to the above pie chart 52.1% (164) of male respondents and 47.9% (151) are the female respondents who contributed their responses in this survey.

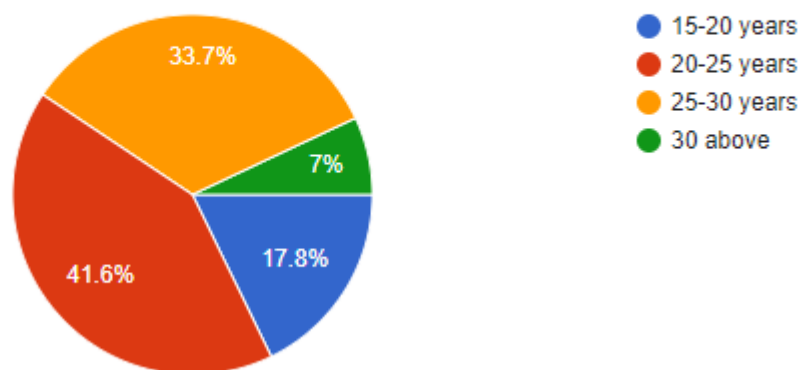
2. Age:

Tale:2

s.no	Category	No of respondents
1	15-20	17.8% = 56
2	20-25	41.% = 131
3	25-30	33.7% = 106
4	30 above	7% = 22
	Total	100% = 315

Age

315 responses



From the above pie diagram we can observe that most of the respondents are of age in between 20-25 years only. And after them is of age limit 25-30 years.

15-20: 17.8% (56)

20-25: 41.6% (131)

25-30: 33.7% (106)

30+: 7% (22)

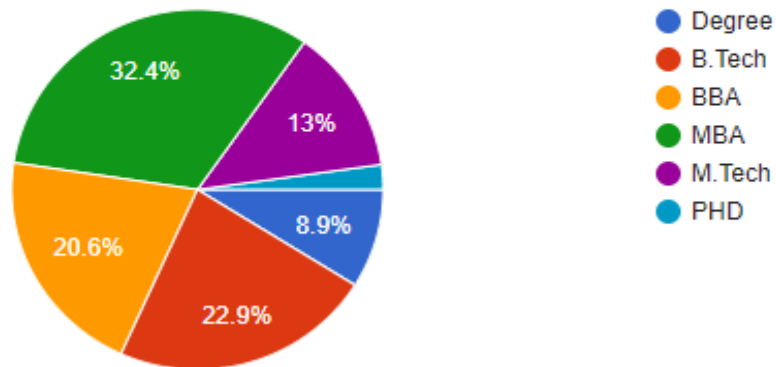
3. EDUCATIONAL QUALIFICATION OF RESPONDENTS:

Table: 3

s.no	Category	No of respondents
1	Degree	8.9% = 28
2	B.Tech	22.9% = 72
3	BBA	20.6% = 65
4	MBA	32.4% = 102
5	M.Tech	13% = 41
6	PHD	2.2% = 7
	Total	100% = 315

Education

315 responses



According to this pie chart 32.4% (102) of the respondents having education qualification MBA.

As well as 22.9% (72) having B.Tech, 20.6% (65) having BBA, 13% (41) people having M. tech, 8.9% (21) having other degrees, and remaining (7) are PHD as a qualification.

4. Income source:

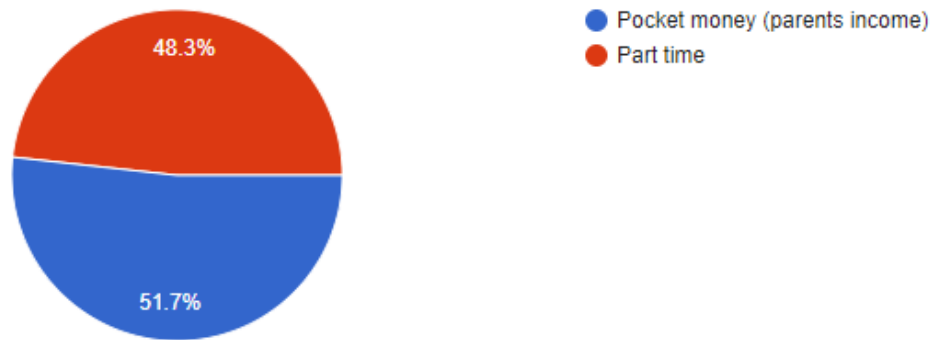
Table:4

s.no	Category	No of responses
1	Pocket money	51.7% = 163

2	Part time job	48.3% = 152
	Total	100% = 315

Income Source

315 responses

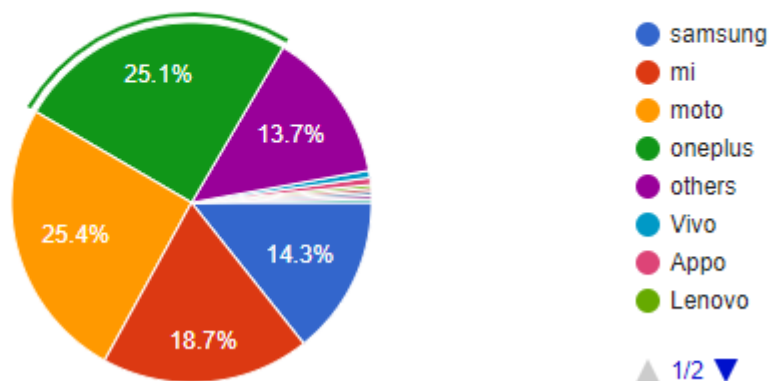


Data collected from the respondents consist of 51.7% (163) has pocket money as income source. And 48.3% (152) has part time job for their income.

5. Respondent's handset brand?

which brand of hand set do you have now?

315 responses



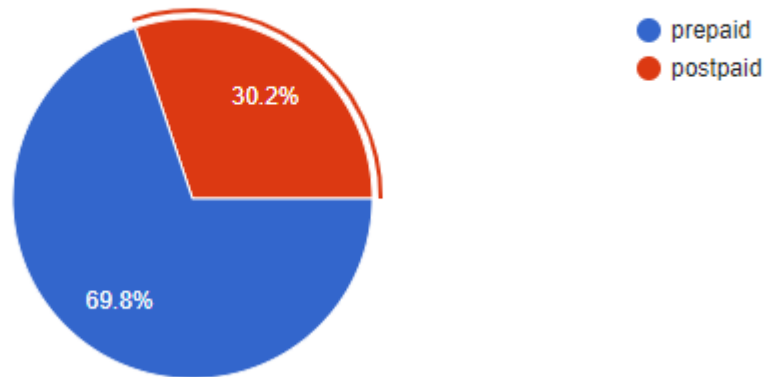
This data clearly represents most of the people with the smart phones

6. Respondent's network plans preferences..?

s.no	Category	Responses
1	Post paid	30.2% (95)
2	Prepaid	69.8% (220)
	Total	100% (315)

which of the following services have you opted for...?

315 responses



From this we can conclude that most of the respondents are interested to opt the prepaid plans only.

70% people opted prepaid networks.

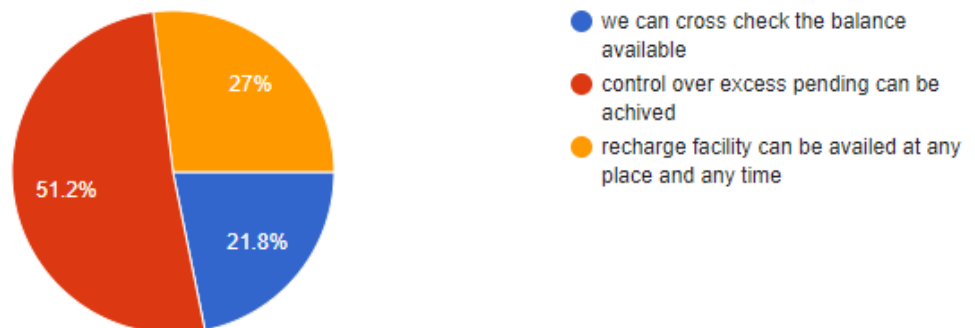
30% are opted postpaid networks

7. Reasons for preferring the prepaid connections?

s.no	Reason	Responses
1	To cross check the balance available	21.8% (72)
2	To control over excess pending	51.2% (169)
3	Recharge facilities everywhere nowadays	27% (89)
	Total	100% (315)

why do you prefer the prepaid connection specify the reasons?

315 responses



These are the main reasons which is observed from the respondents

51.2% of respondents are chosen to control over excess pending.

27% people are because of having recharge facilities availed every place nowadays.

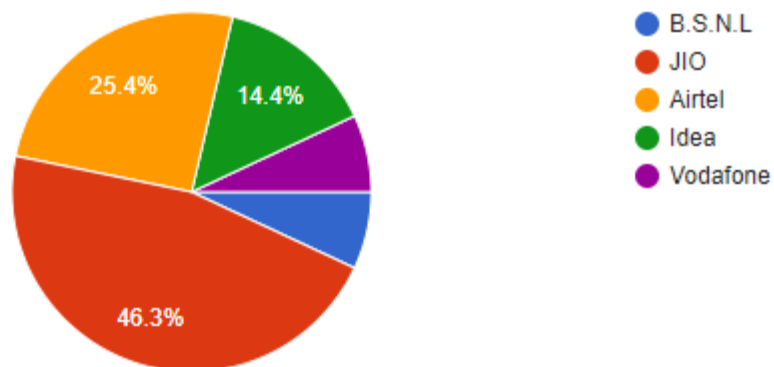
21.8% of the respondents chosen to cross check their balance amount in their mobile network.

8. Other well known brands of networks for respondents?

s.no	Name of brand	Responses
1	BSNL	6.9% 27
2	JIO	46.3% 180
3	AIRTEL	25.4% 99
4	IDEA	14.4% 56
5	VODAPHONE	6.9% 27
	TOTAL	100% 315

which of the following brands you know tick them

315 responses



From the survey observed that 46.3% (180) are prefer the Jio.

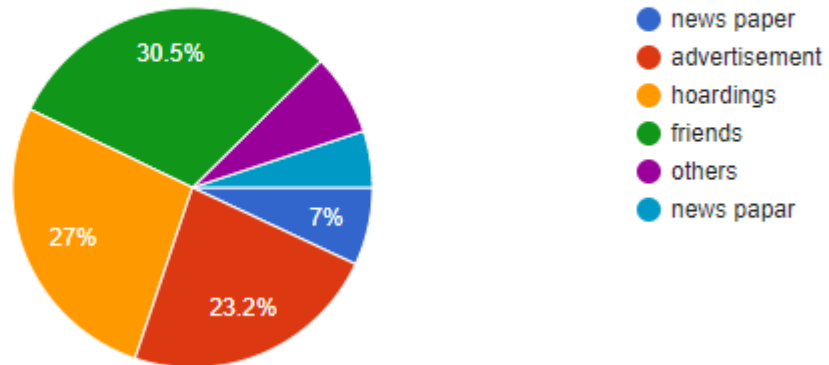
And 25.4 % (99) has chosen airtel and 14.4% (56) has chosen idea and remaining 6.9% (27) chosen B.S.N.L & 6.9 % (27) Vodafone.

8. How they know about jio network?

s.no	What/whom	Responses
1	Newspaper	7% (22)
2	Advertisement	23.2% (73)
3	Hoardings	27% (85)
4	Friends	30.5% (95)
5	Others	7.3% (23)
6	News channels	5.1% (16)
	Total	100% (315)

how you get know about jio?

315 responses



From the survey 30.5% (96) know about jio by the friends.

And 27% (85) known by advertisements

23.2% (73) are known by hoardings.

12.1% (38) are known by news and other news channels.

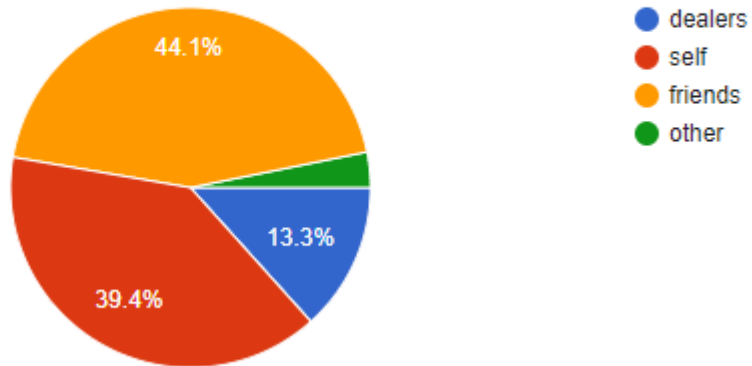
7.3% (28) are known by other.

10. Sources influenced the respondents to purchase jio?

s.no	Sources	Responses
1	Dealers	13.3% 42
2	Self	39.4% 124
3	Friends	44.1% 139
4	Others	3.2% 10
	Total	100% 315

what are the sources influenced you to purchase jio services?

315 responses



According to the responses 44.1% (139) influenced by friends.

39.4% (124) are by self,

13.3% (42) are by dealers,

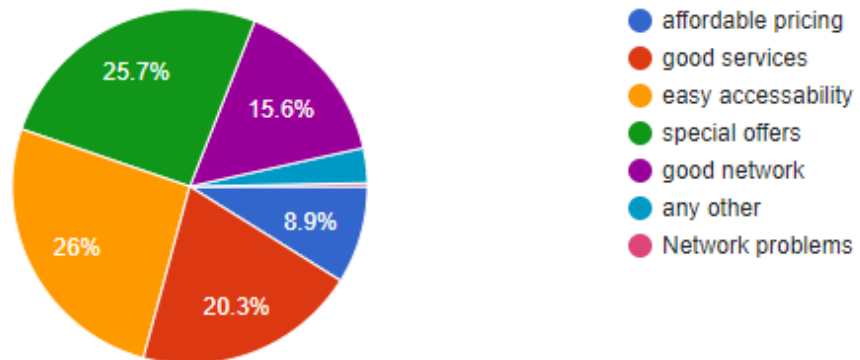
3.2% (10) by the others.

11. The reasons make to choose Jio?

s.no	Reason	Responses
1	Affordable price	8.9% (28)
2	Good services	20.3% (64)
3	Easy accessibility	26% (82)
4	Special offers	25.7% (81)
5	Good network	15.6% (49)
6	Other	3.5% (11)
	Total	100% (315)

which of the following options make you to opt the jio connection?

315 responses



From the survey we observe that

26% (82) of respondents are selected the reason easy accessibility.

25.7% (81) of respondents are selected the reason special offers provided by Jio.

20.3% (64) of respondents are selected the reason as good services provided by Jio.

15.6% (49) of respondents are selected the reason as good network of Jio.

8.9% (28) of respondents are chosen affordable pricing while comparing with other

3.2% (10) of respondents are chosen with other reasons.

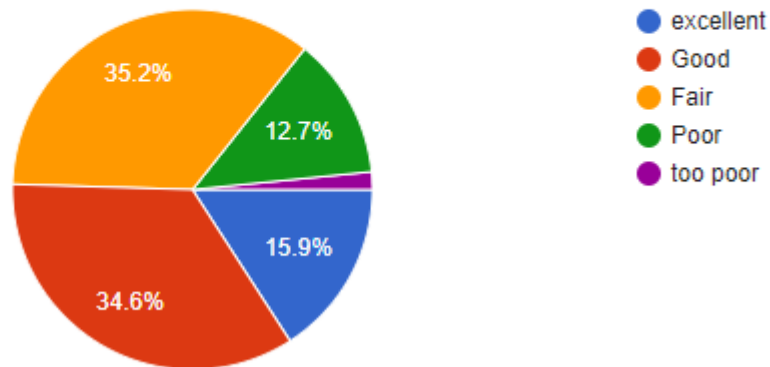
0.3% (1) respondent chosen network issues.

12. The rate of various offers produced by the jio:

s.no	Response	Respondent
1	Excellent	15.9 50
2	Good	34.6% 109
3	Fair	35.2% 111
4	Poor	12.7% 40
5	too poor	1.6% 5
	Total	100% 315

how you rate the various offers produced by jio

315 responses



From the above data observed that as

35.2% (111) given rating as fair.

34.6% (109) given as good.

15.9% (50) given as excellent.

12.7% (40) given as poor.

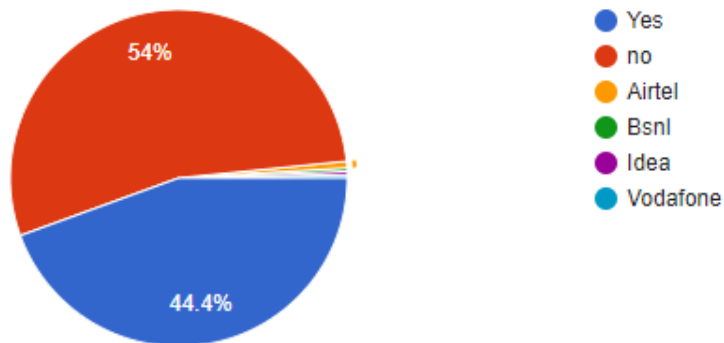
1.6% (5) given very poor rating.

13. Before using Jio have you used any other network?

S no	Response	Respondents
	Yes	46% 145
	No	54% 170
	Total	100% 315

Before using jio were you used any other mobile network service if yes please specify?

315 responses



According to the survey 46% (145) respondents are used other networks and 54 (170) members are the new customers of Jio.

14. Reasons for shifting from the previous networks:

s.no	Reason	Responses
1	Attractive pricing	13.7% 43
2	New schemes	27.9% 88
3	Positive feedback	41.9% 132
4	Good network coverage	15.2% 48
5	Other	1.3% 4
	Total	100% 315

Please specify the reasons that make you switch from the previous network?

315 responses



By the survey we can conclude that

41.9% (132) are respondents are shifted because of positive feedback given by the previous customers.

27.9% (88) of respondents are by new schemes provided by Jio.

15.2% (48) are shifted by the network coverage of Jio.

13.7% (43) are shifted with affordable pricings.

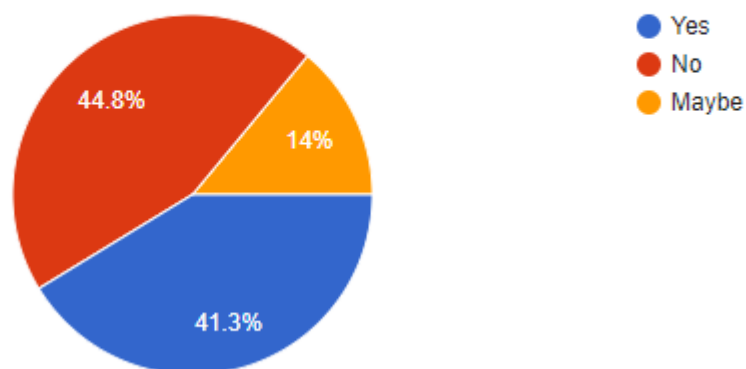
1.3% (4) is shifted with other reasons.

15. Satisfactions rate over Jio all network facilities:

Sno	Satisfaction	Responses
1	Yes	41.3% 130
2	No	44.8% 141
3	Maybe	14% 44
	Total	100% 315

Are you satisfied with the jio network facilities?

315 responses



From the survey 41.3% (130) are satisfied with the network facilities.

44.8% (141) are not much satisfied with the services.

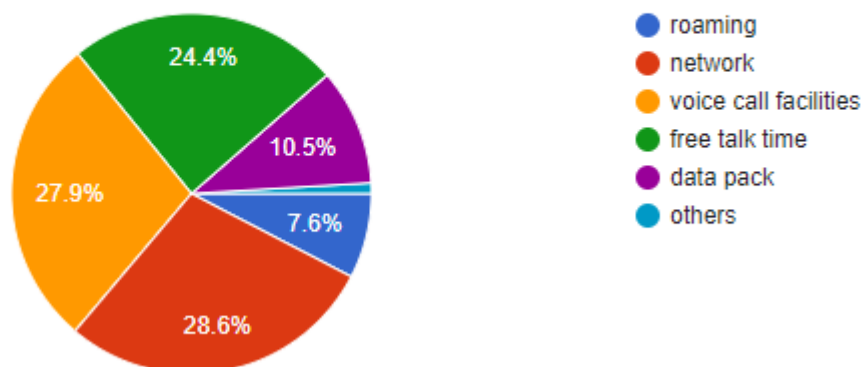
14% (44) were standing neutral.

16. Service wise satisfaction of respondents:

no	Service	Responses
1	Roaming	24 (7.6%)
2	Network	90 (28.6%)
3	Voice call facilities	88(27.9%)
4	Free talk time	77 (24.4%)
5	Internet facilities	33 (10.5%)
6	Other	3 (1%)
	Total	315 (100%)

In which of the services make you satisfied with jio?

315 responses



From the survey the responses which are collected as

28.6% (90) are satisfied by network facilities.

27.9% (88) are satisfied by voice call facilities

24.4% (77) are satisfied with the free voice calls

10.5% (33) are satisfied with the data facilities

7.6% (24) are satisfied with other facilities

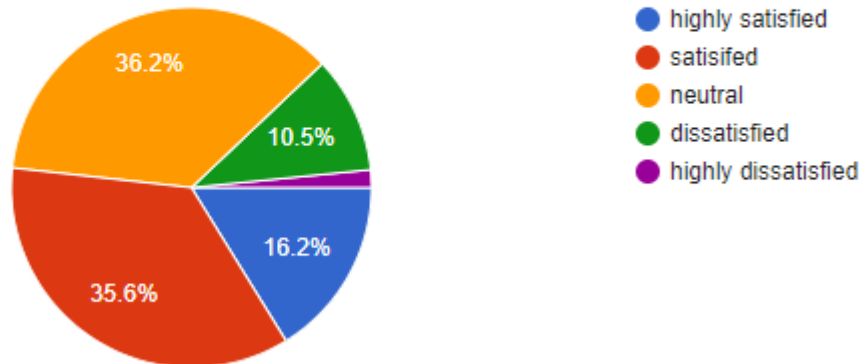
1% (3) are satisfied with roaming facilities.

17. Overall satisfaction of respondents:

No	Response	Respondents
1	Highly satisfied	16.2% 51
2	Satisfied	35.6% 112
3	Neutral	36.2% 114
4	Dissatisfied	10.5% 33
5	Highly dissatisfied	1.6% 5
	Total	100% 315

Overall satisfaction rate about jio services

315 responses



From the survey we can conclude that

36.2% (114) are given as their satisfaction level as neutral

35.6% (112) are satisfied with Jio services.

16.2% (51) are satisfied with the services.

10.5% (33) are not satisfied with the services.

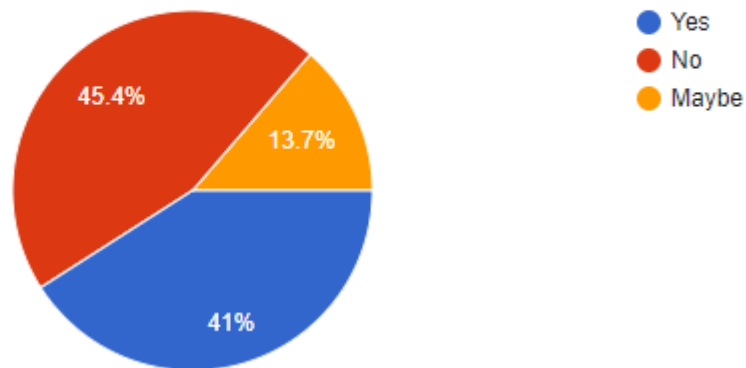
1.6% (5) is highly dissatisfied with Jio services.

18. Advice given by respondents over the advertising:

S no	Advice	Responses
1	Yes	41% 129
2	No	45.4% 143
3	Maybe	13.7% 43
	Total	100% 315

does the advertisement make a crucial in developing the brand ?

315 responses



From the data collected by questionnaire the suggestions are given as like this...

41% (129) are suggested advertising is necessary for development of brand.

45.4% (143) are suggested as not necessary

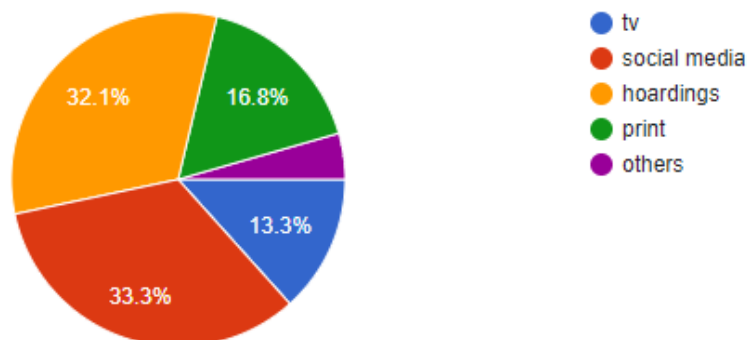
13.7% (43) are stands as neutral.

19. Forms of advertisement advices given by the respondents:

Sno	Response	Respondents
1	Tv	13.3% 42
2	Social media	33.3% 105
3	Hoardings	32.1% 101
4	Print	16.8% 53
5	Others	4.4% 14
	Total	100% 315

In which media the advertisement make a crucial role for the development of the brand

315 responses



From the survey the respondents given advices as

33.3% (105) are suggested social media ads.

32.1% (101) are suggested the hoardings

16.8% (53) are suggested print media advertisements

13.3% (42) are suggested television advertisements

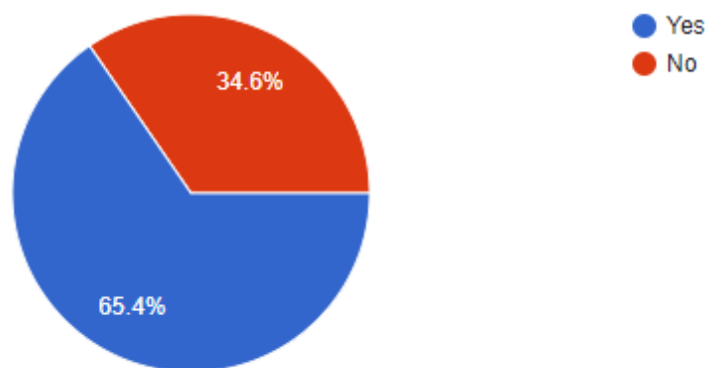
4.4% (14) are suggested other media advertisements.

20. Satisfaction over the recharge plans provided by network:

Sno	Response	Respondent
1	Yes	65.4% 206
2	No	34.6% 109
	Total	100% 315

are you satisfied with the present plan of recharge that you are using now?

315 responses



According to the survey 65.4% (206) respondents are satisfied with their current recharge plan

34.6% (109) are not much satisfied.

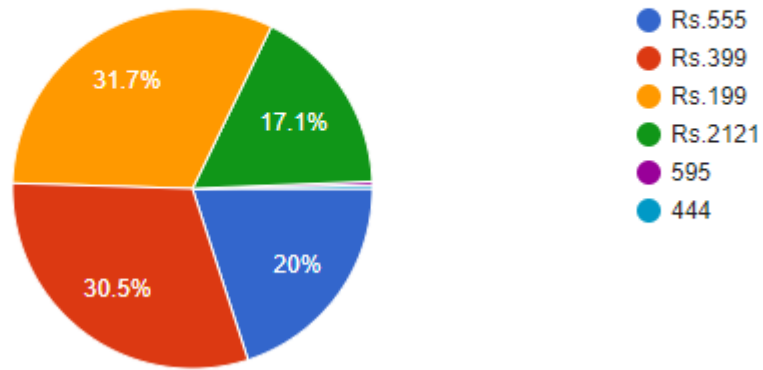
21. Recharge plans regularly purchased by the respondents:

S.NO	OPTIONS	RESPONSES
1	555	20% 63
2	399	30.5% 96
3	199	31.7% 100
4	2121	17.1% 54
5	595&444	0.3% 1

	TOTAL	100% 315
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which of the data plan you prefer to purchase regularly?

315 responses



According to the survey

30.5% (96) are choosing regularly Rs.399 pack

31.7% (100) are choosing Rs.199 pack

17.4% (54) are choosing the Rs2121 pack

20% (63) are choosing the Rs555 pack

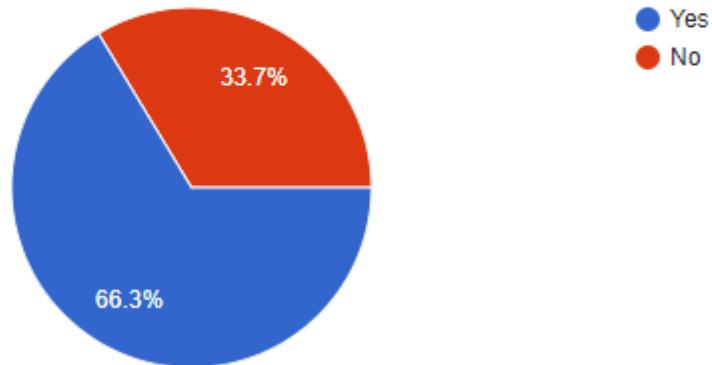
0.3% is choosing other plans regularly.

22. Feeling over the pricing policies of Jio:

no	Response	Responses
1	Yes	209 (66.3%)
2	No	106 (33.7)
	Total	315 (100%)

are you felt happy with the current pricing policies of jio

315 responses



191

From the data collected from the respondents

66.3% (209) of respondents felt happy with the pricing policies

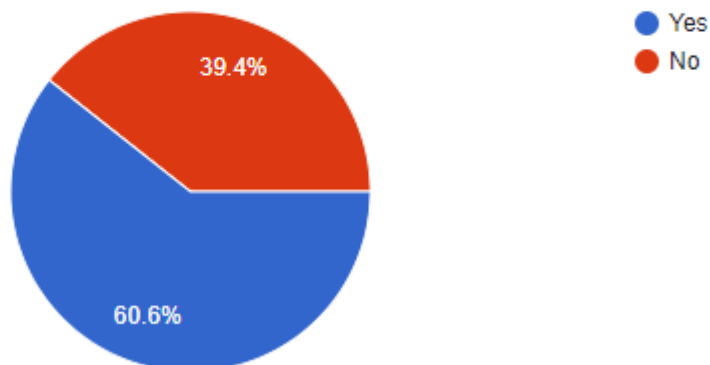
33.7% (106) of respondents felt not much happier with the pricing policies.

23. Convenience of service outlets provided by Jio:

SNO	Responses	Respondents
1	Yes	60.6% 191
2	No	39.4% 124
	TOTAL	100% 315

are the service outlets provided by the jio are convenient to you?

315 responses



The service outlets provided by the Jio

60.6% (191) are responded as giving connivance for them

39.4% (124) are responded as they are not giving much convenience

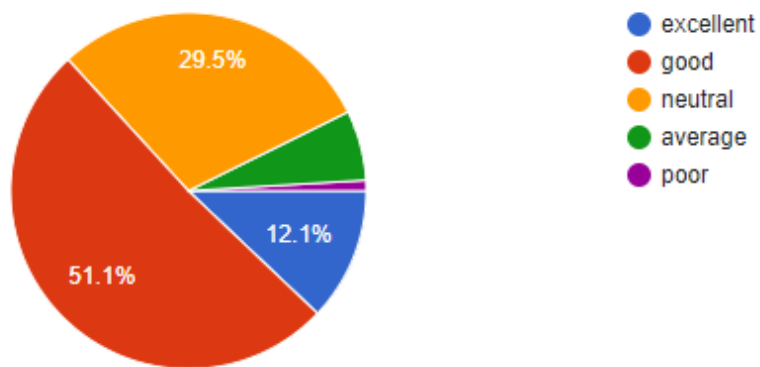
24. Ranking of the respondents to the customer service provided by the Jio:

Table: 13 (rating the customer services provided by jio)

No	Response	Responses
1	EXCELLNT	38 (12.1%)
2	GOOD	161 (51.1%)
3	NEUTAL	93 (29.5%)
4	AVERAGE	20 (6.3%)
5	POOR	3 (1%)
	TOTAL	315 (100%)

how do you rank customer care services?

315 responses



From the data collected from the respondents we conclude that the overall satisfaction of respondents is

51.1% (161) said as good.

29.5% (93) said as neutral

6.3% (20) are given as average

1% (3) is given as poor.

CHAPTER-6

FINDINGS, CONCLUSION AND SUGGESTIONS

There were many things which were found while doing this project. The following are the some of main findings this project:

- While doing this project collected responses by the questionnaire I found that 70% of respondents are the prepaid customers.
- Most of the respondents are purchased the Jio by the influence of friends and customers only.
- 60% of respondents given response for the Jio services are fair with comparing with other networks.
- 70% of respondents are shifted from their previous networks because of new schemes and with the positive feedback given by the other customers.
- And most of the respondents are said as the recharge of the Jio is at affordable price with comparing the other network providers.
- Rural area people were not much satisfied with network bandwidth available for them.
- Reliance attracts many customers with the free offers.
- Reliance jio has a great vision as it concentrates mainly on making daily needs cheap and best.
- Reliance jio shocked all the main players in the market.

CONCLUSION

Reliance JIO has become a very successful brand in India & providing customer satisfaction is to be there main motive. It provides unlimited free calling and data services & SMS on the move as people are more dependent on it in their daily lives like wide network coverage and good 4G services. Because 3G services was unable to meet out customer needs and wants. That's why 4G has been evolved for Indian customers.

Reliance Jio provides attractive 4G schemes & customer services as well as lifetime roaming free services. Providing customer satisfaction is the most crucial step of the company as they are to be satisfied and provides Internet access on the move such as Wide network coverage and good 4G services as they are important and technology advanced stuff required by almost everybody in today's environment. Reliance JIO is a home brand company and a very emerging brand in India and will be successful in overseas market in upcoming years.

From the details it can be concluded that 80% of Reliance JIO users preferred to remain with Reliance JIO and fully satisfied. Also good number of customers who are willing to switch from their respective subscribers showed interest in Reliance JIO. Reliance JIO is capturing the wide area of Indian markets increasingly day by day. Hence, these statistics imply a bright future for the company.

From the above details I conclude that most of the customers are willing to go with Reliance 4G services, as most of them are satisfied with the free services offered, which are the main advantage of the organization to attract the customers. Beta version of 4g has been tested successfully and the customer satisfaction is highly met which implies that the Reliance JIO will compete with other network service providers and the company will be booming in the telecom industry.

SUGGESTIONS

We must always take suggestions from as many people we can, so that we may get ideas and can select the best among that in order to attain success. So here are the few suggestions given as follows:

1. Reliance JIO must focus on rural areas to get the people attention and gather the rural people interest.
2. Reliance Jio will attract many subscribers if they start concentrating on rural areas, and they can make profit once they get huge number of subscribers.
3. Spread out the awareness about Reliance JIO in deep rural areas.
4. Replenish the products on Retailer's shop on right time, where it is lacking.
5. Remove the problem of calling congestion & call drop.
6. Make the advertisement of Reliance JIO by putting hoardings, boards, posters and neon (electric) sign boards in every area.
7. Get the feedback from existing customers about Reliance JIO and take the reference for making new customers.
8. We should try building a good relationship with all retailers, praise, recognition & honour on several occasions for our retailers would help a lot.
9. The customer care people and also employees in Reliance JIO should try to convey brand Reliance JIO while talking to people.
10. Enhance the market penetration & shares in every market and give the high competition to others company.

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A FIELD PROJECT REPORT

ON

"A study on customer satisfaction towards E-banking service."

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

(Telugu Naveen Kumar Sai , Konda Kavitha, Chennamallu Chandra sekhar Pavan Kumar, Shaik

Nagurbi, Inampudi divya siva sai)

(Regd. No.221FC01052,221FC01053,221FC01054,221FC01055,221FC01057)

Under the esteemed guidance of

Dr. G. Krishna Harshitha

ASSISTANT PROFESSOR



DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **A study on customer satisfaction towards E-banking service**.submitted by Telugu Naveen Kumar Sai , Konda Kavitha, Chennamallu Chandra sekhar Pavan Kumar,Shaik Nagurbi, Inampudi divya siva sai bearing the Regd. No. 221FC01052, 221FC01053, 221FC01054, 221FC01055, 221FC01057 from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

SIGNATURE OF THE GUIDE

HOD/MBA

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CHAPTER:-
1INRODUCTIONOFTHESTUDY

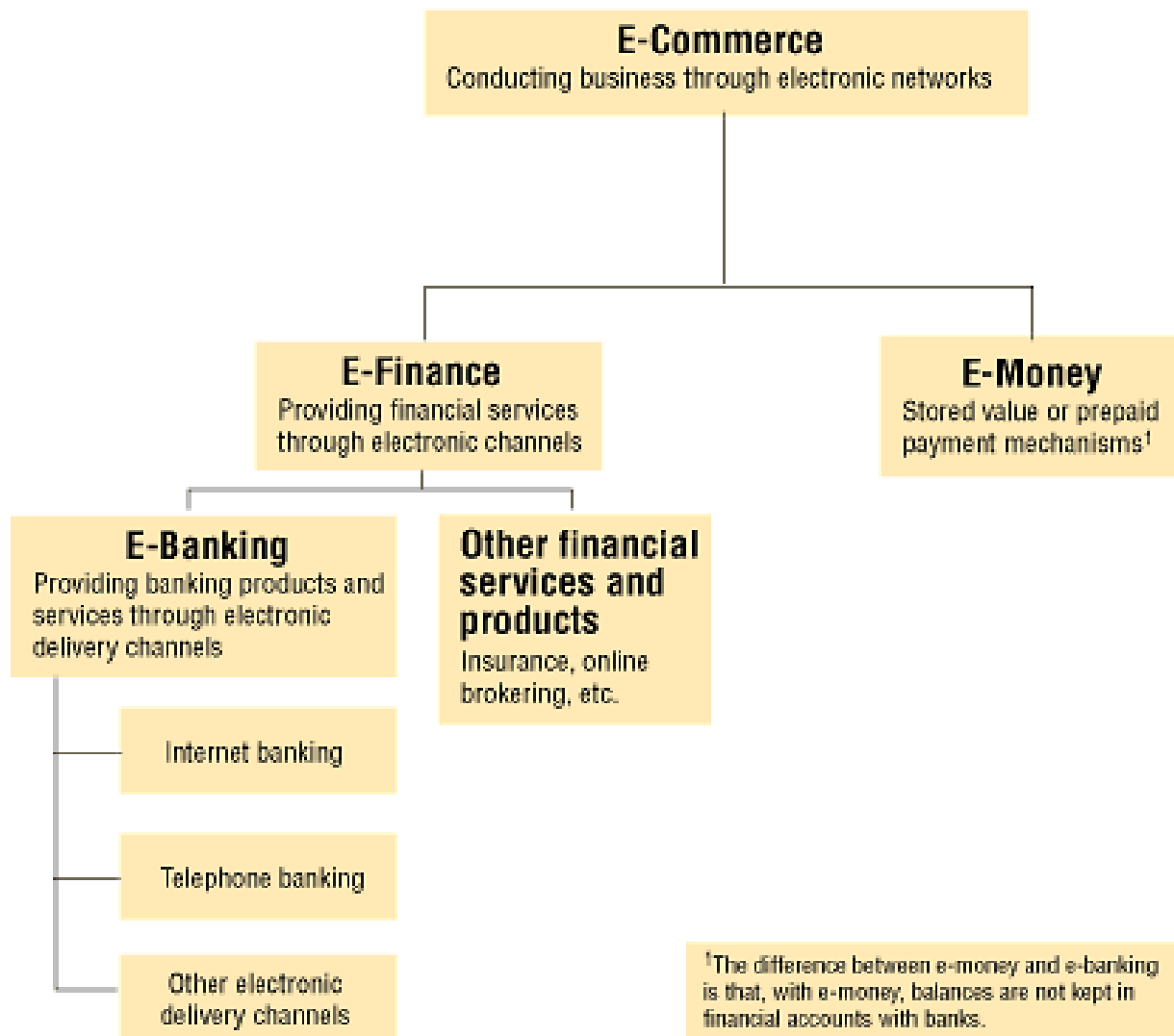
Introduction

DEFINITION OF E-BANKING

Electronic banking, also known as electronic funds transfer (EFT), is simply the use of electronic means to transfer funds directly from one account to another, rather than by cheque or cash. You can use electronic funds transfer to:

- Have your paycheck deposited directly into your bank or credit union checking account.
- Withdraw money from your checking account from an ATM machine with a personal identification number (PIN), at your convenience, day or night.
- Instruct your bank or credit union to automatically pay certain monthly bills from your account, such as your auto loan or your mortgage payment.
- Have the bank or credit union transfer funds each month from your checking account to your mutual fund account.
- Have your government social security benefits check or your tax refund deposited directly into your checking account.
- Buy groceries, gasoline and other purchases at the point-of sale, using a check card rather than cash, credit or a personal check.
- Use a smart card with a prepaid amount of money embedded in it for use instead of cash at a pay phone, expressway road toll, or on college campuses at the library's photocopier or bookstore.
- Use your computer and personal finances software to coordinate your total personal financial management process, integrating data and activities related to your income, spending, saving, investing, record keeping, bill-paying and taxes, along with basic financial analysis and decision making.

What is electronic banking?



Electronic Banking Products and Services:

INTERNET BANKING:

Internet Banking lets you handle many banking transactions via your personal computer. For instance, you may use your computer to view your account balance, request transfers between accounts, and pay bills electronically.

Internet banking system and method in which a personal computer is connected by a network service provider directly to a host computer system of a bank such that customer service requests can be processed automatically without need for intervention by customer service representatives. The system is capable of distinguishing between those customer service requests which are capable of automated fulfillment and those requests which require handling by a customer service representative. The system is integrated with the host computer system of the bank so that the remote banking customer can access other automated services of the bank. The method of the invention includes the steps of inputting a customer banking request from among a menu of banking requests at a remote personnel computer; transmitting the banking requests to a host computer over a network; receiving the request at the host computer; identifying the type of customer banking request received; automatic logging of the service request, comparing the received request to a stored table of request types, each of the request types having an attribute to indicate whether the request type is capable of being fulfilled by a customer service representative or by an automated system; and, depending upon the attribute, directing the request either to a queue for handling by a customer service representative or to a queue for processing by an automated system.

AUTOMATED TELLER MACHINES (ATM):

An unattended electronic machine in a public place, connected to a data system and related equipment and activated by a bank customer to obtain cash withdrawals and other banking services. Also called automatic teller machine, cash machine; Also called money machine.

An automated teller machine or automatic teller machine (ATM) is an electronic computerized telecommunications device that allows a financial institution's customers to directly use a secure method of communication to access their bank accounts, order or make cash withdrawals (or cash advances using a credit card) and check their account balances without the need for a human bank teller (or cashier in the UK). Many ATMs also allow people to deposit cash or cheques, transfer money between their bank accounts, top up their mobile phones' pre-paid accounts or even buy postage stamps.

On most modern ATMs, the customer identifies him or herself by inserting a plastic card with a magnetic stripe or a plastic smart card with a chip, that contains his or her account number.

The customer then verifies their identity by entering a passcode, often referred to as a PIN(Personal Identification Number) of four or more digits. Upon successful entry of the PIN, the customer may perform a transaction.

If the number is entered incorrectly several times in a row (usually three attempts per card insertion), some ATMs will attempt to retain the card as a security precaution to prevent an unauthorised user from discovering the PIN by guesswork. Captured cards are often destroyed if the ATM owner is not the card issuing bank, as non-customer's identities cannot be reliably confirmed.

The Indian market today has approximately more than 17,000 ATM's.

TELEBANKING:

Undertaking a host of banking related services including financial transactions from the convenience of customers chosen place anywhere across the GLOBE and any time of day and night has now been made possible by introducing on-line Tele banking services. By dialing the given Tele banking number through a landline or a mobile from anywhere, the customer can access his account and by following the user-friendly menu, entire banking can be done through Interactive Voice Response (IVR) system. With sufficient numbers of hotlines made available, customer call will hardly fail. The system is bi-lingual and has following facilities offered

- Automatic balance voice out for the default account.
- Balance inquiry and transaction inquiry in all
- Inquiry of all term deposit account
- Statement of account by Fax, e-mail or ordinary mail.
- Cheque book request
- Stop payment which is on-line and instantaneous
- Transfer of funds with CBS which is automatic and instantaneous
- Utility Bill Payments
- Renewal of term deposit which is automatic and instantaneous
- Voice out of last five transactions.

SMARTCARD:

A smart card usually contains an embedded 8-bit microprocessor (a kind of computer chip). The microprocessor is under a contact pad on one side of the card. Think of the microprocessor as replacing the usual magnetic stripe present on a credit card or debit card.

The microprocessor on the smart card is there for security. The host computer and card reader actually "talk" to the microprocessor. The microprocessor enforces access to the data on the card. The chips in these cards are capable of many kinds of transactions.

For example, a person could make purchases from their credit account, debit account or from a stored value account that's reloadable. The enhanced memory and processing capacity of the smart card is many times that of traditional magnetic-stripe cards and can accommodate several different applications on a single card. It can also hold identification information, which means no more shuffling through cards in the wallet to find the right one--the SmartCard will be the only one needed.

Smart cards can also be used with a smart card reader attachment to a personal computer to authenticate a user. Smart cards are much more popular in Europe than in the U.S. In Europe the health insurance and banking industries use smart cards extensively. Every German citizen has a smart card for health insurance. Even though smart cards have been around in their modern form for at least a decade, they are just starting to take off in the U.S.

DEBITCARD:

Debit cards are also known as check cards. Debit cards look like credit cards or ATM (automated teller machine) cards, but operate like cash or a personal check. Debit cards are different from credit cards. While a credit card is a way to "pay later," a debit card is a way to "pay now." When you use a debit card, your money is quickly deducted from your checking or savings account.

Debit cards are accepted at many locations, including grocery stores, retail stores, gas stations, and restaurants. You can use your card anywhere merchants display your card's brand name or logo. They offer an alternative to carrying a checkbook or cash.

HEQUE:

- An e-Cheque is the electronic version or representation of a paper cheque.
- The Information and Legal Framework on the E-Cheque is the same as that of the paper cheque's.
- It can now be used in place of paper cheques to do any and all remote transactions.
- An E-cheque works the same way a cheque does, the cheque writer "writes" the e-Cheque using one of many types of electronic devices and "gives" the e-Cheque to the payee electronically. The payee "deposits" the Electronic Cheque, receives credit, and the payee's bank "clears" the e-Cheque to the paying bank. The paying bank validates the e-Cheque and then "charges" the checkwriter's account for the check.

MOBILE BANKING:

The traditional brick and mortar is done from fixed branch premises, where the customer has to go personally for carrying out business transactions. Through mobile banking the customer can conduct a host of banking transactions and inquiries through the mobile. Mobile banking can also be carried through a mobile device with or without a computerized banking system. The mobile

van moves from place to place on designated routes at designated hours and the customers can transact their banking business, such as deposit, withdrawal, cheque collection, draft issuance, pass book updates, etc. Mobile banking helps the customer to do his account management, electronically which was earlier possible through internet banking. Mobile banking service is divided into two categories:

- (i) **SMS Based:** This service can be availed from any mobile having SMS based service. The customer types the required keywords and PIN number and sends the message to the predefined number.
- (ii) **Menu Based:** The customer downloads and installs the application on the mobile. Whenever the customer wants any sort of information, he selects the application, selects the request from menu and sends the request to the designated number. This request is internally sent as SMS text. The central computer at bank sends back the result to him.

Functionalities of Mobile Banking

Mobile banking functionalities have been divided into three parts. In public category, the customer can openly access the exchange rates and interest rates of the economy as well as the banks. In private category, the customer can check the account balances, can administer the credit lines and can check the transactions. While conducting the transactions, mobile banking helps in transfer of funds, and in paying invoices.

PHONE BANKING:

Phone banking or tele-banking refers to the authorized customers to use special telephone number of the bank. This facility is available with the help of a voice response system (VRS). This system basically accepts only TONE dialed input (For callers phone instruments for dialing necessary numbers) and suitable voice response message/ information to the caller (Kaptan and Choubey, 2003). Telebanking is of two kinds:

- (i) **Public Enquiry:** General information about banking services can be obtained by customers and non-customers like dialing a special enquiry number of the bank (call centre) and desired information can be obtained.
- (ii) **Private Enquiry:** This relates to account specific information and can be accessed only by account holder by disclosing personal identification number (PIN) and customer ID.

Society for World-wide Inter-banking Financial Tele-communication (SWIFT):

It is a computerized message system which links banks around the world. In 1996, it was updated from centralized system to decentralized system. SWIFT is a co-operative organization formed by international banks and financial institutions. The member banks are shareholders of

this society. It provides guarantee to carry messages without any mutilation of the message. The network provides round the clock service to participating banks. It aims to improve the speed and service in order to prevent the individual bank setting up its own computerized messaging system in opposition.

OMMERCE: E-commerce refers as the transaction between the buyer and seller without exchanging any papers or any meeting between two persons and largely using the internet. Electronic commerce allows efficient transactions among customers, suppliers and partners for cutting the transaction time and reducing the costs of doing business. The Ministry of Commerce is supporting “Electronic Commerce (EC) / Electronic Data Interchange (EDI) for Trade” project for facilitating international trade. The community partners of this project are various trade regulatory and facilitating agencies like the Customs Department, the Directorate General of Foreign Trade (DGFT), Airports, the Reserve Bank of India (RBI), Export Promotion Organizations (EPOs), Exporters, Importers, Agents, Container Corporation of India (CONCOR) and banks. The objective of this project is to (i) facilitate electronic delivery of services; (ii) simplify procedures; (iii) provide 24 hour access to users with their partners; (iv) make procedure transparent; (v) reduce the transaction cost and time; and (vi) introduce international standards and best practices (Mathur, 2007).

ELECTRONIC DATA INTERCHANGE (EDI): EDI is the exchange of documents in the standardized electronic form, between organizations, in automated manners, directly from a computer application in one organization to an application in another. EDI can be compared and contrasted with electronic mail. Email enables free-format textual messages to be electronically transmitted from one person to another. EDI, on the other hand, supports structured business messages (those which are expressed in hard copy, pre-printed forms or business documents) and transmits them electronically between computer applications rather than between people (Kaptan and Choubey, 2003).

Benefit of EDI:

1. EDI enables paperless transactions, reduces mailing cost, and reduces inventory holdings because of fast filling of orders.
2. EDI facilitates higher quality and speed of information.
3. Results in lower processing costs.
4. Less reliance on human interpretation of data.
5. Creates innovative modern image.

any monetary transaction involves banks, the banks have to offer EDI services to their customers. Banks that provide EDI services to their customers always have an advantage over those who do not provide such services. It can be said that EDI can be used for automating the existing processes, an opportunity to rationalize the procedures, reduce the costs and improve the quality of services.

ELECTRONIC FUND TRANSFER (EFT): In the present age of integrated technology consisting of computers and communication facility, distances need no longer be constraint in providing customer service. EFT system hosted and operated by the RBI, permits transfer of funds, from any account to any other account at any branch of any member bank in any other city (Jain, 2006). In other words, electronic fund transfer facilitates the quick movement of deposit money from one bank account of one customer to the bank account of another customer. In this system, the sender and the receiver may be located at different cities. As an important tool of customer services, EFT system addresses the needs of individual customers to transfer money from one place to another within a day or two. Following are the participants of this scheme:

- Individual customer through their banks/branches.
- Service branches of the bank.
- Reserve Bank of India (National Clearing Centre and deposit account of RBI)

E-PURSE: E-commerce has been marked as a steady trend towards growth of electronic mode of payments against paper based instruments. European Central Bank (ECB) defined, “E-Money as electronic store of monetary value on a technical device and used to making payments other than the issuer without the involvement of bank accounts in the transaction but acting as a prepaid bearing instrument”.

RISKS IN E-BANKING

E-banking improves a bank's performance and competitiveness so that existing customers can benefit from greater degree of convenience in effecting transactions. However, the banks are facing with different levels of risks and expectations arising from electronic banking as compared to traditional banking services.

Financial institutions have faced difficulties over the years for a multitude of reasons. The major cause of serious banking problems continues to be directly related to lax credit standards for borrowers and counterparties, poor portfolio, risk management that can lead to deterioration in the credit standing of a bank's counterparties. Banks need to manage the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions. Banks should also consider the relationships between credit risk and other categories of risks.

Various kinds of risks are involved with e-banking. Some of these risks are discussed below:

Operational risk: Due to the introduction of e-banking technology, operational risks are on the rise and should be managed in a proper way. The bank needs to manage these risks in the areas of security, data confidentiality, data system integrity, system availability and outsourcing. These risks are closely linked to reputation risks and legal risks for banks as if these security breaches than it will have damaging effects on the reputation of bank which could have the legal

consequences also. Security constitutes an important part in the operational risk of e-banking. Threats can come from inside and outside the system. It includes “hijacking”, “sniffing” or “spoofing” to retrieve and use confidential consumer information, add customer assets and subtract customer liabilities or interrupt operations.

Human resource management must ensure that personnel involved in maintaining and operating the websites and system are adequately trained in security practices. In order to have a proper security system, there should be segregation of duties, means accessing and control should be different. These practices should be regularly tested and reviewed by outside experts. Further, the key to control transaction risk lies in adapting effective policies, procedures and controls to meet the new risk exposures introduced by e-banking. These controls include division of duties, dual controls, information security controls, processes, tools, expertise and testing of different methods of e-banking.

Reputational Risk: Reputational risk is the risk related to negative opinion of the customers that result in critical loss of funding of the customers. Reputational risk may arise due to action taken by the bank itself or in response to action of the third parties. This risk mainly arises when the system is not able to perform as expected. This risk may also arise from targeted attacks on banks. For example, a hacker penetrating a bank’s website may alter to intentionally spread the inaccurate information among the customers regarding bank’s products and services. So, reputational risk is increased through e-banking if the bank fails to deliver secure, accurate and timely services on a consistent basis.

Legal Risk: Legal risks also arise in e-banking. Banks engaging in electronic banking and electronic money activities can face legal risks with respect to customer disclosures and privacy protection. Customers who have not been adequately informed about their rights and obligations may bring suit against a bank. Failure to provide adequate privacy protection may also subject a bank to regulatory sanctions in some countries. Banks choosing to enhance customer service by linking their internet sites to other sites can also face legal risks. A hacker may use the linked site to defraud a bank customer; and the bank could face litigation from the customer.

Financial Risks: It is the constant and terrible fear of transactions errors causing a potential monetary loss suffered by customers who perform online transactions. So, it is clear that e-banking is actually lacking the assurance provided in traditional banking (Lee, 2009) and this is due to the fact that online banking is considered as an innovation which is incompatible with consumers’ habits (Kuisma et al., 2007).

Performance Risk: This is the risk caused due to malfunctioning of online banking websites. Customers are often afraid that a disconnection from the Internet will occur while performing electronic transactions that can lead to “huge” unexpected losses (Kuisma et al., 2007). This idea was confirmed by Sathye (1999) who argued that Internet access is a crucial variable on which the adoption of online banking depends and by Almogbil (2005) who showed that

significant relationship exists between the speed of internet access and the acceptance of electronic banking.

Privacy Risk: It refers to the potential loss due to fraud or a hacker compromising the security of an online bank user (Lee, 2009). This risk is accentuated since the emergence of phishers whose hobby consists of attempting to collect personal information, such as usernames, passwords and credit card details. They not only lead to users' monetary loss, but also violate users' privacy (Entrust, 2008).

Time Risk: It is the time loss; the lateness in receiving the payment or the difficulty of navigation (Lee, 2009). This can be due to a disorganised website, to slow downloadable pages and long time needed to be a PC-literate.

Credit Risk: Credit risk is not increased due to loan originated through e-banking channel. But sometimes bank may not be able to evaluate the credit worthiness of the customer due to remote banking procedures. However, online loan origination and approval tend to make risk management of lending tasks more difficult and challenging. The banks should always verify the customers' identity for online credit applications and also the monitoring and controlling the growth, pricing, underwriting standards and ongoing credit quality of loans originated through e-banking channels.

Other Risks: The use of electronic delivery channels for banking activities also has implications for other traditional banking risks such as strategic and business risk, credit risk, liquidity risk, market risk and foreign exchange risk.

Offering e-banking service to the customers involves strategic and business risk as the sophisticated technology involved in e-banking causes uncertainties in business transactions. To build a new customer base, the banks have to set up their prices very competitively. Investment in technology involves significant startup costs. Adequate opinion of experts is needed. Supervisors must ensure that management of banks are aware of these risks involved in e-banking and carefully access their strategic options so that the added uncertainties may be compensated by additional returns.

Principles to Manage Risks in E-banking

The Electronic Banking Group on the Basel Committee recommended certain principles to manage the risks of electronic banking. The e-banking risk management principles identified in the Report of EBG, fall into three broad, and often overlapping categories of issues. However, these principles are not weighted by order of preference or importance. It is so because such weighting might change over time. It is preferable to remain neutral and avoid such prioritization.

A. Board and Management Oversight (Principles 1 to 3):

1. Effective management oversight of e-banking activities;
2. Establishment of a comprehensive security control process;
3. Comprehensive due diligence and management oversight process for outsourcing relationships and other third party dependencies.

B. Security Controls (Principles 4 to 10):

4. Authentication of e-banking customers;
5. Non-repudiation and accountability for e-banking transactions;
6. Appropriate measures to ensure segregation of duties;
7. Proper authorization controls within e-banking systems, databases and applications;
8. Data integrity of e-banking transactions, records, and information;
9. Establishment of clear audit trails for e-banking transactions;
10. Confidentiality of key bank information.

C. Legal and Reputational Risk Management (Principles 11 to 14):

11. Appropriate disclosures for e-banking services;
12. Privacy of customer information;
13. Capacity, business continuity and contingency planning to ensure availability of e-banking systems and services;
14. Incident response planning.

IT development has propounded enormous benefits for banks, customers and the economy as a whole. These benefits are in terms of productivity and profitability increase, cost reduction, improvement in service quality, fast delivery of service through website, etc. E-banking has increased the output and reduced the cost as both IT capital investment and IT human resource have a positive relation to productivity and profitability. The time has come to move towards a customer-centric approach, as customers should be given an opportunity to enjoy their share of benefits stemming from IT development. But banks' new strategy should not only be based on a customer-centric approach but it should also enable transaction cost reduction, financial inclusion, speedy and efficient services to customers. To make a real impact banks should change the real mindset, better utilize their IT human resources and capabilities and move towards more cost effective common or shared IT platforms.

BENEFITS/CONCERNS OF E-

BANKING BENEFITS OF E-BANKING

For Banks:

Price-In the long run a bank can save on money by not paying for tellers or for managing branches. Plus, it's cheaper to make transactions over the Internet.

Customer Base-The Internet allows banks to reach a whole new market- and a well off one too, because there are no geographic boundaries with the Internet. The Internet also provides a level playing field for small banks who want to add to their customer base.

Efficiency-Banks can become more efficient than they already are by providing Internet access for their customers. The Internet provides the bank with an almost paperless system.

Customer Service and Satisfaction-Banking on the Internet not only allows the customer to have a full range of services available to them but it also allows them some services not offered at any of the branches. The person does not have to go to a branch where that service may or may not be offered. A person can print out information, forms, and applications via the Internet and be able to search for information efficiently instead of waiting in line and asking a teller. With more better and faster options a bank will surely be able to create better customer relations and satisfaction.

Image-A bank seems more state of the art to a customer if they offer Internet access. A person may not want to use Internet banking but having the service available gives a person the feeling that their bank is on the cutting image.

For Customers:

Bill Pay: Bill Pay is a service offered through Internet banking that allows the customer to set up bill payments to just about anyone. Customers can select the person or company whom they want to make a payment and Bill Pay will withdraw the money from his account and send the payee a paper check or an electronic payment.

Other Important Facilities: E-banking gives customer the control over nearly every aspect of managing his bank accounts. Besides the Customers can, Buy and Sell Securities, Check Stock Market Information, Check Currency Rates, Check Balances, See which checks are cleared, Transfer Money, View Transaction History and avoid going to an actual bank. The best benefit is that Internet banking is free. At many banks the customer doesn't have to maintain a required minimum balance. The second big benefit is better interest rates for the customer.

CONCERNS WITH THE BANKING

As with any new technology, new problems are faced.

Customer support-banks will have to create a whole new customer relations department to help customers. Banks have to make sure that the customers receive assistance quickly if they need help. Any major problems or disasters can destroy the bank's reputation quickly and easily. By showing the customer that the Internet is reliable, you are able to get the customer to trust online banking more and more.

Laws-While Internet banking does not have national or state boundaries, the law does. Companies will have to make sure that they have software in place in the software market, creating a monopoly.

Security: customer always worries about their protection and security or accuracy. There are always questions whether or not something took place.

Other challenges: lack of knowledge from customers and, it changes by the banks, etc.

CHAPTER-2

LITERATURE REVIEW

CKSunith(2019)in the study titled “Customers satisfaction in E- Banking service” the objective of the study attempts to identify the preferred method of banking transactions among respondents and their satisfaction. The data was collected from research papers, journals etc, and primary data is from questionnaire gathered from 172 respondents on proposed variables and hypothesis test were conducted and convenience sampling methods were used. Core banking solutions enable banks of ATM service, mobile and Internet banking solutions to the customers. The needs and expectations of customer is an ever changing , their fears, resistances, and issues are not resolved as and when required and real time solutions are not offered.

Dr.T.SanthiyaRan,A.Saravanan(2018)analyse the customer's satisfaction towards internet banking of all Banks has been elicited and analyzed. This part consists of demographic profile of customers and bank transaction details and reasons for using internet banking has been taken into

consideration. The question of how attitude towards element of existing banking service might influence to customer decision to use internet banking has not been investigated. As clients get additional and educated, obtaining insight concerning fashionable banking, via web banking has registered as primary knowledge concern for all leading and future banks in Asia.

Dr. Pratima Merugu, Dr. Krishna Mohan Vaddadi (2018) in the year studied title “Customers satisfaction towards online banking with reference to Greater Visakhapatnam city” the objective of the study is to identify the problems and factors influencing customer satisfaction and improve the usage of online banking service. A survey of questionnaire of 24 items had been adopted from data of 200 respondents were collected from customers using online banking in Visakhapatnam city and uses statistical tools such as chi-square, factor analysis, cross tabulation and frequency table to interpret the data. The success depends on the attitude, commitment and involvement of employees at all levels and their improvement and upgrading online security for the growth of online banking.

Dr. T. Santhiya Ran, A. Saravanan (2018) in the title “A study on customer satisfaction towards net banking with special reference to general banking customer in Coimbatore city” the objective of the study is to know about the factors influencing and customer satisfaction of net banking service and service provided in the general banking sector. Questionnaire is collected for online banking used by customers and convenient simple percentage method and customer feedback and reference samples were collected by 70 number of respondents. As per the basic assumption we consider only those customers who know how to use internet and access to internet and provide internet banking service.

Dr. R. Manohar, V. Vimalasri, M. Manikandan (2017) in the year studied title “Customer satisfaction on internet banking services with reference to Virudhunagar district” the online banking or internet banking offered convenience of banking from anywhere, at any time. The researcher has taken 120 respondents from Aruppukottai town through random sampling technique and collected both primary as well as secondary data by using survey method and

through journals, books and websites. Internet banking is an integral part of financial system, all internet banking products and services hold strong position in terms of acceptance by the customer and there is a positive change in internet banking to customer satisfaction.

Samsunisa. A (2016), aims to determine the factors that influence consumer adoption of Internet banking services in Chennai city as well as to examine the relationship between adoptions of Internet banking services with the demographic factors. The major instrument for data collection was a Questionnaire that was designed on a 5-point Likert scale to be able to collect quantitative data. The result shows that demographic variables such as Education, Place of residence

and Income play a positive role in adoption of banking technology. The study states that with the shift in banking industry, the customers are ready to adopt Internet Banking since it provides those values and benefits, saves time and efforts. After reviewing various research papers and articles presented by various researchers, we hereby in our study try to explore the satisfaction levels of the customers adopting E-Banking services such as Internet Banking, ATM services, Mobile Banking, e-payment services etc.

Nandhini.P.V (2016), explains that internet banking provides better understanding of the customers and their attitudes towards technology. The study is mainly based on primary data through issuing questionnaires to 200 respondents who reside in Coimbatore. The tools used are simple percentage analysis and chi-square analysis from the study, it is conducted that bankers adapt new technology to satisfy their customers and also to change the way of services for attracting customers.

Koorses & Kavitha (2016), indicates that the banking sector is the dominant sector which is considered as the key to savings for the local public and for the government, a source of GDP. The study conducted is based on secondary data. The tools used in the study include trend and compound Annual Growth Rate (AGR). The study states that E-Banking is both a boon and a bane and the banking sector can overcome all the challenges in the years to come.

Vikas Chauhan and Vipin Choudhary (2015), discusses the challenges and opportunities associated with the internet banking in Indian context. The discussion concludes that the concept of internet banking is slowly gaining acceptance in Indian scenario and efforts are being made by government agencies to make it more popular among consumers. The challenges such as security risks, privacy risk, trust factor and less awareness among consumers about E-Banking or acting as a hurdle in the adoption of E-Banking facilities. Considering the challenges and risk related to E-Banking, the government of India along with various government agencies is making an effort to make E-Banking more safe, secure and reliable. States that the way banks used to operate has changed due to the advent of internet in banking institutions. The implementation of internet in banking organization has modernized banks. Implementation of internet banking benefited both the banks as well as the consumer.



Uday Singh Rajput (2015), studies the customers satisfaction on online banking services and its impacts on banks. This paper focuses on appraising the customer perception about E-Banking services. The data was collected through questionnaire and analyzed descriptively using percentages and ANOVA. It was discovered that customers adopting E-Banking services such as ATM, home banking, use of payment cards to mention but a few. It can be concluded that people around 45% people have positive perception and are satisfactory with E-Banking. Frequently used E-Banking services are ATM, bill payments and getting the bank statements.

Dr. M. Abdul Hakkeem and Y. Moydheen Sha (2015) in their analysis it was observed that particular age group have used these services, the satisfaction of the customer majorly influenced the convenience, awareness, and responsiveness. In the present technology society, most of the banking customer prefer and switch to e-banking facilities. So the banker may improve their services, loyalty to customers and their retention by increasing awareness of other age groups and concentrating on the factors contributing customer satisfaction.

Vandana Tandon Khanna & Neha Gupta (2015) The study shows the factors such as Technology acceptability, safety, availability, user friendliness and accessibility highly depend on the demographic profile of the population size. Most of marketing decision in terms of enhancing the effectiveness of delivery channels can be taken by considering these factors.

Unyathanakorn et. al. in their work focused on factors that affect customer satisfaction with respect to online banking services provided by commercial banks. American Customer Satisfaction Index and Thailand Customer Satisfaction Index models were used to evaluate customer satisfaction, in their work.

Anis Ali et. al. have observed that bank employees lack empathy and responsiveness. Customers are dissatisfied with nature and discriminatory behaviour of bank employees according to the profession of the customers. However, they could not identify any significant difference between the level of satisfaction of customers from rural and urban areas.

CHAPTER:-
RESEARCHMETHODOLOGY

Research problem statement:

The research problem is to study the customer satisfaction towards E-banking service.

Research objectives:

Primary objective

To study the customer satisfaction regarding E-banking service in Surat city.

Secondary objectives

To study the factor influencing customer satisfaction towards E-banking.

To find the problems faced by customer while dealing with online banking service. To find out the benefits associated with E-banking usage.

To find out the challenges associated with E-banking usage.

Significance of the study

This study is needed to find out the E-banking services and its importance to customer as well as to bank. In recent days, people are depending more on technology, because of advanced technological up-gradation. Through internet banking, any inquiry or transaction is processed without any reference to the branch at any time. Providing internet banking is increasingly becoming a “need to have” than a “nice to have” service. The net banking increases the speed of response to customer requirements; it will lead to greater customer satisfaction in handling a large number of transactions.

Limitation of the study

- The study is based on primary data also but the respondents chosen are limited and random.
- Some of the respondents were hesitating to provide true information so, it was difficult to communicate with them.
- Very limited secondary data are found in this topic and mostly based on primary data.

Research Design:

In this study the Descriptive Research Design is used.

A descriptive research tries to discover answer to the questions who, what, when, where and sometimes how. The researcher attempts to describe or define a subject, often by creating a profile of a group of problems, people or events. Such studies may involve the collection of data and the creation of a distribution of the number of times the researcher observes a single event or characteristic or they may involve relating the interaction of two or more variables.

Descriptive research includes surveys and fact-finding enquires of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. The descriptive research design is selected for the study to learn the profile of the respondents, presentation and description of data collection, and describe the customers satisfaction toward e-banking services.

Source of data collection:

In this study the primary data source is used.

Primary Data are collected by using the survey method of data collection.

Data collection instrument:

The data collection instrument is undisguised structured questionnaire.

Close ended structured questionnaire is an instrument or guide used by an interviewer who asks questions about a particular topic or issue. Some of the questions and their sequence are determined in advance, while others evolve as the interview proceeds.

Sample size:

The sample size for this study is 100 customer of banking sector.

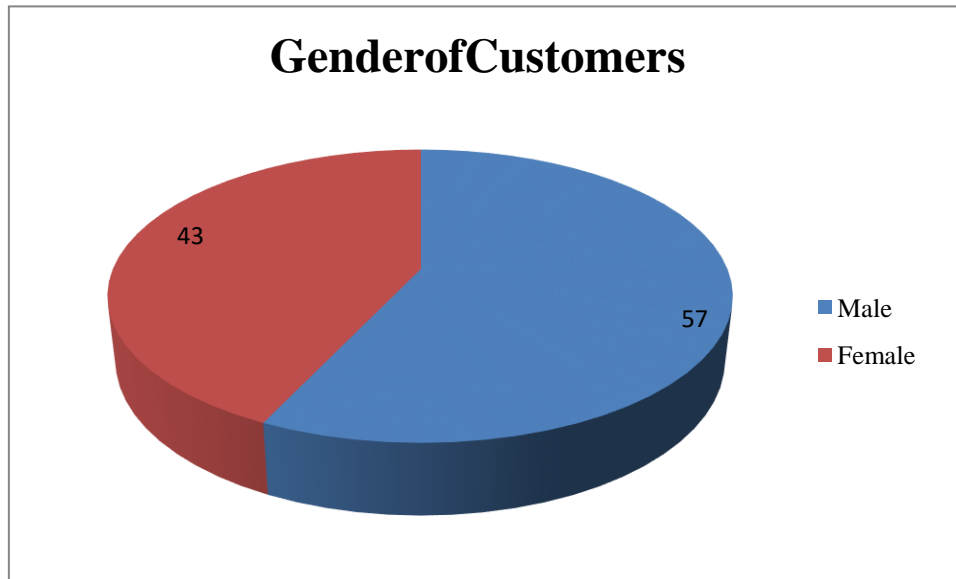
CHAPTER:-4
DATAANALYSIS&INTERPRETATION

1. Name:- _____

2. Gender

Gender	Customers	Percentage
Male	57	57%
Female	43	43%

TableNo:-4.1



ChartNo:-4.1

INTERPRETATION:-

The above results show that there are 57 males and 43 females out of 100 Customers.

3. Maritalstatus

Maritalstatus	Customers	Percentage
Married	47	47%
Unmarried	53	53%

TableNo:-4.2

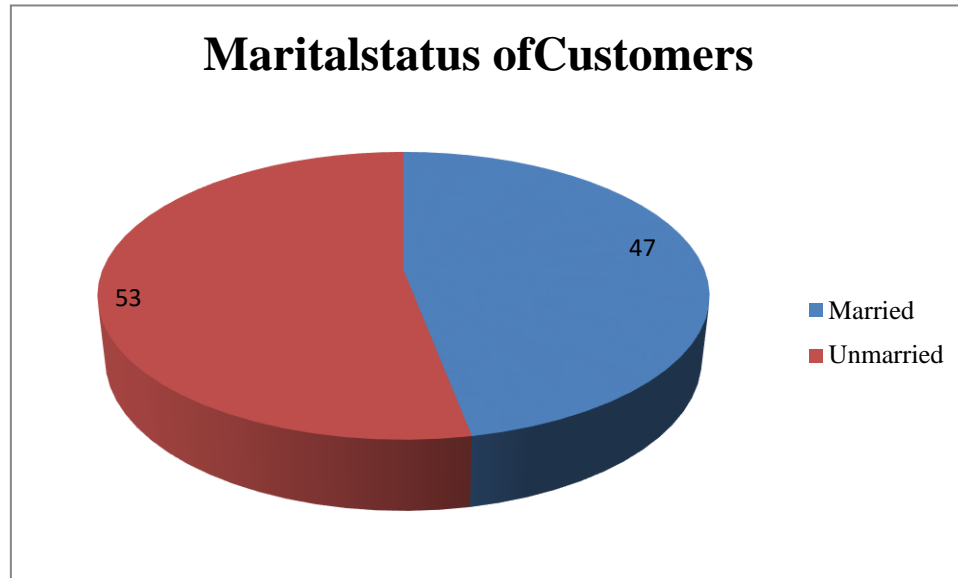


Chart No:-4.2

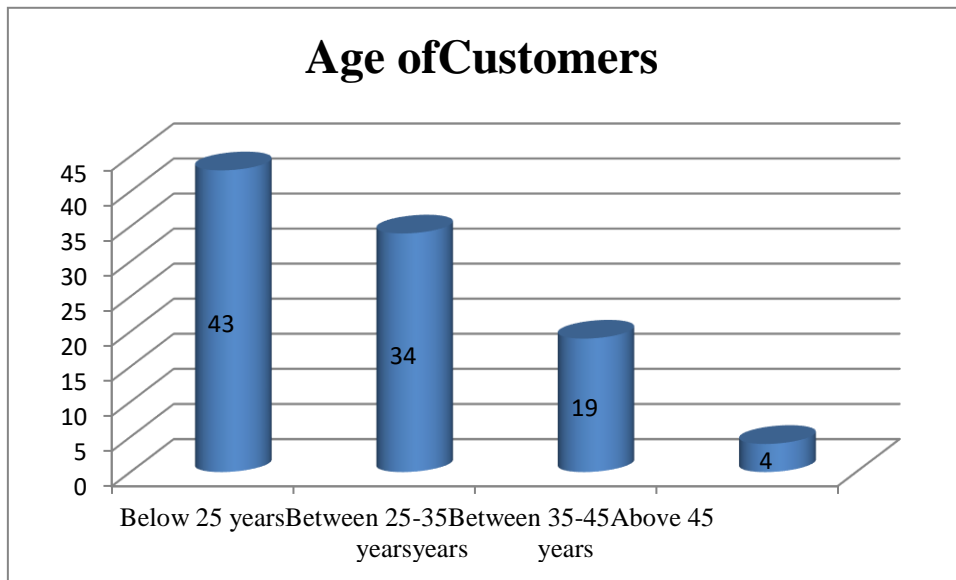
INTERPRETATION:-

Theaboveresultsshowsthatthereare47 Marriedand53 Unmarriedoutof100customers.

4. Age

Age	Customers	Percentage
Below25years	43	43%
Between25-35years	34	34%
Between35-45years	19	19%
Above45 years	4	4%

TableNo:-4.3



ChartNo:-4.3

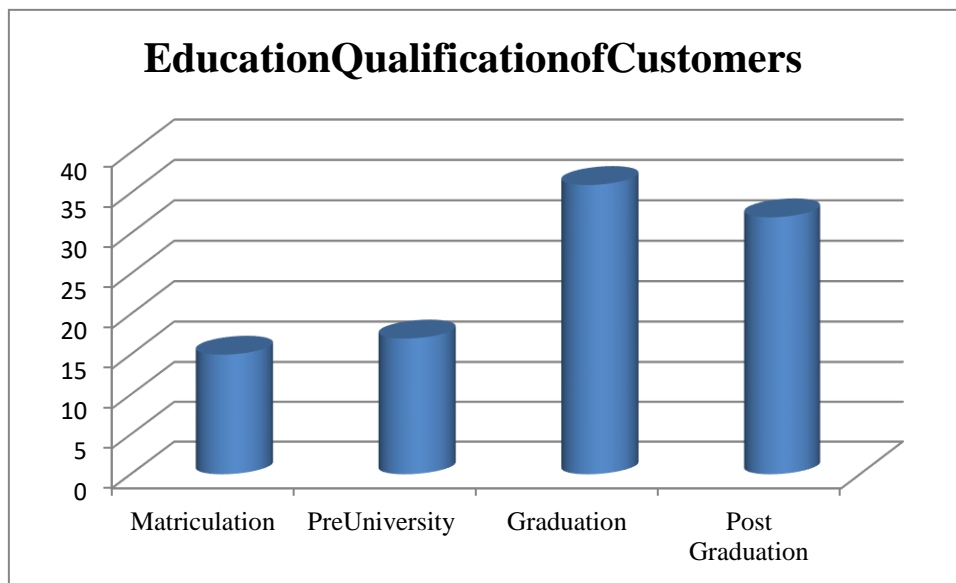
INTERPRETATION:-

From above resultsshowsthat43%respondents are Below 25years, 34% respondents arebetween 25-35years, 19% respondents are between 35-45years, and 4% respondents are Above45years.

5. Educational qualification

Educational qualification	Customers	Percentage
Matriculation	15	15%
PreUniversity	17	17%
Graduation	36	36%
PostGraduation	32	32%

TableNo:-4.4



ChartNo:-4.4

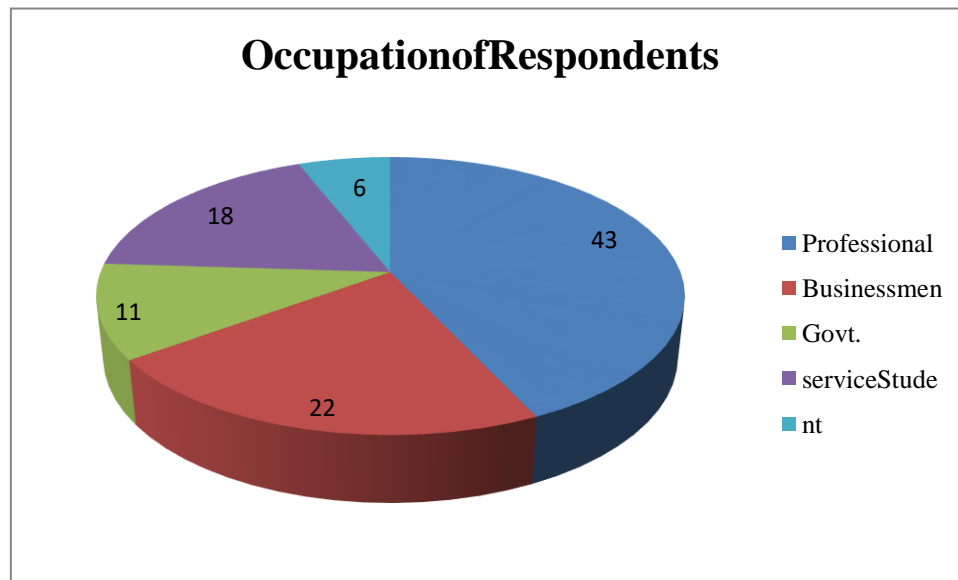
INTERPRETATION:-

The above result shows that 15% customers are have to educated Matriculation, 17% customers are PreUniversity, 36% customers are Graduated, and 32% customer are Post Graduated.

6. Occupation

Occupation	Customers	Percentage
Professional	43	43%
Businessmen	22	22%
Govt.service	11	11%
Student	18	18%
Others	6	6%

TableNo:-4.5



ChartNo:-4.5

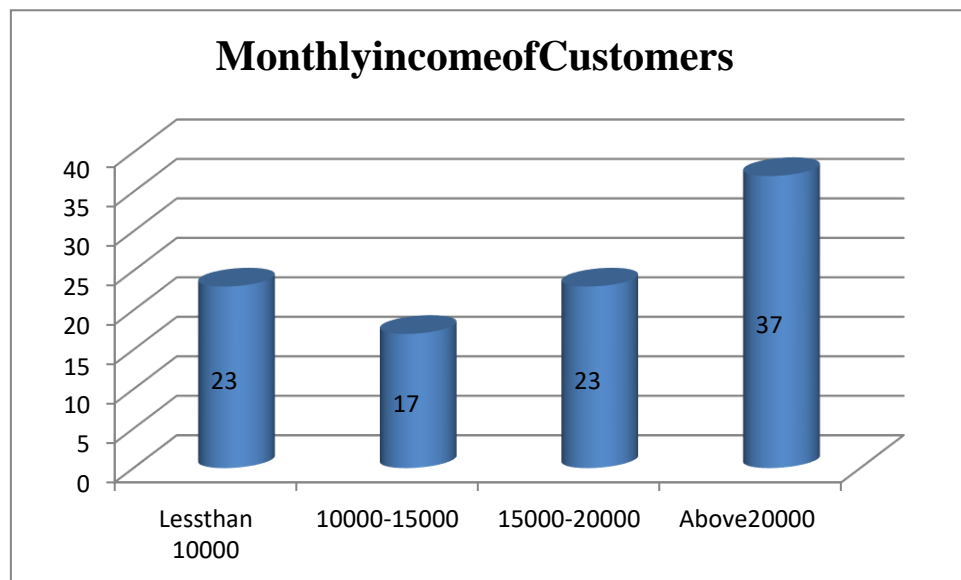
INTERPRETATION:-

Theabove resultsshowthat43%customers arehaveoccupationProfessional,22%customersare Businessmen, 11% customer are Govt. service, 18% customers are students and 6%customersareOthers.

7. Monthlyincome

Monthlyincome	Customers	Percentage
Lessthan10000	23	23%
10000-15000	17	17%
15000-20000	23	23%
Above20000	37	37%

TableNo:-4.6



ChartNo:-4.6

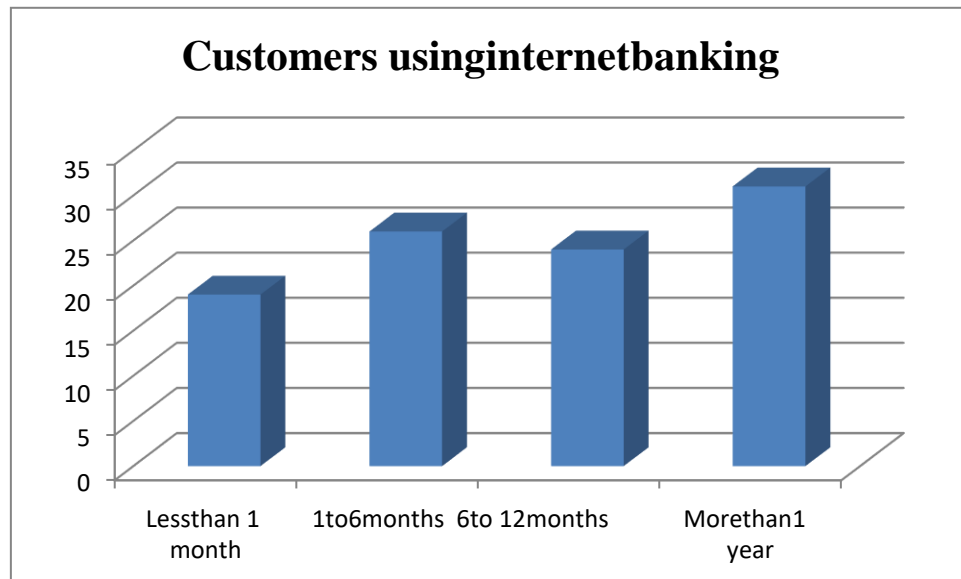
INTERPRETATION:-

The above results show that 23% customers have monthly income less than 10,000, 17%customersarehavemonthly income 10,000-15,000,23%customers arehavemonthlyincome15,000-20,000and 37%Customers arehavemonthlyincome above20,000.

8. How long have you been using the internet banking service?

Particular	Customers	Percentage
Less than 1 month	19	19%
1 to 6 months	26	26%
6 to 12 months	24	24%
More than 1 year	31	31%

TableNo:-4.7



ChartNo:-4.7

INTERPRETATION:-

The above results show that 19% of customers are using internet banking service less than 1 month, 26% of customers are using internet banking service 1 to 6 months, 24% of customers are using banking service 6 to 12 months, and 31% of customers are using internet banking service more than 1 year.

9. By which mode do you use internet banking?

Particular	Customers	Percentage
Computer	6	6%
Mobile	88	88%
Othersource	6	6%

TableNo:-4.8

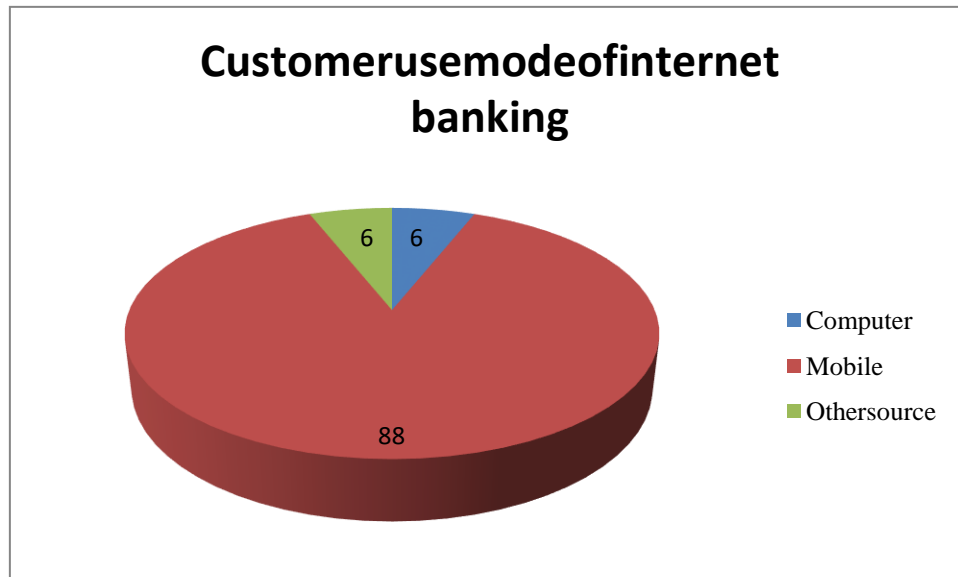


Chart No:-4.8

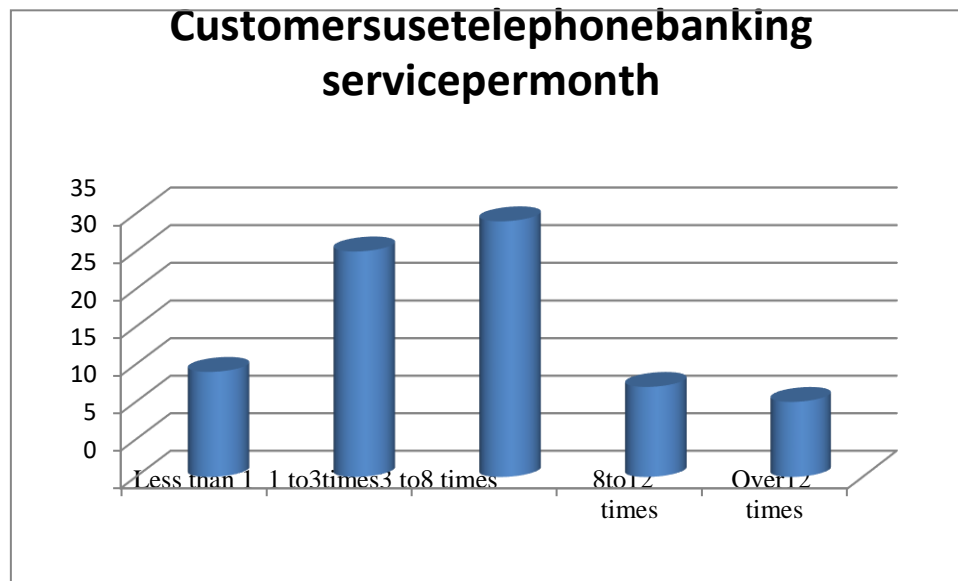
INTERPRETATION:-

The above results show that 6% customers are using computer for internet banking, 88% customers are using mobile for internet banking, and 6% customer are using othersource. The most of customers are using mobile for internet banking.

10. How frequently do you use telephone banking service per month (for example, balance inquiry, fund transfer between account)?

Particular	Customers	Percentage
Less than 1	14	14%
1 to 3 times	30	30%
3 to 8 times	34	34%
8 to 12 times	12	12%
Over 12 times	10	10%

TableNo:-4.9



ChartNo:- 4.9

INTERPRETATION:-

The above result show that 14% customer using telephone banking less than 1 time per month, 30% customers are using telephone banking 1 to 3 times per months, 34% customers are using telephone banking 3 to 8 times per months, 12% customers are using telephone banking 8 to 12 times per months, and 10% customers are using telephone banking over 12 times per months.

11. Which of the following e-banking services are you aware of?

Particular	Customers	Percentage
Internet banking	24	24%
Mobile banking	32	32%
Debit card	15	15%
Credit card	5	5%
ATM	23	23%
Other	1	1%

Table No:-4.10

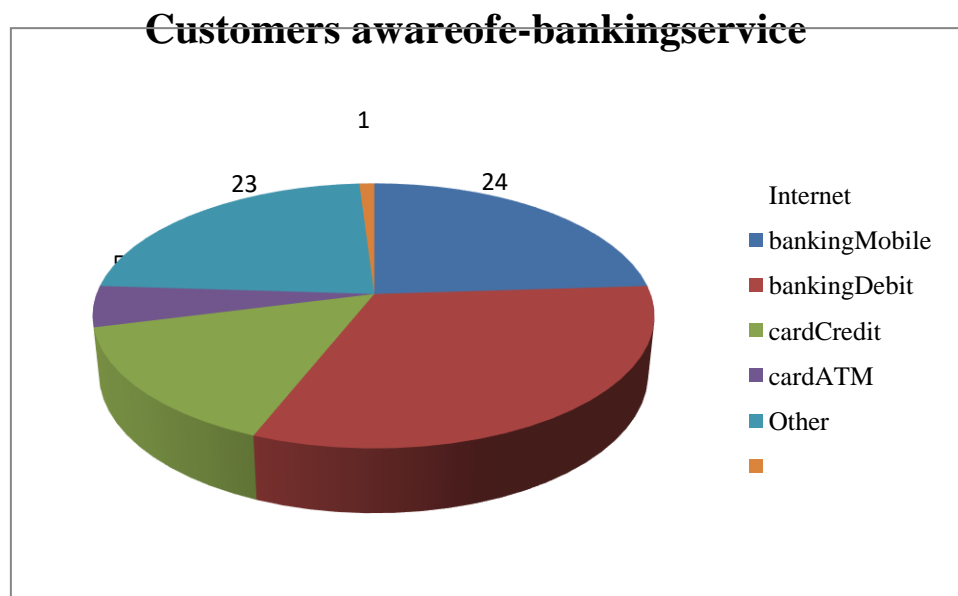


Chart No:-4.10

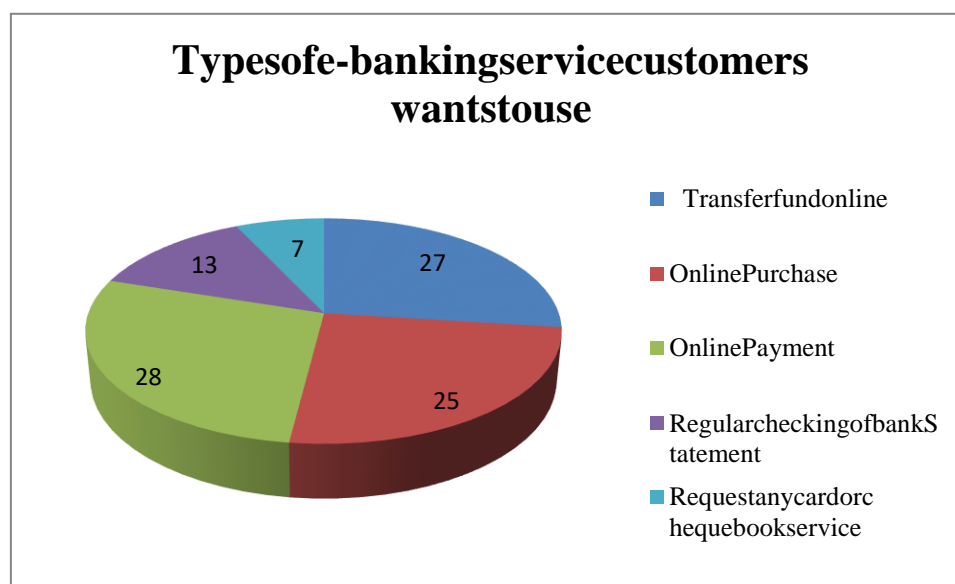
INTERPRETATION:-

The above results show that 24% customers are aware about internet banking, 32% customers are aware about mobile banking, 15% customers are aware about debit cards, 5% customers are aware about credit cards, 23% customers are aware about ATM, and 1% customer aware about other e-banking services.

12. Which type of banking service you want to use?

Particular	Respondents	Percentage
Transfer fund online	27	27%
Online Purchase	25	25%
Online Payment	28	28%
Regular checking of bank Statement	13	13%
Request any card or cheque book service	7	7%

TableNo:-4.11



ChartNo:-4.11

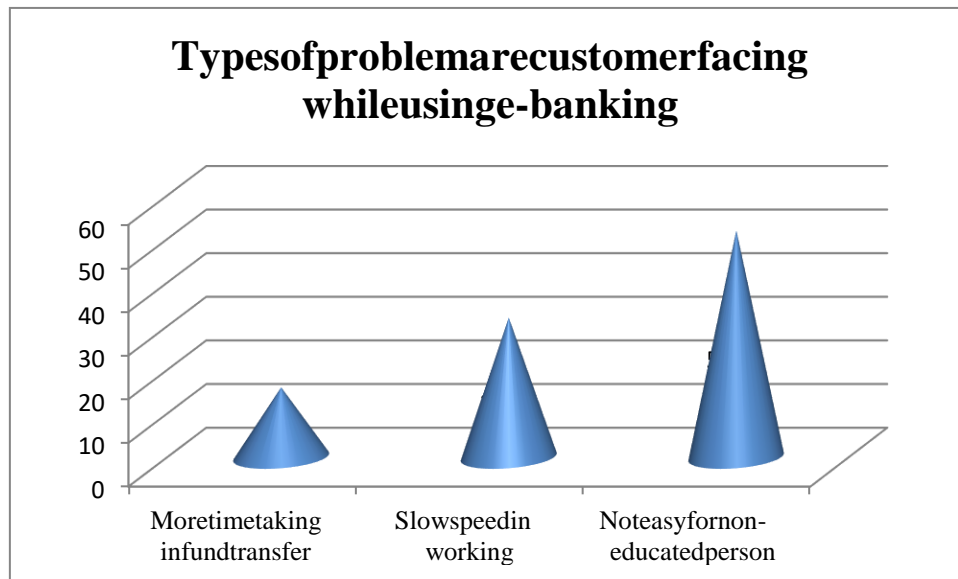
INTERPRETATION:-

The above results show that 27% of customers want to use e-banking service for transfer fund online, 25% of customers prefer e-banking service for online purchase, 28% of customers prefer e-banking for online payments, 13% of customers prefer e-banking service for regular checking of bank statement, and 7% of customers prefer e-banking service for request any cards or cheque book service.

13. Which type of problem are you facing while using e-banking service?

Particular	Customers	Percentage
More time taking in fund transfer	16	16%
Slow speed in working	32	32%
Not easy for non-educated person	52	52%

TableNo:-4.12



ChartNo:-4.12

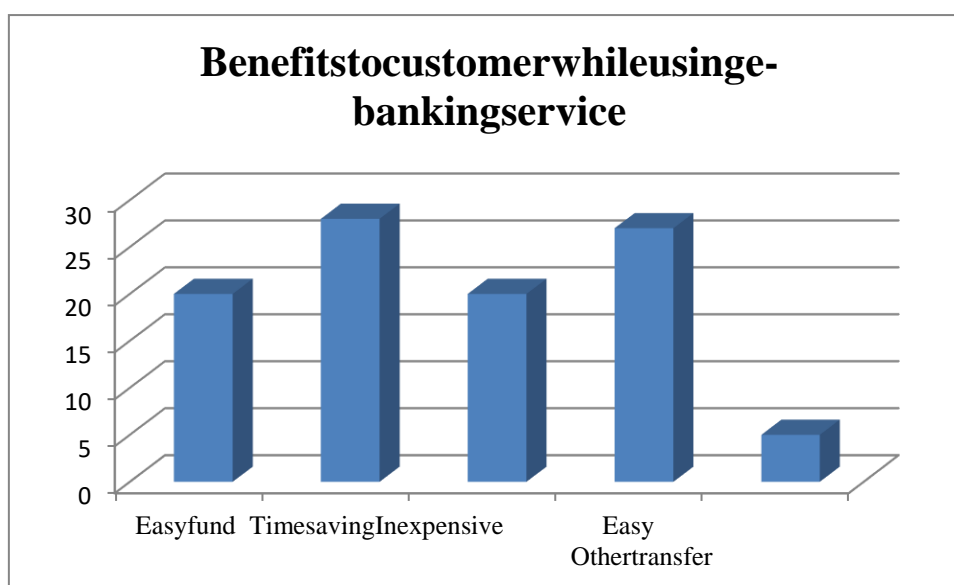
INTERPRETATION:-

The above results show that 16% customer are face the problems while used internet banking like more time taking in fund transfer, 32% customers are face the problems while used internet banking like slow speed in working, and 32% customers are face problems like not easy for noneducated person.

14. Which of the following benefits accrue to you while using e-banking service?

Particular	Customers	Percentage
Easyfundtransfer	20	20%
Timesaving	28	28%
Inexpensive	20	20%
EasyProcessing	27	27%
OtherBenefits	5	5%

TableNo:-4.13



ChartNo:-4.13

INTERPRETATION:-

The above results show that 20% customers benefit while using e-banking service like easy fund transfer, 28% customers are benefit of time saving, 20% customers are benefit of inexpensive, 27% customers are benefit of easy processing, and 5% customers are benefits of others e-banking service.

15. Which of the following factors influence you the most to use internet banking service?

Factors	Strongly agree	Agree	Disagree	Strongly disagree
All time availability	75	22	3	0
Ease of use	56	39	4	1
Security	38	50	11	1
Direct access	31	54	11	4
Percentage	50%	41%	7%	2%

Table No:-4.14

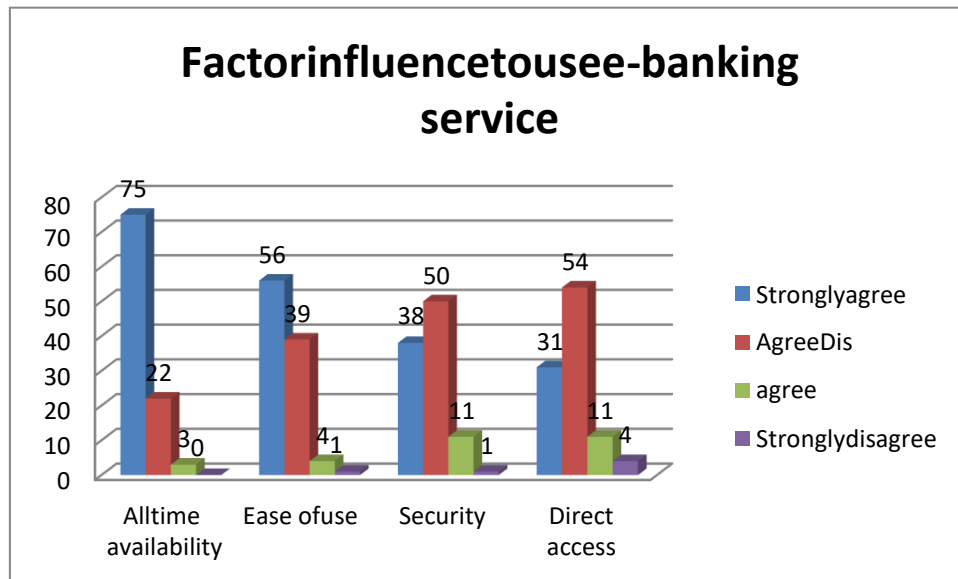


Chart No:-4.14

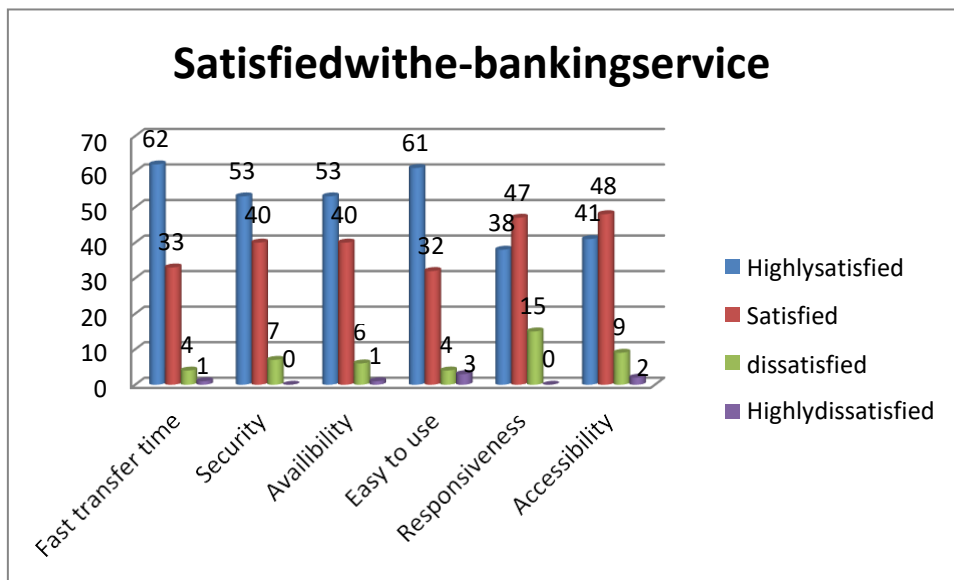
INTERPRETATION:-

The above results show that the factors are most influence to use the internet banking service. 50% customers are strongly agree, 41% customers are agree and only 7% customers are disagree with the factor influence to use internet banking service. So most of the customers are satisfied with factor influence to use internet banking service.

16. To what extent are you satisfied with banking services?

Factor	Highly satisfied	Satisfied	dissatisfied	Highly dissatisfied
Fast transfer time	62	33	4	1
Security	53	40	7	0
Availability	53	40	6	1
Easy to use	61	32	4	3
Responsiveness	38	47	15	0
Accessibility	41	48	9	2
Percentage	51%	40%	8%	1%

TableNo:-4.15



ChartNo:- 4.15

INTERPRETATION:-

The above results show that 51% customers are rating highly satisfied of internet banking service. 40% customer are rating satisfied, 8% customers are rating dissatisfied and only 1% customers are rating highly dissatisfied of internet banking service. So most of the customers are satisfied with the internet banking service.

CHAPTER:-
4 FINDING AND CONCLUSION

Findings

From the study conducted it is the most of the customers are aware of e-banking service.

Here I found that 57% of Male and 43% of Female customer are using e-banking service out of 100 customers.

From this study I found the 88% of customer using mobile for the e-banking service.

The younger customer like age below 25 years and between 25-35 years customers are more using the e-banking service rather than age above 45 year customers.

In this study the 34% customers are used 3 to 8 times telephone banking service per month. Only 10% customers are using over 12 times per month.

Through this study I found that 32% of customer are aware about Mobile banking and 24% of customer are aware about internet banking.

The most of customer are want to use e-banking service for online payment, transfer fund online and online purchase.

The non-educated person are facing problems while using e-banking service.

Here I found that benefits of e-banking service are time saving, easy fund transfer.

Here I found that 50% of customers strongly agree and 41% of customers agree with the security, all time availability are influence to use internet banking.

Here 50% of customer are rating strongly satisfied and 40% of customer are rating satisfied. So that the 90% of customer are satisfied out of 100 customer in e-banking service.

Conclusion

Some of the general problems faced by the respondents regarding the use of online banking services are given.

Most of the customers expect helpline facilities. Most of the online banking users are not well educated about online banking usage and security precautions.

Customers may have fear about risk associated with online banking. More complicated formalities and procedures are adopted.

Electronic Banking technology is useful to customers as well as banks and other organizations. To increase efficiency, service quality of banks, safety, integrity, E-Banking can be used in a rightful way.

Internet and mobile banking can be used only if the customers have knowledge about the usage of internet and mobile otherwise it is not possible so bank should take measures regarding these problems.

From the above analysis it can be concluded that the changes happening in the field of banking services during this pandemic need to create more awareness among the public and digital platform usage by the public can become a greater solution to the non-flexibility problems.

To study the changes happening in the field of banking due to COVID-19. To analyze customer perception towards the usage of online banking during the pandemic. To know their satisfaction and opinion about banking services.

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[Features](#)

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<http://www.sooperarticles.com/business-articles/e-business-articles/internet-banking-becoming-need-have-service-42385.html>

Annexure

QUESTIONNAIRE

Dear Bank customer, I am Kirti Patel, I am student of MBA (Finance) at Department of Business and Industrial Management, Surat. I have designed this questionnaire to collect some useful information. The main purpose of this questionnaire is to collect information about “**A study on Customer Satisfaction towards E-Banking Service**”. Your response will be treated confidentially and will be used only for academic purpose.

Name: _____

1. Gender

i) Male()

ii) Female()

2. Marital status

i) Married ()

ii) Unmarried()

3. Age

i) Below 25 ()

ii) Between 25-35()

iii) Between 35-45 ()

iv) Above 45 years ()

4. Educational qualification

i) Matriculation ()

ii) Pre University ()

iii) Graduation()

iv) Post Graduation()

v) Others()

5. Occupation

- i) Professional()
- ii) Businessmen()
- iii) Govt.service()
- iv) Student()
- v) Others()

6. Monthly income

- i) Less than 10000 (
-)ii)10000-
- 15000(iii)15000-
- 20000 ()
- iv)Above20000 ()

7. How long have you been using the internet banking service?

- I. Less than 1 month
- II. 1 to 6 months
- III. 6 to 12 months
- IV. More than 1 year

8. By which mode do you use internet banking?

- I. Computer
- II. Mobile
- III. Other source

9. How frequently do you use telephone banking service per month (for example, balance inquiry, fund transfer between account)?

- I. Less than 1
- II. 1 to 3 times
- III. 3 to 8 times
- IV. 8 to 12 times
- V. Over 12 times



10. Which of the following e-banking services are you aware of ?

- I. Internet banking
- II. Mobile banking
- III. Debit card
- IV. Credit card
- V. ATM
- VI. Any others

11. Which type of e-banking service do you want to use?

- I. Transfer funds online
- II. Online purchase
- III. Online payment
- IV. Regular checking of bank statement
- V. Request any card or cheque book service

12. Which type of problem are you facing while using e-banking service?

- I. More time taking in fund transfer
- II. Slow speed in working
- III. Not easy for non-educated person
- IV. Other

13. Which of the following benefits accrue to you while using e-banking service?

- I. Easy fund transfer
- II. Time saving
- III. Inexpensive
- IV. Easy processing
- V. Other benefits

14. Which of the following factors influence you the most to use internet banking service?

Factors	Strongly agree	Agree	Disagree	Strongly disagree
All time availability				
Ease of use				
Security				
Direct access				



15. To what extent are you satisfied with banking services ?

Factor	Highly satisfied	Satisfied	Dissatisfied	Highly dissatisfied
Fast transfer time				
Security				
Availability				
Easy to use				
Responsiveness				
Accessibility				

A FIELD PROJECT REPORT
ON
“FACTORS INFLUENCING THE BUYING BEHAVIOUR OF TEENAGERS
TOWARDS FASTFOODS”

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

(M CHAITANYA PRAKASH, L PRANITHA, K HARI KRISHNA, SHAIK SHIRIN, S SRI SAI
CHARAN)

(Regd. No.221FC01038, 221FC01041, 221FC01043, 221FC01044, 221FC01046)

Under the esteemed guidance of

Dr G Krishna Harshitha

Assistant Professor



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled “**FACTORS INFLUENCING THE BUYING BEHAVIOUR OF TEENAGERS TOWARDS FASTFOODS**” submitted by **M Chaitanya Prakash, L Pranitha, K Hari Krishna, Shaik Shirin, S Sri Sai Charan** bearing the Regd. No. **221FC01038, 221FC01041, 221FC01043, 221FC01044, 221FC01046** from the Department of Management Studies, Vignans Foundation for Science, Technology and Research and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

KH

SIGNATURE OF THE GUIDE

HOD, MBA

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INTRODUCTION:

Many updates are being taken place in the country due to the economic progress of the country. Due to the economic progress of the country, there are many changes in the lifestyles of people both in rural and urban areas. The main responsible factor for these changes is urbanisation. Not only urbanisation, globalisation is also playing a major role in the transformations of food consumption patterns of Indian households.

Indians always welcome a change with warmth, that has been continued with cuisine even. Media ,people travelling to other places, migrants have been the sources to make India a home for exposure to international food chains. Today's teenagers are very experimental in nature and like to make their taste buds enlightened. Nowadays all the hotels ,dhabis, restaurants are offering and organising fast foods of international tastes to attract people and gain profit. In recent times, fast foods have been one of the most rapidly grown businesses in India. Before, Indians used to consider fast foods as western culture, but it has become like a refreshment and is now a fashion.Fastfood centres has become a part of human life that can't be replaced. Buying and eating the fast foods have become a prestige issue to exhibit in the social media and indicates a joyful and high standard of living.

Teenage is a very important stage in everyone's life which go through many dramatic changes. In these modifications fast-food eating habit is the most important one .junk foods are preferred by most of the teenagers due to their quick and instant nature ,in both production and consumption .the advertisements are creating a lot of temptation for junk foods among people, mainly teenagers .junk food include salted snack foods, fried fast foods, carbonated drinks .it has become a fast spreading and even a serious issue to be taken upon .recent studies have shown that the trend of fast food consumption among Indians as well as the restaurants in India are growing rapidly.

The main reason for the increase is fast foods are low in cost ,fast to make ,tastier to tongue which is making fast-food being preferred by all the age groups.as compared with all groups .In addition teenagers have independence and have easy access to their own diets and food habits and have easy digestion power there teenagers are becoming addicted to fast foods.

ABSTRACT

Fast foods are the foods which are made with foreheat ingredients and are instantly made and are put for sale. everyone earns money for the basic requirement called food but instead of putting it for healthy ones they are using it for unhealthy ones. Fast foods include salted snack foods, fried fast foods, carbonated drinks etc. So the researchers tried to identify the factors responsible for buying behaviour of fast foods among teenagers. The purpose of the study is to spot the drivers inducing the young generation towards the fast food utilization. A self-executed questionnaire was plotted to know about the consumption of fast-food to know about the buying behaviour of teenagers with reference to demographic factors .Four main factors tending the teenagers towards the consumption were taken they include, expenditure ,consumption, attractiveness ,fascination are taken as the main correlates .Descriptive statistics and means tendered deviation were applied to know about the factors influencing fast food consumption among teenagers. The data required for the research is primary collected from 150 respondents, results discussions and conclusions are presented in the paper.

CHAPTER-1

1.1 Introduction to fast-food:

Fast food (Junk food) refers to food that is easily and quickly prepared, however, it refers mainly to the food that is prepared from precooked or preheated ingredients then packed and sold in stores or restaurants. In 1951 the word “Fast food” was first introduced in the Merriam-Webster dictionary. Junk or fast foods taste good and are rich in calories but they are of a very low nutritional value, Fast foods are usually rich in sugar, rich in fats or rich in salt.

There are many examples of junk food such as Pizza, French Fries, Burgers, hotdogs, fried food, candy, ice cream, and soda pop. Other kinds of junk food are just like the imitation juice that you find nowadays in most of the markets, you may think it is healthy but the truth is that it has loads and loads of sugar, artificial flavors, and so little of the pure natural juice.

Fast food has appeared in the world during Ancient Rome age, they sold wine and bread in the streets of the cities, also in the Far East noodles were prepared and sold while in the Middle East there were the flafel and the flatbread, Indians introduced dahi vada, vada pav, and panipuri.

Although fast food is tasty and delicious, it has many disadvantages, people must nowadays be aware of those disadvantages, fast food has real damage on the human health, and the most important bad effects that the fast food may cause are obesity, high cholesterol level, cardiovascular disorders, and nutritional deficiencies. Actually fast food may not contain any nutritional benefits to the body because it usually contains harmful fats, carbohydrates, and cholesterol that don't provide the body with any useful energy.

Consuming fast food is increasing in a very rapid way nowadays and that increase is cause mainly by 3 main reasons which are:

Convenience: Since it is fast and we live our lives in a hurry nowadays, there is no time to prepare healthy and well prepared food.

Ads: Advertisement is the Fast Food marketers' weapon; they use anything possible to advertise including TV commercials, Radio stations, vending machines and internet pop-ups.

Lack of discipline: and that is another important reason, and may be the most important one but I will talk about it in details later.

Fast food is a real problem that has many horrible and sometimes fatal effects on people especially youth and children, in that paper I will discuss in details the effects of junk food on the individual, the society and the world. And I will also talk about the possible solutions for that problem.

Body:

The Junk food planet:

People around the world are of different races, languages, borders, and religions; however, they may have the same problems, views, and tastes. Media devices have helped in uniting those things; it made the world as if it is just one small village. Our ancestors used to respect their planet, they took care of their health, and on the other hand we looked for Fast food.

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Nowadays everyone eats fast food, especially the new generation that loves and eats only the fast food. A lot of parents all around the world may give their kids sugary fast food in order to be hyperactive, and afterwards, their children complain and feel sick, therefore they take their children to doctors who will prescribe some medications that will cure the symptom not the cause, despite of not being in need to those medications if they just changed their diet.

Reasons of the increased consumption of junk food:

There are many reasons beyond the increased consumption of fast food around the world, the most common reasons are:

Convenience:

You wake up early in the morning with very little or no energy, even if you slept for the regular eight hours, you will still feel tired, you find no time to make breakfast then you say to yourself that you will just get something on your way to work, you stop by any supermarket and buy some doughnuts and a soft drink (e.g. Soda), you believe that the sugar in those products will give you power and energy, you work for about eight hours and then you find yourself hungry again, you are so tired, you don't want to bother yourself by making lunch so you order junk food again. In general, nowadays we live a very fast life; you have no time to cook healthy food so you choose the easier way which is the junk food even if it was lower in its nutritional value.

Advertisements:

Marketers of the junk food use every possible way to advertise, they use TV, Radio, and internet. Television is known to have a very powerful effect on people; therefore marketers use advertisements that reach the mind of a lot of consumers, because advertisements wash away our fears and suspects and give us another beautiful image and that is just what the marketers want.

Most of the advertisements aim for the children, and it was reported food ads that appear during children's T.V. programs are 25%, in India they are approximately 50% while in Pakistan they are 75%.

Since 1980 there was an obvious increase in the children's advertisements, they were used not only to affect the children then but to increase the future fast food consumption also; they targeted children because they know the influence that children may have on their parents, and to create loyal future consumers.

Fast food marketers would do anything and would pay huge amounts of money in advertising especially for the children including games, contests and toys; they use cartoon and comics to advertise. For example, Burger King was the first to give the children free toys with their meals, in 1999 it was reported that Burger King featured more than 50,000,000 toys. The Sales of Burger King in the USA were doubled that year.

Marketer used everything; they used movie stars, sports famous players, and pop singers. Pepsi used Pink, Britney Spears and Beyonce Knowles, while McDonald's used Justin Timberlake in their latest campaign "I'm lovin' it" they offered him \$6,000,000.

In conclusion, children are very important customers in the market because of the great effect they have on their parents, in the past mothers were more powerful than the market power, but those days are gone nowadays, it was reported that most of parents nowadays were influenced by their children mainly in their marketing decisions especially when it is related to food, therefore marketers need only to persuade the children, and wait for them to convince their parents.

The term 'junk food' itself says a lot about this food. It indicates how it is harmful to our health. Furthermore, junk foods are basically trash which harms our bodies in different ways. They have high levels of cholesterol, sugar, calories and more. We see how nowadays, the younger generation is getting indulging in more and more junk food. This is putting their lives in danger and giving them an [unhealthy lifestyle](#).

Furthermore, junk food does not have a single benefit. It only has ill-effects as they do not contain [nutritional value](#). Parents must teach their kids about the ill-effects of junk food. Moreover, they must provide them with healthy meals at home so they won't have to go out to eat fast food.

Rising Popularity of Junk Food

We all know that the fast-food industry is increasing by leaps and bounds these days. People these days are more attracted to [junk food](#) because it is appealing. Why is that? People are using manipulative ways to entice people to buy their fast food.

Moreover, junk food is prepared very easily. It takes minimum time to prepare it as it does not have any nutritious ingredients. We see how junk food does not have any special ingredients. It just contains common harmful ones in excess like oil, sugar, and more.

Furthermore, junk food is very reasonable. As it does not require any healthy material, it is not that costly. We see how it is available at very reasonable pricing. It is one of the main reasons why people buy it frequently.

Most importantly, junk food has become very accessible now, more than ever. With the onset of numerous food delivery apps, you can now get junk food with with a single click. You have a plethora of options now which will deliver all sorts of junk food right at your doorstep. The major characteristic of junk food is that it spikes the energy levels instantly. It does not really benefit your

body, just satisfies your taste buds. If we intake junk food regularly, we get moody more often. Moreover, regular consumption of junk food causes a drop in the concentration levels of a person. This is why we see how kids these days are easily distracted. Moreover, you may also notice how obesity becoming common these days. It is a very [chronic disease](#) which is only enhanced by eating junk food. Further, you may also notice how junk food increases blood pressure and sugar. A person gets more prone to heart diseases due to the fattening products used in it. Similarly, junk food is not easy to digest. This may gradually damage your brain function because it creates a lack of oxygen levels. Junk food does not only damage the heart but the liver as well. It causes diabetes amongst people from an early age. Moreover, the lack of fibers in junk food equals to a damaged digestive system. This may cause [constipation](#) as well. Therefore, we see how junk food companies are fooling people. They are deceiving them into consuming their junk food to increase their sales. Thus, we need to realize this fact as soon as possible. Try to replace junk food with healthy food. Prepare your meals at home instead of ordering outside.

Since the ancient times we have some forms of fast food - food that can be prepared fast, sold and eaten without any further preparation. But it's from the beginning of the 20th century that fast food experienced a boom and today it affects people and nature in more than one way. First reason for its success is its low cost. But this precise reason created problems with fast food that many people are complaining against: negative health effects, treatment of animals from which this food is made and treatment of workers that work in fast food industry.

Studies have shown link between eating fast food and increased body mass index as well as weight gain. Many types (not all) of fast food are high in saturated fats which, if used in larger quantities, cause heart disease. Experiments performed on monkeys in 2006 showed that monkeys fed with trans fats (which fast food mainly has) had more abdominal fat and showed early stages of diabetes. Monkeys fed with unsaturated fats didn't have these problems. Some studies found that nearly one-third of children in United States aged 4 to 19 eat fast food and consumption of fast food amongst children is today five times larger than it was in 1970s. All this have harmful side effects on their health. Some fast food chains are trying to give healthier options in their menus.

In attempt to provide fast food chains with enough meat for less money, farms tend to mistreat animals. These factory farms are often accused to confine animals in small cages which results in a lack of exercise and natural locomotory behavior. This weakens bones and muscles of these animals. These confinements are breeding ground for viruses and their mutations and are good terrains for easy transmission of contagious diseases from animals themselves and from their waste. All this makes animals sick so antibiotics are applied to make them better. These antibiotics create strains that are immune to antibiotics and if humans also use these antibiotics they will not work. Because of that some governments ban use of such antibiotics. Because the animals are confined in such a small spaces they are under stress and can attack each other. Because of chicks may be debeaked which causes shock and pain. Other animals, if confined in small cages show depression and frustration which manifests as self-destructive actions.

Many fast food restaurants pay their workers minimum wage (or below) which is not enough for a grown person to live from. Because of that fast food workers held a series of protests to try and fight for better conditions of their work. One of them was held on November 29, 2012. On that day 100 fast-food workers from McDonald's, Burger King, Wendy's, Domino's, Papa

John's, Kentucky Fried Chicken and Pizza Hut left their workplaces and started the strike demanding higher wages, better working conditions and the right to form a union without a fear from what their managers will do. This was the first of the series of recent strikes of which the latest was on September 4, 2014 and which was a national strike in the whole of United States that took place in more than 100 cities.

1.2: Significance of fastfood?

1. The job opportunities offered by fast food companies

Fast food is consumed so much by people on daily basis. There are many fast food outlets in both developed and developing countries. People can easily see fast food restaurants, such as McDonalds, Burger King, Kentucky Fried Chickens (KFC) and Pizza Huts in the street. Fast food industry offers more jobs opportunities to the people in local areas. According to McDonald's Australia (2005), McDonalds Australia had 715 restaurants in 2002. The demand for McDonald's product increases and many people, especially young people can work in McDonald's franchisees. This shows that fast food companies successfully make a contribution in solving social unemployment issues. Other studies also show that university students work temporally in fast food outlets so that their salary may cover their expenses during their study. This suggests that, to certain extent, fast food industry has some positive effects on people's life.

2.. The convenience of fast food

Many people in the world like fast food because of its convenience. In the UK, many women do not have time to do shopping and cook for the family. Many working mothers easily take their children to go to the local fast food restaurants such as McDonald's or Burger King to eat. Schlosser's (2002) study shows that the number of working women has increased significantly and more and more women spend less time cooking at home, therefore, their families spent more on fast food meals. McDonald's and KFC have launched many chains in some developing countries, such as China, India, Thailand, etc. According to Rault-Wack and Bricas (2002), fast food industry offers people convenience and reduce the burden of cooking at home because people may order fast food by telephone or online so the food can be delivered shortly. It is very easy and convenient to have fast food for a meal after school/work.

3. The low price of fast foodThe price for fast food in fast food outlet is very low thus most families in the UK can afford to eat there. Fast food companies make their products as cheap as possible. According to Schlosser (2002), fast food companies try very hard to buy the ingredients as cheap as possible because even a few pennies difference in price is important for the success of their business. Based on cheap ingredients, fast food outlets can afford to give customers a supersized portion for low price. Since most customers cannot resist a bargain, this strategy is very effective. It is very clear that the low price and big portion make fast food more attractive to customers. People pay for fast food whenever they want to have it.

1.3.Service quality dimensions of fastfood:-

Oh et al.(2006),Guru, Haris and Avvari(2001), Sumanjeet (2009) quoted that price, consumption and fascination were the most crucial factors in the fastfood industry. Quazi and Talukder (2011) also worked on these demographics on the development of innovative technology. Shiffu Abrol(2014) has worked on various factors and dimensions influencing the buying behaviour of fastfoods among teenagers.

1.4.Relation between factors and buying behaviour:-

Mookerji.(1998) witnessed that fastfood industry is growing very rapidly in accordance to the market needs and competitors strategies. It has come out focusing on the global financial status, so it must go under several updations other than the existing ones.

1.5.Scope of the Study:

The scope of the study is to identify the important factors which are inducing the buying behaviour of fast food among teenagers .this study aims at finding the impact of each factor individually on the buying behaviour of fast food among teenagers. so at the end of the study we can get to know which factor influences.

CHAPTER-2

- Adolescence is the period of transition between childhood and adulthood that involves biological, cognitive, and socio-emotional changes. A key task of adolescence is preparation for adulthood (Santrock, 2007). Actually it is the second decade of life which is crucial and very dynamic
- According to Chilman and Nancy (1994), adolescence is a period of transition between childhood and adulthood occurring in the age of 12 to 18 years. Mahen and Ress (1984) divided adolescence into three stages—early, middle and late. Early adolescence includes the onset of puberty and usually occurs by the age of 10 to 12 years in girls and 11 to 13 years in boys. Middle adolescence continues through the age of 12 to 15 years in girls and 13 to 16 years in boys. Late adolescence completes the process of somatic growth through the age of 16 to 21 years in both sexes. Adolescent Health Section (1992) defines adolescence as the period of development between the age 10 and 19 years.

- World Health Organization (WHO) has defined adolescence by focusing on age (10 to 19 years) as well as a phase of life marked by some developmental attributes, such as rapid physical growth and development, social and psychological maturity, sexual maturity and adult identity and transition from total socio-economic dependence to a search for relative the onset of sexual activity; experimentation, development of adult mental processes and independence. United Nations Population Fund (UNFPA) has also used the age of adolescents as 10 to 19 years. Government of India uses three different terms in its document on youth policy; adolescence for 13 to 19 years, attainment

CHAPTER-3

RESEARCH METHODOLOGY

This chapter includes the problem statement, research objectives, methodology used to achieve the objectives of the study. The chapter also incorporates tools and techniques used in the research process along with its significance and limitations of the study.

3.1 Problem Statement:-

Nowadays, many people, mostly young people, prefer to eat fast food such as hamburgers, fried chicken, shawarma, or pizza.). It's fast, easy to prepare, easy to eat, and cheap. It's for everyone. It's for the poor and the non-poor. It's for students, managers, actors, for factory workers, for criminals, for priests and others. Today it seems like fast food was always around and it is not possible to imagine a world without fast food. Even countries like Japan, which has a traditional diet of rice, fish, vegetables and soy products, accepted fast food into their worlds. Malaysians were first introduced to fast foods when A&W established its first restaurant in 1963. Since then, consumers' acceptance of fast foods has been on the upward trend. This is manifested by the proliferation of fast food outlets in Petaling Jaya and Kuala Lumpur, such as McDonald's, Kentucky Fried Chicken (KFC), Grandy's, Pizza Hut and Shakey's Pizza.

Restaurants are nothing new, but the idea of "fast food" is a newer concept. In ancient Rome and Greece taverns usually served food and drink to their guests. These places served food out of necessity not because the guests thought it would be "fun". For a long time, people liked to eat at home more than they liked to eat at a restaurant. In the 17th century people like to drink coffee and beer in taverns, but "eating out" didn't start to become popular until the late 18th century. White Castle was one of the first fast-food chains in the United States. White Castle sold burgers and fries and helped to popularized hamburgers across the nation. In the 1930s drive-through fast food restaurants began to appear. Of course McDonald's followed suit in 1948. McDonald's was so popular that other fast food chains started to pop up all over the United States.

Time is money. This is the new buzzword in today's world. People are now spending more time by running after money then spending time on their daily activities. No wonder fast food is on the rise. May people do not realize that fast food is a slow death. There are a host of disadvantages associated with eating fast food such as effect to health, economy and loss of the family tradition.

The greatest disadvantage of fast food is the adverse effect that it has on one's health. It is a fact that fast food is more unhealthy than home-cooked meals, as they contain higher amounts of unwanted nutrients like salt, fat and various types of additives (artificial chemicals). It may contain harmful bacteria too. Frying destroys most of the essential nutrients from the food. Very small amounts of vegetables and fruits are normally present in fast food. Moreover, 'serving larger portions' when most people don't need extra portions has led to several health problems. We require a small amount of salt to maintain the health of the cells and tissues. Fast food being

rich in salt, adversely affects the heart health and the overall health of an individual. When customers consumed too much fast food they might become obese and develop diseases such as diabetes, high blood pressure, strokes, and heart related symptoms due to high cholesterol from excessive fat (Bose D, and N.D,2001). Obesity is on the rise, and a direct link is being cited between fast food and obesity in children. With obesity come other problems like high blood pressure and diseases of the joints. Beside that, because of the standardized menu and consistent quality, only minimal time need to be spent obtaining product information (Jekanowsky, Binkley, & Eales, 2001) then consumer did not know what ingredients contain inside fast food.

Even though, fast food is the fastest way to feed our hunger, it is not healthy at all. It is full of saturated and unsaturated fat. Moreover, it is a major source of calories and most of these calories are from fat. Unsaturated fats are good fat. Which means someone can burn this fat overtime through exercise. On the other side, saturated fats are bad fat which cannot be burned and stay in our body. French fries, deep fried chicken and other deep fried foods are the major source of trans fats. Furthermore, it is one of the reasons behind people getting over weight these days. Fast food is full of sodium. If we look at the nutrients facts on one of our favorite fast food, we will see the highest percentage of sodium in it. Moreover, sugar is one of the major ingredients of fast food as we can see in desserts like apple pie and apple with caramel at MacDonald's.

A further effect is on the economy for ourself or country. Although fast food is not very expensive, it is more expensive than cooking properly for yourself. The greater the number of people at a meal in a fast food restaurant, the larger is the bill. Eating at fast food outlets is economical only for a single person. Going out to a fast food eating joint with family once in a while won't matter much. However, frequent visits to such restaurants with one's family can become quite an expensive affair, besides being unhealthy. Beside that, many of the fast food companies are franchisees of foreign corporations, so profits leave the country.

Another effect of fast food is the loss of the family tradition of eating together. Eating fast food encourages people to eat on the go. Diners are encouraged to eat quickly and then leave the premises or eat while doing something else.

Fast food joints are being seen as a factor that is making a number of families spend less and less time together. Family meal time is something that is considered as an opportunity for all the members to come together and share their experiences. However, the fast food centers are quickly eating into this quality time. This is especially true about youngsters for whom a fast food center is a good place to hangout with friends and peers where the day's experiences are shared with other members of the family. Additionally, many children from present time prefer eating in fast food branches with friends of their age rather than with their parents, this could also decrease the amount of time where the whole family actually gather (Brown J, 2009). Beside that, people who eat quickly

Fast food is certainly an occasional fun treat, and there are healthy menu choices. Sadly, too many people visit too often, with unwholesome results and bad habits setting the stage for health disasters for our young people. Everyone should think twice before deciding to eat fast food. The health risks aren't worth your life, and animals that live in slaughter houses aren't treated properly or hygienically before their death, which can cause many food-borne illnesses to inhabit food. Although it is easy to buy and cheap, risking a life for something that isn't good

for any person in the first place could cost thousands of dollars in hospital bills. It is important to eat healthy and make good choices when deciding what to put in your body. Don't be lazy and pick up fast food on your way home from work. Make the right choice and eat some vegetables.

Causes memory problems Consuming junk food could deteriorate your memory. Higher intake of high fat and high sugar foods can slow down the speed of learning, memory and attention. Excessive consumption of foods high in fat and sugar changes the parts of the brain that are responsible for learning, memory and reward [2].

Excess consumption of processed and fried foods can send mixed signals to the brain, which makes it difficult to process how much hungry you are and how much satisfied. Eating junk foods will deprive your body of essential nutrients and kill your appetite by keeping your stomach full for a long period of time. This lowers your consumption of healthy foods

Consuming fast foods alters the chemical activity of the brain, which could lead to withdrawal symptoms that involve the inability to deal with stress, and hence it makes you depressed. A study found that people who eat fast foods and processed foods are at an increased risk of depression compared to those who consume less fast foods [4].

A study published in the Asian Pacific Journal of Cancer Prevention showed an association between fast food consumption and colon cancer risk. The results of the study found that eating fast foods like falafel, potato chips and corn chips were linked to an increased risk of colon cancer. The study also says that eating one to two or more than five servings of fried potatoes per week or intake of two to three servings of chicken sandwiches per week also increases colon cancer risk [5].

Junk foods cause digestive problems like gastroesophageal reflux disease (GERD) and irritable bowel syndrome (IBS). They also cause other digestive problems such as acidity, constipation and bloating. The reason being these fast foods are high in sodium that allows the accumulation of water retention in the stomach, making you feel bloated

A study published in the Journal of Preventive Medicine and Hygiene showed a link between fast food consumption and obesity risk in students. During the study, 67.4% females and 80.7% males had one type of fast food, which included sandwich, pizza and fried chicken. The results showed that the prevalence of obesity based on body mass index (BMI) and waist-hip ratio (WHR) were 21.3% and 33.2% respective

7. Elevates heart disease risk Fast foods such as soda, pizza, cookies, pastries and fries contain high amounts of sugar and trans fat. Trans fat is known to increase LDL (bad cholesterol) and decrease HDL (good cholesterol) which put you at risk of heart disease [

Junk foods contain simple carbohydrates that causes a spike in blood sugar levels. Eating junk foods more often will alter the normal insulin level, thereby increasing the risk of type 2 diabetes, weight gain and insulin resistance.

9. Causes kidney damage Junk foods are high in sodium which can contribute to kidney disease. Sodium causes a build-up of fluid in the kidneys. As per the Harvard Medical School, excess sodium increases the risk of kidney stones because it leads to a rise in calcium levels in the urine.

10. Causes liver damage Higher intake of fast foods are highly toxic to the liver because these foods are high in fat and sugar. Excess consumption of fat gets accumulated in the liver, which gives to a rise in non-alcoholic fatty liver diseases

3.2 Research Objectives:-

The objectives of the research are as follows:

1. To study the consumption pattern towards fast foods particularly with respect to the frequency of visits and choice of fast food outlets.
2. To identify the factors affecting the choice of (Indian youth) consumers for fast foods
3. To evaluate the customer satisfaction of youngsters towards particular fast food restaurants.
4. To examine the growth drivers of these fast food outlets.

3.3. Nature of the study: The entire research is exploratory and descriptive in nature. It deals and comprehends about the prevailing nature problem. The basis of this research depends on

primary as well as secondary data. Primary data comprises of the questionnaire are prepared firstly, and information is gathered. Through the news papers, books , journals and Wikipedia the secondary is collected.

3.4 Area of study: The area of research is both Guntur and vijaywada two major cities of the developing state Andhra Pradesh.

3.5 Sample of the study: A total sum of 150 samples is collected for the research study purpose. Each and every question was answered by all the consisting samples. Finally, 150 samples were included in this research study.

3.6 Statistical methods used for analysis: To analyze the hypothesis we have used

- mean
- : Descriptive statistics.
- Standard deviation
- Percentiles

The entire research is exploratory and descriptive in nature. It deals and comprehends about the prevailing nature problem. The basis of this research depends on primary as well as secondary data. The area of research is both Guntur and Vijayawada, two major cities of the developing state Andhra Pradesh. A total sum of 150 samples is collected for the research study purpose. Each and every question was answered by all the consisting samples. Finally, 150 samples were included in this research study. Primary data comprises of the questionnaire are prepared firstly, and information is gathered. Through the news papers, books , journals and Wikipedia the secondary is collected. To analyze the hypothesis we have used descriptive statistics , mean,standard deviation.

CHAPTER-4

COMPANY PROFILE:

4.1 INTRODUCTION TO BANKING SECTOR:-

Economic growth is typically accompanied by improvements in a country's food supply, both quantitative and qualitative, and a gradual reduction in nutritional deficiencies. It also brings about changes in the production, processing, distribution and marketing of food. Diets evolve over time and are influenced by factors such as income, prices, individual preferences and beliefs, cultural traditions, as well as geographical, environmental, social and economic factors. India's impressive economic growth over the past two decades and a more inclusive growth in recent years have resulted in per capita income steadily increasing in real terms as well as at market prices both in urban and rural areas. The change is occurring both among rural and urban households. Other factors contributing to the change in the consumption pattern is the increasing urbanization. During the most recent decade globalisation has also played an important role in the transformation of food consumption patterns of Indian households. India has long had a reputation as being unfriendly to foreign businesses, but when it comes to fast foods, international chains are being warmly welcomed by a young, upwardly mobile population. Indians' increased exposure to international cuisine through the media and travel makes the country a desirable destination for international food chains looking to expand globally. In India today, people are acquiring new tastes rather than changing their tastes, because it takes a whole generation to actually change tastes. As more and more people acquire money, there are a lot of new consumers who are experimental in nature. The upsurge in malls in every major Indian city has further triggered the growth as they essentially host all international fast food brands looking to expand in India. Fast food culture is not new to India as Indians traditionally consume foods cooked in the same manner in dhabhas which offer foods according to the Indian flavours. These foods are healthy and easily accessible at lower costs. But the increased spurt of global fast food retailers opening their outlets in India indicated the paradigm shift in consumer needs, tastes and preferences. The younger population of the economy with high disposable income find these restaurants as a place for social recreation and prestige. The

fast food restaurant is one typical form of global business which has grown rapidly in India. There are some unique cultural differences in Indian fast food consumption. For example, Indians tend to consider fast food restaurants as representative of western culture. In addition, they are recognized being not only an efficient and economic eating environment but also as an exotic place for social interaction and entertainment. Since customers are exposed to more cultural influences, their interest goes beyond food, and extends to the experience provided by the QSR. They are receptive to new products and services, and want to be able to customise their menu items. They have moved from a testing phase to an indulgence phase, where they prefer more exciting products. They tend to show a variety-seeking behaviour in terms of outlets and variety of food. The Quick Service Restaurant (QSR) sector is one of the sectors that have managed to grow even during the economic slowdown. Fast food industries have acquired a place in people's life, such that ordering the fast food item or visiting the outlet of fast food item portrays a symbol of higher standard of living in the society for the one and all, availing their services. Numerous big brands of Quick service Restaurant are competing among themselves in the Indian market. Some of them includes Pizza hut, McDonalds, Dominos. These QSRs offer number of services including festive offers, combo offers, free delivery, complementary items on every purchase and many more which attracts more and more buyers towards it.

The powerful fragmentation of consumers nowadays, represents a tendency that should be taken into consideration, in order to identify and improve the quality dimensions of the products which are important for each category of consumers. Young people are not concerned with food preparation and that is why, they prefer to go out for their meals. They usually go to fast-food restaurants, especially when there is nobody to cook for them (while they study away from home) and also when they want to socialize. Although they have the necessary knowledge about the nutritional value of food and its effects on their body, they don't act accordingly. Fast – food restaurants are famous because they serve the food very fast, they are cheap and they easily replace homemade food. Although people, who are usually very busy working, find fast-foods advantageous, consumers should be aware of the fact that fast-food products are high in calories, fats, sugar and salt. Even so, young people admit that it is very difficult for them to change their food habits - especially because they don't have time and discipline to do it. The

accessibility of the location is another motive for young people to prefer fast-foods. Unlike the restaurants, which are located in less accessible areas for the young people, fast-foods are located in their way towards their home or downtown, and they are more numerous. Easiness of finding a fast-food could be associated with the lack of time or the hurry. Choosing one particular fast-food depends on its flexibility and capacity to adapt to young people's needs. These needs are in fact young people's desires to easily find a place to eat, opened at any time, with products display, to be able to order fast, to eat the food ordered rapidly, to have a place to socialize with their friends and to take away the food or order at home when they do not want or do not have time to have the meal at fast-food restaurants. Customer satisfaction as defined by Oliver (1980) as the after purchase judgment or evaluation of a product or a service. It is also frequently described as the extent to which the chosen product meets or exceeds consumer expectations. It is one of the most widely studied constructs in marketing research and is described as a consumer's affective evaluation of a product or service. As the consumer are demanding more differentiated products, business organizations have attempted to find ways of incorporating customer wants and needs into production and distribution. Today's consumer, who demands an ever-widening variety of healthful, conveniently prepared food products, is driving the changes in food markets. Thus, the success of every food retailer lies in meeting this contradicting preference and satisfaction what the customers expect.

Concepts, relationships, lifestyles are metamorphosed to accommodate the new jet age and feeding habits too is no exception. Healthy wholesome foods have been replaced by the new food mantra - JUNKFOOD! Within the context of world economy, junk food could be a global phenomenon. The availability of food and snacks at low prices and selling methods tailored by manufacturers of such foods has triggered an evolution whereby, consumption of foods that require neither the structure nor the preparation of a proper meal. It appears to have engulfed each age; each race and also the newest entrants on stage are children, faculty going in particular. Hence, a scientific presentation has been created during this review from the articles from various sources highlighting feeding habits, nutritional aspects and quality of unhealthy food, their health impact on consumption and preventive measures to be undertaken

Junk food merely suggests that an empty calorie food. An empty calorie food could be a high calorie or calorie made food that lacks in micro-nutrients such as vitamins, minerals, or amino acids, and fiber however has high energy (calories). These foods don't contain the nutrients that your body must keep healthy. Hence, these foods that has poor biological process worth is considered unhealthy and will be known as junk food. Junk food is an informal term applied to some foods that are appeared to have little or no biological process worth, however that additionally have ingredients thought-about unhealthy once eaten regularly, or to those thought-about unhealthy to consume in any respect. The term junk food was coined as a slang within the public interest in 1972 by Michael Jacobson, Director of the middle for Science, Washington D.C [4]. What makes these foods to be known as Junk is that it contains high levels of refined sugar, white flour, trans fat and polyunsaturated fat, salt, and various food additives such as monosodium salt and atrazine; at the same time, it's lacking in proteins, vitamins, essential minerals, fiber, among other healthy attributes. These foods have little enzyme manufacturing vitamins and minerals and but contain high level of calories in their place. A food that's high in fat, sodium, and/or sugar and provides high calories yet useless in worth is mostly called a junk food. On the contrary, food is simple to hold, purchase and consume. Generally, a junk food is given a awfully attractive appearance by adding food additives

4.2 HISTORY OF FASTFOOD INDUSTRY:-

The restaurant industry in India is comprised of both unorganized as well as organized sector. In India the restaurant industry is dominated by unorganized sector which is characterized by road side location and with no technical as well as accounting standards. The organized sector is characterized by quality control, organized supply chain, accounting transparency, multiple outlets and dominated by global players. The organized sector is again segmented in to four types namely full service, quick service restaurants, bars & Lounge and kiosk/cart. The full service is further segmented in to fine dining and casual dining, while the quick service restaurant is further segmented in to – take away, home delivery and eat in. Although Indians take pride in eating home food, but there is an increasing demand for fast food. The growth in the Quick Service

Restaurant (QSR) is driven by several factors like expanding middle class, urbanization, youth spending, nuclear families, better logistics, increased income, mall and multiplex boom. The quick service restaurant industry at the same time is also facing different problems like health and hygiene concern among buyers, localization of menu, standardization of products across outlets, ordering service time, talent acquisition, high attrition rate, building a cost effective supply chain, establishing a supply chain in a new region, monitoring quality of products procured from third parties etc. Most of the different quick services retailing brands are located near the malls, tourist hubs, corporate hubs, shopping centers, multiplexes, airport, railway station, college and Universities with an objective to create an adequate experience as well as ambience for the success of the brand.

While the concept of eating outside of the home has been around for centuries, the fast food industry as we know it didn't get its start until the post-WWII American economic boom. Americans began to spend more and buy more as the economy boomed and a culture of consumerism bloomed. As a result of this new desire to have it all, coupled with the strides made by women while the men were away, both members of the household began to work outside the home. Eating out, which had previously been considered a luxury, became a common occurrence and then a necessity. Workers, and working families, needed quick service and inexpensive food for both lunch and dinner. This need is what drove the phenomenal success of the early fast food giants, which catered to the family on the go.

The most familiar of the fast food options is the hamburger. While it is unclear when (and who) invented the hamburger – with a contested birth-date ranging from the late nineteenth century to the early 20 century – the first important date for the burger was 1921. 1921 was the year the first White Castle opened in Wichita Kansas and the beginning of the popularization and commercialization of the hamburger. Hamburger joints popped up all over the United States, including a family owned restaurant in San Bernardino, California, Opened in 1948 by brothers Richard and Maurice McDonald, the name and its method of operations were bought out by Ray Kroc who opened his first McDonalds in Des Plaines Illinois in 1955. By 1958 McDonalds had sold 100 million burgers across the country and changed how Americans ate. Following McDonalds' success other self service fast food restaurants joined the market, some regional and some

national. While a large number also sold burgers and fries some restaurants distinguished themselves by serving more exotic fare, such as Taco Bell and their Americanized Mexican food.

As the fast food industry continued to expand and the first of the Baby Boomers entered the job market fast food restaurants began utilizing teenagers as part-time employees. By 1978 59% of teens were somehow involved in the workforce – many in a food industry setting. As young people began to earn more they also began to spend more which in turn strengthened the trend of spending more time outside the home including for meals. It also propelled the food industry into being one of the largest employers in the US economy. A staggering 1 out of 8 US workers has, at one point, been employed by McDonalds.

In the mid-1970s as the food industry expanded it became more competitive triggering the “Burger Wars” of the 80s and 90s. The increased choices for consumers led restaurants to refurbish and to emphasize their brand’s particular environment. Fast food restaurants added seating inside as well as the now iconic drive-thru. To appeal to families restaurants started creating meals as well as specific areas for kids. Healthier options and expanded menus helped differentiate one chain from another.

. At the beginning of the 21st century the market experienced another seismic shift as coffee chains and fast casual restaurants emerged as serious competitors to larger fast food chains. Brands like Starbucks, Panera and Chipotle emphasize the quality of their products and strive for an environment that promotes lingering, as opposed to the quick turnaround of fast food restaurants. Both are self-service but fast casual typically lack the drive-thrus that make fast food restaurants so accessible. This shift is inspired by the new driving force in the economy, Millennials. Just as the Baby Boomers wanted something fast and easy the Millennials want something more sustainable and in a place where they can use their various electronic devices. As more Baby Boomers retire and the generation born in the 21 century enters the workforce we can expect another change, a new type of restaurant that carries on the food service industry.

It fit the tech fascinations of the '20s. There was a real assembly-line fervor that was raging across America. White Castle adopted this model—they had food that was prepared quickly in a very highly mechanized, highly systematized way. Every inch of the grill was dedicated for either the bread or the beef in small, square patties.

[White Castle] had these efficiencies built into it that really spoke to the fascinations of the era. And now it would sound weird, the idea that your experience there should be the same every single time and that every customer gets the exact same food over and over again. Something that’s very familiar is kind of seen as a negative now, but back then it absolutely was a cherished part of the experience

It's a political third rail in a lot of ways because where fast food has ended up is, often times, a food desert in various communities. It is a place that people go to, along with corner stores, that don't have a lot of nutritious and nutrient-dense foods. It definitely holds itself inadvertently as this sort of emblem of privation for certain communities.

Fast food moved into the urban centers late in the late 1960s and part of this was a result of the fact that they had saturated the suburbs and needed to expand. And this had a lot to do with the Civil Rights era, which is a fascinating sort of intersection in the story. Black-owned businesses, minority-owned businesses, were hoping to create economic bases in city centers where white flight and a lot of other social factors, like the building of the highways, had divided communities. Fast food was seen by activists and by the government—which would ultimately issue loans to help small businesses open fast food chains—as a solution to the problem.

The actual benefit or attraction of opening a fast food restaurant is self-evident. It's familiar, it's easily reproduced, and it's popular and relatively cheap. Its profit margins are higher than a lot of other businesses, particularly grocery stores. So, this created kind of a perfect soup of all of these competing factors that united to spread fast food within urban centers and that's where they took off.

A lot of people credit, and critique, fast food with offering this kind of franchise model that you see all over the United States and all over the world, whether it's haircuts or mattresses or gyms. Any kind of service [where] you see a franchise for a lot of people traces back to the roots of McDonald's being a truly national brand.

What was interesting to me about fast food and its relationship with other businesses is, first of all, all kinds of weird, strange businesses feed into the fast food empire—whether it's creating packaging, or building equipment, or coming up with spices or flavors. Whenever McDonald's creates a new product that requires a new piece of equipment to prepare it, they have to create an entire company to build that one product because that product is going to [be replicated] 30,000 times.

Fast food is more reactive, in a way, to the pushes and pulls of the American economy and that has to do with business trends. It has to do with how people are shopping and eating and consuming these days. So, as much as the drive-through has been and remains such a dominating force in the United States, we're seeing Uber Eats, Seamless, DoorDash and all of these new companies involve themselves in fast food in a totally unexpected way. I personally can't think of anything that sounds less appealing to me than having a burger you're probably supposed to eat within 5 or 10 minutes delivered to your door in 20 or 30, but it's proven to be extremely popular.

There have been efforts across the decades to push fast food to change. In the 1990s Kentucky Fried Chicken actually shortened its name to KFC, because "fried" was actually [considered] such a bad word.

In the book, I talk with [journalist] Michael Pollan about him having conversations with some of his acolytes and his followers, basically asking them, "How would you feel, if one day, you

woke up and McDonald's was all organic, no GMO, no high fructose corn syrup?" And the people responded [that they would be] disappointed. So, there's an emotional component to it which is that we like fast food to be an indulgence, a treat, a kind of unhealthy, guilty pleasure.

A lot of people just don't want the food to change. It's not something that the core fast food consumer is really sweating in a way that you maybe hear about more on the coasts or in certain enclaves where the focus is more on changing dietary habits and improving the food systems.

he creation of Doritos Locos Tacos is my favorite story in the book. Mostly because it involves a really terrific person who, in the most relatable way, was sitting on his couch eating Taco Bell and saw a Doritos commercial and thought, "This is exactly what I want to have—a Doritos-flavored taco shell." He lobbied Frito-Lay to create the shells, and they said, "No, we can't do that."

So he started a Facebook group where he used his Photoshop skills to kind of put together these tableaux of famous pictures with Doritos Locos Taco shells in them. A lot of people started paying attention to it. And Taco Bell, which had actually created the idea 20 years before, and had shelved it because of corporate in-fighting, was planning to release the product and brought this guy along for the journey. It was a really, really fascinating, beautiful story. He lives to see the creation of the product, but dies very shortly thereafter. And his family and friends gather, and they all go out to Taco Bell after the funeral, and they eat their Doritos Locos Tacos.

urger King was the first national chain to have a veggie burger on their menu and it's had one since '02 or '03. What's interesting about the Impossible Burger is that it fulfills criteria for people who want a more ecologically progressive burger as opposed to one that's actually healthier for you. The Impossible Burger has GMOs, it's highly processed, and it has about as many calories in many instances as a normal beef burger does especially once you build on the bread and the toppings and everything else. So, in a lot of ways, while it is impressive and while it does have its merits, from a health standpoint it's more smoke-and-mirrors than anything. And so, if we're talking about improving American diets, the Impossible Burger is probably not the answer.

I guess to add onto that there are some other interesting, incremental things that happened last year. Sonic, which is America's fourth-biggest burger chain, introduced burgers that they call the Blended Burgers and they have 70 or 75 percent meat and 25 percent mushroom, sort of a similar idea. And those have many fewer calories and actually taste pretty good. It's a more incremental version of change to the burger process, it's "Try this out, it's a little healthier" and I think you can mentally make that adjustment a little bit easier than to something that is grown in a lab and has its own baggage. There's a lot of tinkering going on and we're going to see what really sticks in the next coming years.

Well, I have a nostalgic, historic connection to Whataburger, which is a Texas-born chain, because it was where I went as a kid and where my friends and I went in high school. I think I would be betraying my sweet Texas roots if I didn't say it remains my favorite. I think they would ban me from going to the Alamo or something if I said it was something different.

[But] I always had a dangerous love affair with Taco Bell. That only increased during my time on the road because the way that people feel about Taco Bell is different than people feel about a lot of chains, at least national chains. Taco Bell is something special because everyone that loves Taco Bell, really loves Taco Bell. And everybody else thinks it's the worst thing in the world. When I find a fellow Taco Bell traveler on the road, I immediately feel closer to that person.

4.3 CLASSIFICATION OF FASTFOOD INDUSTRY IN INDIA:-

There are many kinds of fast food. What will one place have in terms of fast food types, depends on what grows there, what of ingredients can be obtained and what local people like. Here are some types of fast food:

- **Hot dog** : a cooked sausage served in a sliced bun and garnished with condiments like mustard, ketchup, onions, mayonnaise, relish, cheese, and chili.
- **Kebab** : pieces of meat, fish, or vegetables roasted or grilled on a skewer or spit. I originated in the Middle East.
- **French fries** : invented by Belgians (surprise!), French fries are potatoes cut to short sticks and deep fried. Popular since 17th or 18th century.
- **Hamburger** : a type of sandwich that has one or more meat patties placed in between two or more sliced buns and garnished with condiments.
- **Chips** : Thinly cut potatoes (very thinly), heavily salted and deep fried until crispy. Legend says that they were made for the first time by a cook annoyed by his costumer who complained that his potatoes were too thick, soft and bland.
- **Pizza** : a flat-bread baked in oven and topped with tomato sauce, cheese and various toppings. Modern pizza is invented in Italy and loved around the world
- **Sandwich** : a type of food where one type of food is place on or between two slices of bread. John Montagu, 4th Earl of Sandwich was inventor of this food.
- **Taco** : Is a filling wrapped in a corn or wheat tortilla (type of flat-bread). Filling can be made of different ingredients like beef, pork, chicken, seafood, vegetables and cheese.
- **Chicken nuggets** : made from meat slurry or chicken breasts cut to shape, breaded or battered, and then deep fried or baked. They were invented in the 1950s by Robert C. Baker, a food science professor at Cornell University.
- **Onion rings** : a snack made of cross-sectional rings of onion dipped in batter or bread crumbs and then deep fried. It can be also made with onion paste.
- **Fish and chips** : a fast food dish made of battered fish and deep fried chips (this time English "chips" meaning thickly cut deep fried potatoes). Can be garnished with vinegar and eaten with mushy peas.

- **Poutine** : a sub-type of French fries originating from Canada. It is made of French fries and topped with a light and thin chicken, veal, or turkey gravy and cheese curds.
- **Cheeseburger** : a hamburger with a sliced of melted cheese.
- **Falafel** : a patty made from ground chickpeas, fava beans, or both and then deep fried. It is usually served in pita (slightly leavened flatbread baked made from wheat flour) or wrapped in a “lafa” (flexible flatbread).
- **Popcorn** : a type of corn whose kernel puffs up when heated. It is very old fast food (people knew about it 8,000 years ago). It can be prepared salted or sweetened and it is still popular today.
- **Corn on the Cob** : cooked ear of freshly sweet corn. Ear is picked while the kernels are still soft and cooked in boiling water. Kernels are then eaten directly off the cob.
- The concept of ready-cooked food for sale is closely connected with urban developments. Homes in emerging cities often lacked adequate space or proper food preparation accouterments. Additionally, procuring cooking fuel could cost as much as purchased produce. Frying foods in vats of searing oil proved as dangerous as it was expensive, and homeowners feared that a rogue cooking fire "might easily conflagrate an entire neighborhood".^[10] Thus, urbanites were encouraged to purchase pre-prepared meats or starches, such as bread or noodles, whenever possible. In [Ancient Rome](#), cities had street stands – a large counter with a receptacle in the middle from which food or drink would have been served.^[11] It was during post-WWII American economic boom that Americans began to spend more and buy more as the economy boomed and a culture of consumerism bloomed. As a result of this new desire to have it all, coupled with the strides made by women while the men were away, both members of the household began to work outside the home. Eating out, which had previously been considered a luxury, became a common occurrence, and then a necessity. Workers, and working families, needed quick service and inexpensive food for both lunch and dinner.
- **Pre-industrial Old World**
- In the cities of Roman antiquity, much of the urban population living in *insulae*, multi-story apartment blocks, depended on food vendors for much of their meal; the Forum itself served as a marketplace where Romans could purchase baked goods and cured meats.^[12] In the mornings, bread soaked in wine was eaten as a quick snack and cooked vegetables and stews later in *popina*, a simple type of eating establishment.^[13] In Asia, 12th century Chinese ate fried dough, soups and stuffed buns, all of which still exist as contemporary snack food.^[14] Their Baghdadi contemporaries supplemented home-cooked meals with processed legumes, purchased starches, and even ready-to-eat meats.^[15] During the [Middle Ages](#), large towns and major urban areas such as [London](#) and [Paris](#) supported numerous vendors that sold dishes such as [pies](#), [pasties](#), [flans](#), [waffles](#), [wafers](#), [pancakes](#) and cooked meats. As in Roman cities during antiquity, many of these establishments catered to those who did not have means to cook their own food, particularly single households. Unlike richer town dwellers, many often could not afford housing with kitchen facilities and thus relied on fast food. Travelers such as [pilgrims](#) en route to a [holy site](#), were among the customers.^[16]

- **United Kingdom**

- In areas with access to [coastal](#) or tidal waters, 'fast food' frequently included local [shellfish](#) or [seafood](#), such as [oysters](#) or, as in London, [eels](#). Often this seafood was cooked directly on the [quay](#) or close by.^[171] The development of [trawler fishing](#) in the mid-nineteenth century led to the development of a British favourite, [fish and chips](#), and the first shop in 1860.^[181]
- A [blue plaque](#) at [Oldham](#)'s Tommyfield Market marks the origin of the fish and chip shop and fast food industries.^[181] As a cheap fast food served in a wrapper, fish and chips became a stock meal among the [Victorian working classes](#).^[181] By 1910, there were more than 25,000 fish and chip shops across the UK, and in the 1920s there were more than 35,000 shops.^[19] [Harry Ramsden's](#) fast food restaurant chain opened its first fish and chip shop in [Guiseley](#), West Yorkshire in 1928. On a single day in 1952, the shop served 10,000 portions of fish and chips, earning a place in the [Guinness Book of Records](#).^[20]

British fast food had considerable regional variation. Sometimes the regionality of a dish became part of the culture of its respective area, such as the [Cornish pasty](#) and [deep-fried Mars bar](#). The content of fast food pies has varied, with [poultry](#) (such as [chickens](#)) or [wildfowl](#) commonly being used. Since the [Second World War](#), [turkey](#) has been used more frequently in fast food.^[21] The UK has adopted fast food from other cultures as well, such as [pizza](#), [doner kebab](#), and [curry](#). More recently, healthier alternatives to conventional fast food have as [automobiles](#) became popular and more affordable following [World War I](#), [drive-in restaurants](#) were introduced. The American company [White Castle](#), founded by Billy Ingram and Walter Anderson in [Wichita, Kansas](#) in 1921, is generally credited with opening the second fast food outlet and first [hamburger](#) chain, selling hamburgers for five cents each.^[22] Walter Anderson had built the first White Castle restaurant in Wichita in 1916, introducing the limited [menu](#), high-volume, low-cost, high-speed hamburger restaurant.^[23] Among its innovations, the company allowed customers to see the food being prepared. [White Castle](#) was successful from its inception and spawned numerous competitors.

Franchising was introduced in 1921 by [A&W Root Beer](#), which franchised its distinctive syrup. [Howard Johnson's](#) first franchised the restaurant concept in the mid-1930s, formally standardizing menus, [signage](#) and advertising.^[23]

Curb service was introduced in the late 1920s and was mobilized in the 1940s when [carhops](#) strapped on [roller skates](#).^[24]

The United States has the largest fast [food industry](#) in the world, and American fast food restaurants are located in over 100 countries. Approximately 4.7 million U.S. workers are employed in the areas of food preparation and food servicing, including fast food in the USA.^[25] Worries of an obesity epidemic and its related illnesses have inspired many local government officials in the United States to propose to limit or regulate fast-food restaurants. Yet, US adults are unwilling to change their fast food consumption even in the face of rising costs and unemployment characterized by the [great recession](#), suggesting an [inelastic demand](#).^[26] However, some areas are more affected than others. In [Los Angeles County](#), for example, about 45% of the restaurants in [South Central Los Angeles](#) are fast-food chains or restaurants with minimal seating. By comparison, only 16% of those on the [Westside](#) are such restaurants.^[27]

Working conditions

The National Employment Law Project wrote in 2013, "according to a study by researchers at the [University of California-Berkeley](#), more than half (52 percent) of front-line fast-food workers must rely on at least one public assistance program to support their families. As a result, the fast-food-industry business model of low wages, non-existent benefits, and limited work hours costs taxpayers an average of nearly \$7 billion every year". They claim this funding allows these workers to "afford health

DATA ANALYSIS AND FINDINGS:

FACTOR RANKING METHOD:

TABLE: 1.DEMOGRAPHIC FACTORS:In this method the ranks are given on the basis of factors.The respondents preferences are taken into the criteria and the ranks are given based on their perceptions.The most preferable factor has been given the 1st rank and follows the order.The grades are given on the ascending order of the preferred factors.

s.no	DEMOGRAPHIC FACTORS	NO.OF RESPONDENTS	PERCENTAGE
GENDER			
1	MALE	60	40
2	FEMALE	70	60
TOTAL		150	100
AGE:-			
1	BELOW 10 YEARS	20	13.3
2	10-15	40	26.6
3	15-20	40	26.6
4	20-25	50	33.3
TOTAL		150	100
MARITAL STATUS:-			
1	MARRIED	30	20
2	UNMARRIED	120	80
TOTAL		150	100
OCCUPATION:-			
1	FARMER/DAILYWAGE	10	6.6
2	BUSINESS	40	26.6
3	GOVT EMPLOYEE	30	20
4	PVT EMPLOYEE	30	20

5	PROFESSIONAL	40	26.6
TOTAL		150	100
LEVEL OF EDUCATION:-			
1	HIGH SCHOOL	50	33.3
2	COLLEGE	60	40
3	GRADUATE	40	26.7
		150	100

The first factor explained was gender ,in this consumers belonging to female category are 60% and male are 40 % .the second factor taken into consideration is age,in this consumers belonging to category below 10 years are 13.3%,10-15 years are 26.6,15-20 years of age are 26.6% and 20-25 years are 33.3%. next ,taking martial status into consideration married consumers are 20% and unmarried consumers are 80% .occupation of consumers as factor farmer ?daily wage employees are 6.6 in percent ,people belonging to business are 26.6,government employees are 20% ,pvt employees are 20% and professional people are 26.6 .lastly taking level of education as factor consumers belonging to high school are 33.3%,college are 40% and graduates are 26.7.

Table 2

s.no	Price limit	No,of consumers	Percentage
1	100	5	3.33
2	200	20	13.33
3	300	50	33.33
4	400	50	33.33
5	500	25	16.66

In this table the criteria taken is the expenditure consumers expend on their fastfood per week .in this 3.33 percent of consumers spend 100 per week and 13.33 percent of consumers spend 200 per week and 33.33 percent spend 300 per week and 33.33 percent consumers spend 400 where as 16.66 percent consumers spend 500 on fastfood per week.

TABLE 3

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
EXPENDITURE	150	3.32	0.3486	-0.312	.155	0.190	-.199

CONSUMPTION	150	2.90	0.2596	-0.293	.155	-0.160	.199
ATTRACTIVENESS	150	3.96	0.5526	0.967	.155	0.250	.199
FASCINATION	150	3.65	0.4396	0.854	.155	0.230	.199
PRESTIGE	150	2.60	0.2326	-0.196	.155	-0.120	.199

The main factors which induce teenagers towards fastfood are ranked on the basis of a questionnaire .By using statistical tools like mean ,standard deviation,skewness and kurtosis they are analysed systematically. Factor ,expenditure got mean(3.32) SD(0.3486) ; consumption got mean (2.90) SD (0.2596) ;attractiveness got mean (3.96) SD (0.55260) ;fascination got mean(3.65) SD (0.4396) ;Prestige got mean(2.60) SD (0.2326).As mean of attractiveness is more it is termed as the most influencing factor and the mean value of prestige is low so it ranked as the 5 th influencing factor in all.

*purchasing power of young consumers towards fastfoods:-

S.no	Frequency of visiting	No.of respondents	percentage
1	Never	30	20
2	1-3 times per month	70	46.6
3	1-3 times per week	40	26.6
4	>3 times per week	10	6.66
Total		150	100

This table shows about the purchasing power of young consumers towards the fastfood buying behaviour OF teenagers in this 20 percent respondents frequency towards fastfood is never and 46.6 percent consumers buy 1-3 times per week and 26.6 percent frequency is more than three times is 6.66

*convenience for fast food purchasing ability of teenagers:-

s.no	Convenience of buying	No.of respondents	percentage
1	Never	15	10
2	1-3 times per month	60	40
3	1-3 times per week	45	30
4	>3 times per week	30	20
Total			

This table depicts about the convenience for fast food purchasing ability of teenagers .in this 10 percent members are never and 40 percent are 1-3 times per month ,30 percent are 1-3 tyms per week and 20 percent are more than 3 tyms .

A structured questionnaire along with descriptive statistics is done to analyze data. To secure the trustworthiness of the analyzed data, the four indices of credibility, dependency, confirmability, and transferability were checked (16, 18). In order to enhance credibility, for example, the participants were selected among those who had experience of using fast food. Moreover, dependency was improved by taking the concepts of the research team members into account with regard to reviewing, theme extracting, and analyzing the transcripts. In other words, during the study, the research reports were presented to various researchers and experts who provided feedback. On the other hand, confirmability of the research increased when the members of the research team discussed the contradictory findings and arrived at a consensus. Further, attempts were made to improve the transferability of the findings in two ways. First, a rich description was provided for the data. Second, individuals with different backgrounds and experiences were enrolled in the study (16, 18).

based on the inclusion criteria, boys and girls aged between 15 and 18 years, living in Tehran, speaking Persian well, and willing to participate in the study were enrolled in the study. Lack of tendency to continue participating in the study, presenting dishonest answers, and not signing the informed consent form were considered as the exclusion criteria. Overall, 150 adolescents were enrolled in the study, among whom four were excluded as they did not properly take part in the interviews.

This study utilized purposive sampling method, which is used to select the most informed and knowledgeable samples (16). The participants were recruited with maximum variation (in terms of their age, gender, and socioeconomic status), from different regions and places of Tehran where adolescents are commonly found such as parks, schools, and municipal cultural centers (Farhangsara). Samples were selected one-by

The data required for the study was collected via semistructured in-depth interviews. In order to observe the ethical issues of the research, this study was ethically approved by the Research Council and Ethics Committee of the Iran University of Medical Sciences (ID 17896). Participants signed a written informed consent form before the beginning of the interview, and explicit permission was sought for audio taping (17). Parental written informed consent was obtained from all the subjects, as well. Each interview lasted from 20 minutes to 60 minutes. The responses of the participants were recorded only upon their agreement. Wherever it was not possible to record the interview, notes were taken. Moreover, the interviewees were assured that the collected data would remain strictly confidential. Further, the participants had complete freedom to leave the study at any stage they desired. In addition, in order to protect their identity, each participant received a coded number, which was used instead of their actual names during

data analysis. The interviews were conducted by the first author who had good communication and interviewing skills with an interest in adolescents' attitudes and behaviors toward healthy eating. The interviewer who was qualified on conducting qualitative method researches started the interviews by presenting the objective of the study. The researcher used a question guide that included the main questions. To prepare the question guide, first, a series of six semi-structured questions were developed, the questions were then evaluated for their content by two experts and then pretested with four students from the same age group, and, finally, minor changes were implemented on the basis of their feedback. A semi-structured guide that consisted of open questions enabled the respondents to fully explain their personal opinions, perceptions, and experiences (16). The main questions were followed by some probe questions to fully acquire the required data. The researcher stopped the interview once data saturation occurred, that is, when no further code was identified through the last interview (18). It should be noted that data saturation occurred in the 40th interview, following which two more inte

via a content analysis method (15). For qualitative data analysis, MAXQDA software was used to transcribe, classify, and analyze the codes. All the processes were carried out in Persian language. According to the method of Graneheim and Lundman, all the recorded interviews were transcribed into a Microsoft word file, which were then read several times to obtain full understanding of the acquired data. The sentences and paragraphs of the interviews as units of analysis were condensed on the basis of their content and context. The condensed meaning units were summarized and labeled with codes. Then, the codes were classified into categories and subcategories by comparing their similarities and differences. Finally, a theme that expressed the latent content of the text was obtained (16)

. Table 1 summarizes the participants' gender, family socioeconomic status, and the pattern of fast-food consumption among the participants and their parents. The results showed that boys were more interested in eating fast food than girls; both these groups mentioned different reasons for their varying level of interest in fast food, which are presented in the subsequent paragraphs. With regard to the demographic and socioeconomic factors, it was found that a majority of adolescents who ate fast food more frequently were from middle-income families. The participants expressed the following factors that influenced their major reasons for consuming fast food: 1) fast food is delicious; 2) fast-food eateries and restaurants are easily accessible; 3) a greater variety of fast-food options than home-cooked food options is available, providing people with numerous choices; 4) the affordability of fast foods and the fact that they are readily available provide adolescents with a sense of independence; 5) finally, going out to eat fast foods with friends is a way of entertainment, particularly for adolescents. On the other hand, the participants expressed the following reasons that primarily inhibit them from consuming fast food: (1) numerous concerns regarding the health threats associated with the consumption of fast food exist; (2) negative attitudes towards the ingredients used in fast foods, as well as reports on such ingredients, are prevalent; (3) most parents consider fast food as a health threat; (4) adolescents are concerned about their figure and believe that fast foods will

eventually lead to obesity. In this study, after coding the transcribed interviews, the findings were categorized into the following three main themes: personal views, social factors, and family factors. Each theme included several categories and subcategories, and the coded sentences and phrases were placed under each category and subcategory. To achieve the objective of this study, the factors that were found to influence the consumption of fast foods were classified into the following two main groups: 1) factors promoting the consumption of fast food and 2) factors inhibiting the consumption of fast food. Boxes 1 and 2 summarize the results found for each group. The major findings of this study in terms of the factors promoting the consumption of fast food among adolescents are described as follows. Several participants who were in favor of fast-food consumption believed that fast foods provide them with a favorable feeling, because they are delicious, quick to prepare, convenient to access, and easy to digest: “fast foods are convenient foods that quickly eliminate hunger” (male, 17 years old); one of the participants said that “fast foods can be readily eaten and digested” (male, 16 years old). The participants considered fast foods to be relatively affordable and easy to access: “fast foods are prepared very quickly, and they are cheaper than other types of foods” (male, 17 years old). Furthermore, the variety of tastes, smells, and colors of fast foods were mentioned as factors motivating the consumption of fast foods: “I prefer fast foods simply because of their appearance, color, and form” (female, 16 years old), and a participant said that “their smell and taste win me over” (female, 15 years old). Social norms and friendship were expressed as motivating factors for fast food-consumption in that some participants stated that they ate fast food unwillingly simply to conform to their friends: “when I am with my friends, if they invite me to go out to eat fast food, I won’t decline the offer” (male, 15 years old). Most participants said that they eat fast food because it is a type of food that is globally popular: “how can we say that fast food is bad when we see that McDonalds has covered all parts of the world” (male, 15 years old). The participants considered eating out at fast-food restaurants as a way of socializing spending time with friends and family members: “traditional foods which we eat at home are too routine and we need a variety” (male, 18 years old); another participant said that “sometimes fast-food restaurants choose unique and attractive names for the dishes on their menu, which we simply love to try out” (female, 16 years old). As stated by a few participants, the consumption of fast food gives adolescents a feeling of modernism and a sense of belonging to a higher social class. The consumption of fast food was like a habit for some of the participants: “After a while it becomes a habit, and the person repeatedly feels like eating fast

food. I have to eat out eat a sandwich for instance at least once a day” (male, 18 years old). Eating fast food at restaurants seems like a ritual and a way of entertainment for some adolescents: “Eating fast food alone is not interesting; it is fun when we are together with my friends” (male, 15 years old). The quick approach to accessing and preparing fast food was also mentioned as a factor motivating the consumption of fast food. According to the participants, fast-food consumption is common among some of the families because the parents of such families belong to the service class and they do not have enough time to spend on preparing and cooking traditional foods: “nowadays, both the father and the mother are employed and they do not have much time to cook, so they just buy fast food” (female, 18 years old). The major findings of this study in terms of the factors inhibiting the consumption of fast food among adolescents are described as follows. Several participants expressed that they avoid eating fast foods as it negatively affects their figure: “I think girls eat less fast food than boys, because the figure of the body is very important to girls than to boys” (female, 15 years old). Negative attitudes also originated from the health concerns of adolescents: “fast food has a high amount of fat years and increases the cholesterol and weight” (female, 17 years old); it was also said that “fast-food consumption results in a heart attack” (female, 16 years old); “fast foods lead to infertility and cancer” (male, 18) old). Some participants or one of their family members or friends had previously experienced an illness or complication due to fast-food consumption: “Because of eating fast food, my brother fell ill, had nausea and vomiting, and was hospitalized for two days; I do not eat fast food anymore, and I just eat home-cooked foods” (female, 17 years old). A majority of participants believed that the health concerns were among the major factors inhibiting fast-food consumption. Some reported that their main concerns originated from rumors on the quality of ingredients used in fast foods as well as the manner in which they are manufactured and prepared: “once my father was reading the newspaper, which reported that a truck full of cats had been arrested, and after interrogation, it was revealed that the cats were going to be used for making sausages” (male, 15 years old). The participants were not even sure about the hygiene of fast-food eateries and restaurants: “once, I saw somebody preparing a sandwich where the pickles fell on the ground, yet he picked up the pickles and put them back in the sandwich; I left that place” (male, 15 years). Moreover, a few number of participants preferred eating home-cooked foods because of the emotional atmosphere of eating with family members: “Eating traditional foods with families is better because the family members are together; eating fast food creates a distance between the adolescents and their

family” (female, 15 years old). It was also stated that eating home-cooked foods assures people that the ingredients are safe and healthy and that the cooking procedure is clearly safe without any health threats: “home-cooked food is better since you know it is safe, who cooked it, and how clean the cook was” (male, 15 years old).

The results of our study showed that the factors promoting the consumption of fast food appeared to be stronger than those inhibiting the consumption of fast food. A similar trend is also observed in other studies. Currently, an increasing number of people are interested in eating out and visiting fast-food restaurants (6).

According to the results of Thornton et al.’s study, fast food supply and demand have surged in the recent decades (19).

Rouhani et al. reported that the rate of fast-food consumption has increased in the past years, particularly among children and adolescents (20);

this finding is consistent with the results of our study. Kipke et al. suggested that the behavior of individuals is affected not only by personal characteristics (e.g., age, gender, genetic profile) but also by interactions with larger social, cultural, and environmental contexts in which children live, and such various environments can affect dietary habits

. This observation is consistent with the results of our study, because we found that social factors can both negatively and positively affect fast-food consumption. For instance, the need to conform to friends and the tendency to attend public places such as restaurant rants promote fast-food consumption, whereas negative reports and experiences of friends and family members were reported as the inhibiting factors. A previous research supported an association between the taste preferences and fast-food consumption among adolescents; moreover, other attitudes such as convenience and health may influence food choices (5).

Schmidt et al. reported that time considerations and convenience were among the major factors for adolescents’ food choices (9).

We observed the same phenomena and found that the time considerations of the adolescents and families played a major role in their tendency toward fast-food consumption. Even some participants in our study prefer fast food because they are quickly and easily digested. Moreover, some studies identified that taste, cost, convenience, and health are key parameters that influence the choice of food (22);

the same factors, except health, were identified in our study as promoting factors. According to Steenhuis et al.'s study, pricing is an important determinant in selecting food (23).

Kipke et al. also proposed that the increased availability and affordability of energy-dense foods, such as fast food, particularly in low-income neighborhoods, might play a role in the increased level of fast-food consumption (21);

however our results did not prove the same concept, and it was observed that the interest toward fast food was more common among middle-income families. A study in Iran introduced unhealthy eating patterns, high level of soft drink consumption, breakfast skipping, and inappropriate frequency of family meals and home food environment as the likely health risks, posing a threat to people's health (3)

. Our study also showed that the participants had some concerns about their eating habits, particularly those related to eating with their family members; they also reported that families had concerns about their children's healthy diet. Although Seo et al. identified frequent consumption of fast foods by adolescents as a likely threat to the growth and development of children and adolescents (10),

the participants in our study only expressed their immediate health concerns and did not express anything about the effects of fast-food consumption on their long-term growth. However, some participants introduced fast food as a source of energy and calorie, which can help them to obtain sufficient energy for daily activities. The same concept is expressed by Martens et al. (24).

Denney-Wilson et al. stated that adolescence is a stage of life in which teenagers experience increased autonomy, both in terms of availability of meals outside the home and discretionary income (25).

This theory is in line with our results, which show that some boys and girls like eating fast food outside the home environment because doing so provides them with a sense of confidence. Most studies have attributed several risks to fast-food consumption, including weight gain (12), relatively

increased total energy intake (4),

and poor diet quality. In addition to the fact that fast foods contain a glycemic load and are generally served in excessive portions (6),

additional risks to fast-food consumption include adverse dietary factors related to obesity; relatively high intake of calories, fat, saturated fat, and sugar-sweetened drinks; relatively high body mass index (BMI); less successful weight-loss maintenance (27); decreased insulin sensitivity (11); and increased risk of diabetes (5)

owing to poor concentration of micronutrients. Given that the participants of this study were a group of adolescents aged from 15 to 18 years, like many adults, they were not quite familiar with professional medical terms, and hence, they did not express the same problems. However, they did mention gaining weight, becoming overweight, suffering from infertility, experiencing a high level of cholesterol, and being diagnosed with cancer as the likely outcomes of consuming high dosages of fast food. Schmidt et al. concluded that dietary intake of fast food is a determinant of diet quality in adolescent girls; hence, efforts to reduce fast-food consumption may be useful in improving the diet and risk for future cardiovascular diseases (9)

. Our results also show that some of the participants have admitted to fast food as being a cause of heart problems, and hence, reducing the consumption of fast foods could prevent the related problems. Several studies emphasized on the importance of establishing a healthy eating behavior among children and adolescents (28),

and some other studies suggested the call for interventions such as improving the convenience of healthy fast foods in school canteens and neighborhood stores, establishing policies to increase the cost of unhealthy fast food, and developing activities to provide adolescents with skills to increase self-efficacy and to reduce the effect of the external loci of control (29).

To improve the health of children and adolescents, it is essential to consider the positive or negative factors in order to formulate suitable policies on the quality of fast food as well as to train adolescents to control their dietary habits. Our study also had some limitations. We conducted our study only on adolescents aged 15 to 18, whereas, in reality, various age groups are exposed to fast-food consumption; study on such a limited age group is one of the main limitations of our study that prevents our results to be generalized to other age groups. Similar to all qualitative studies, the use of non-probability and limited-size

sampling in this study also prevent the generalization of our results. Further studies may use our findings to develop and design a questionnaire and run a survey with a larger sample size and a wider age-group range. Moreover, the socioeconomic status of fast-food consumers

CONCLUSION

php Review Article Jagadish C Das Associate Professor, Department of Neonatology, Chittagong Medical College, Chittagong, Bangladesh. Corresponding author: Jagadish C Das Associate Professor, Department of Neonatology, Chittagong Medical College, Chittagong, Bangladesh. jagadishcdas@yahoo.com□ Tel: 0088-01711077900

Introduction Food is essential for growth and development of a child. A child cannot live without food. ‘Good food means the right kind of food for good health; it is nutritiou’s. It contains natural substances that body needs to grow properly and stay healthy. We must choose the right food in daily diet for good health of our child [1]. Socioeconomic conditions and cultural norms of our community have been changing. Food habits of our children are also changing facing such changes. Many of children are fond of readymade outside food. Some guardians are even reluctant in changing food habits of their children. They admit readymade outside food for their babies even willingly. ‘Food that can be served ready to eat fast’ refers to fast food. Fast foods and junk foods are often used interchangeably. Most junk foods are fast foods as they are prepared and served fast. But not all fast foods are junk foods, especially when they are prepared with nutritious contents [2]. Fast food culture is an emerging trend among children. ‘Energy dense food with high sugar/ fat/ salt content and low nutrient value in terms of protein, fiber, vitamin and mineral content is termed junk food’[3]. Easy availability, taste, parent’s occupation and marketing strategies make them popular among children. One important aspect of fast food restaurant is that it is primed to maximize the service speed and is standardized to minimize waiting time. So customers can save their time in taking their food. Here, food menu is limited in number [3]. It has been seen that on a typical day in United States, nearly 30% of 4-19 years children consumes fast food[4]. Situation in Bangladesh, particularly in affluent society is not reverse. Approximately 56% of a private university students in Dhaka goes to fast food restaurants at least once per week and 44 % goes regularly (≥ 2 times/wk)[5]. In a country like Bangladesh, paradoxically coexisted with malnutrition among children and adolescents, multiple factors including rapid urbanization

and inappropriate dietary practices, have attributed to an emerging overweight and obesity problem among young children in urban and especially among affluent families[5]. Thinking of our physicians is limited on such alarming food habit of children. Moreover, fast food taking by our children is less addressed. The review is written to orient our physicians particularly pediatricians regarding some fundamental aspects of such food culture which may help in developing a preventive strategy in reducing fast food taking by our children. Fast Food Promotion I whereas the proportion of energy intake from restaurant food and fast food increased over time [6]. Consumption of fast food promoted in various ways throughout the globe. Sponsorship of sports or cultural competitions with attractive gifts is the main means of promotion of fast food sale. This offers discounts on purchase of their fast food brand. Sports stars are often involved in advertisement of fast food products. Advertisements in television with animation and cartoon are another way of promoting fast food. [7]. This activity has an important role in promoting unhealthy dietary practices with diets rich in fat, sodium or added sugar among children [8]. Apart from advertising via television, other media like posters, magazines, billboards, radio and cinemas favor fast food marketing [9]. Factors Related to Fast Food Consumption Fast foods are taking popularity by nuclear families because working parents have less time for meal preparation by themselves. Majority of working parents with school going children are in stress. Children spend most of the time away from home by attending tuition classes after school hours. Children take breakfast at home and fast food in school or outside school. A positive correlation of increased fast food consumption and increased body mass index was found among adolescents [10]. Socio economic status is an important factor related to fast food consumption. Children from high socio-economic status prefer fast foods to traditional foods despite their better nutritional knowledge [11]. It has been seen that children who are overweight are significantly more likely to recognize fast food restaurant logos than other food logos. Again, families' socio-demographic characteristics play a role in children's recognition of food logos [12]. Factors related to fast food preference by Bangladeshi university students are convenience, easy accessibility, taste, cost and quick service in fast food shop. Most of the fast food users take such kind of food though they know well about negative effects on themselves associated with fast food consumption [5]. Fast Foods and School Scenario of food presentation in school areas differ from region to region. Junk foods are widely available by the sides of schools of

country like ours. Cafeterias at the schools are reluctant with balanced nutritious diet; rather interested to offer cold drinks, chips and many other foods of low nutritional value. Junk foods in school cafeteria often compete with nutritious homemade school tiffin. Banding of junk foods in school cafeteria is a rare occurrence in this region. Mid-day meal program is not introduced in private schools of our country but this program has been introduced specially in government schools of many countries. Healthy foods are offered to children through this program [13]. In primary schools of many European countries, commercial food activities are restricted. Beverages may be offered among secondary school students of these countries with active participation of educators and parents [14].

Bangaladeshi Fast Foods and Junk Food There are different types of fast foods and junk foods throughout the country. These include barger, sandause, hotdog, chicken hot, mutton chop, beaf stak, roasted chicken, chicken tikka, gril chicken, role, patties, pakora, sngara, pizza, tandoor, French fries, fuska, onthon, nodules, aloo tikki, dal puri, chaat, chole bhature, pav bhaji and dhokla. Fat and calorie content in fast food depends on cooking process. Most of the fast foods are prepared by deep frying in fats especially trans fat and saturated fats [15]. Foods which are baked, roasted or cooked in tandoor have lower fat content. Hydrogenated oil used in cooking is rich in trans fats. Trans fat content in fast food is far higher than western food. Trans fat content in bhatura, parantha and puris is 9.5%, 7.8% and 7.6%, respectively as compared to 4.2% in regular French fries [16].

Effects of Excess Fast Food Consumption Fast food consumption is definitely harmful to child health. Children who eat fast food have higher intake of energy, fat, saturated fat, sodium, carbonated soft drink, and lower intake of vitamins A and C, milk, fruits and vegetables than those who do not take fast food .

Fast food consumption is definitely harmful to child health. Children who eat fast food have higher intake of energy, fat, saturated fat, sodium, carbonated soft drink, and lower intake of vitamins A and C, milk, fruits and vegetables than those who do not take fast food

Taking of fast food is a dietary habit of our present day children. Consumption of diet reach in sugar, saturated fat, salt and calorie in children can lead to early development of health hazards. There are various reasons for consumption of such food by children. Most of fast food users know well about negative effects associated with fast food consumption. However, they take fast food without considering their health complications. The young

generations are getting addicted to fast food which indicates a serious public health problem. Prompt necessary actions should be undertaken to tackle this health problem. Implementation of laws to regulate the marketing of fast foods may be an important step in reducing fast food consumption by children. Awareness regarding healthy feeding may save children from harmful effects of fast food in this area.

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APPENDICES:

Questionnaire for Customers

SECTION-I

Gender - (a) Female (b) Male

Age: (a) 18-24 years (b) 25-30 years (c) 31-50 years (d) 50 years & above

Monthly income : (a) No income (b) Upto 20000 (c) 21000-40000 (d) Above 50000

Education : (a) High School (b) Under Graduate (c) Student (d) Graduate (e) Business

Marital status : (a) Married (b) Unmarried (c) Widowed (d) Divorced

Professional : (a) Student (b) Job Holder (c) Business (d) Homemaker (e) Others

SECTION-II

1. Name of your favourite fastfood:-----

2. In your Opinion is fastfood beneficial:- -----

(a) Very High (b) High (c) Average (d) Low (e) Nil

3. Which of the following you like?

(a) street food

(b) dining with family

(c) dining with friends

(d) take away

(e) all the above

4. Which factor influences the buying behaviour ? (Tick all that are applicable)

A. consumption

B. price

C. fascination

D. prestige

E. Expert

5 .How frequently do you use the visit fastfood stores?

	Nil	1to3	3to8	8to12	over	12	times
		times	times	times			
A. road side food	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
A. restraunt	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
B. kfc	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
C. dominos	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
D. any other centre	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		

A FIELD PROJECT REPORT

ON

"A Study on Customer Satisfaction at HDFC Bank"

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

(Kukkala Harish Reddy, Govada Arjun syam ,Giddaluri Sandhya Rani ,Peethala Karthik Yadav , Shaik

Mohammad Shaida)

(Regd. No.221FC01059,221FC01060,221FC01061,221FC01062,221FC01063)

Under the esteemed guidance of

Dr. G. Krishna Harshitha

Assistant Professor



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **A Study on Customer Satisfaction at HDFC Bank submitted by** Kukkala Harish Reddy, Govada Arjun syam ,Giddaluri Sandhya Rani ,Peethala Karthik Yadav , Shaik Mohammad Shaida **bearing the Regd. No.** 221FC01059,221FC01060,221FC01061,221FC01062,221FC01063 from the Department of Management Studies, Vignans & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

SIGNATURE OF THE GUIDE

HOD/MBA

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EXECUTIVE SUMMARY

This report includes an organizational study on HDFC Bank - Vijayapura. The title of the report is "CUSTOMER SATISFACTION at HDFC Bank".

This report provides general information about the banking sector and HDFC company profile. It also includes information that customers know about HDFC Bank's services and products.

Through the following study, customer satisfaction at HDFC Bank was found.

A structured questionnaire was the methodology adopted in the study. In which different people in and around HDFC Bank - Vijayapura were targeted. In this study, I took a sample of 100 people. The data collected at a sample size of 100 is thoroughly analyzed and displayed in tabular and graphical form.

Business loans, credit cards, personal loans, debit cards, educational loans, fixed deposits, savings accounts, gold loans, home loans, bank loan against property and car loans are some of the popular products offered by HDFC Bank.

The two main reasons people invest in banks are security and returns. Indian consumers have a mistaken perception of private banks - they think it's not safe. This perception can be changed by satisfying consumers and making them feel safe when it comes to banking.

Empower employees, provide excellent self-service support, segment customers and create personalized customer experiences, stay consistent with all points of contact, educate customers on financial literacy, improve financial technology and not be just a lender, but also be an advisor for small businesses. These are some ways in which customer satisfaction levels could be increased at HDFC Bank.

CHAPTER 1: INTRODUCTION

INTRODUCTION

What is the customer satisfaction?

It is a measure of a customer's satisfaction (how pleased the customer is) with a service or product received from an agency. Satisfaction does not only depend on the quality and type of customer experience, but also on its expectations.

Definition of a customer:

- Someone who has a mutual relationship with an agency and affected by an agency
- Require and depend on one or more products or services from an agency.

Consumers, service users or customers are usually referred to as personal services customers. Clients can be groups or individuals. Organizations that are motivated to provide excellent service to their customers gather feedback from consumers and work on delivering the best customer experience. Customer-focused organizations can:

- Listen to the customers as they design advertisements determining their expectation.
- Focus on evaluating customer feedback and customer service activities and performance measurement.

Why is it important?

It is necessary in the banking industry for several reasons:

- The existence of community service organization mainly depends on satisfaction of consumer's needs.
- Leaders in this sector are organizations that strive to exceed minimum standards and customer expectations.
- Customers assess the quality of service delivery and help these sectors in shaping service development.

It is important to measure customer satisfaction and obtain feedback on organizational performance in accordance to improve the quality and continuous improvement of the service.

INDUSTRY

PROFILE Introduction of Banking

Banking

Banks are institutions that accept deposits from customers or the public to provide loans to the poor and expand other SD services. Now the private sector banks are introduced and their functions are changed. Private sector banks have become profit centers, insurance companies and mutual funds. However, nationalized banks provide loans for rural development activities such as education and agriculture. Therefore, they are always service-oriented.

Banks offer facilities for depositing and withdrawing money when needed. It provides a safe place to save money and lends money to the borrower for the job well done. They provide savings accounts, deposits and loans using these deposits.

History of Banking in India

Phase-I

The General Bank of India was established in the year 1786. Banks in Bengal and Hindustan have since been established. In 1809, the East India Company was called the Presidential Bank. In 1843, when the bank of Mumbai and Bank of Madras were established as independent banks in 1840. In 1920, these three banks emerged. Imperial Bank of India launched and founded European shareholders and individual shareholders.

The first exclusive bank in India was the Allahabad Bank and was founded in 1965. The Punjab National Bank Ltd. was founded in 1894 and is headquartered in Lahore. The Indian Bank, Canara Bank, Indian Bank, Mysore Central Bank in India and Baroda Bank were

established between 1906 and 1913, in 1935 the Reserve Bank of India was established.

The growth at this phase was very slow and faced periodic failures between the years 1913 and 1948. In 1949, the Indian Government proposed the Banking Companies Act to simplify the functions and activities of commercial banks. This law was later amended to become the Banking Regulations Act of 1949, in accordance with the amended Act of 1965. The Reserve Bank of India is authorized with wide power to supervise the banks in India. At that time the public had low confidence in the bank. The mobilization of deposits was very slow in the wake. The postal service offered a better savings bank and was relatively safe. Merchants also received more money.

Phase-II

After independence, the reform of the Indian banking sector by the government has reached important milestones. In 1955, in the urban and rural areas the Imperial Bank of India was nationalized through large scale banking facilities. The State Bank of India was created to manage federal and provincial government banking across the country and served as a key agent for RBI.

On July 19, 1960, these seven banks constituting the subsidiaries of the State Bank of India were nationalized. Former Indian Prime Minister Indira Gandhi has made considerable efforts to nationalize the country's commercial banks.

Seven banks that continued the reform of the banking sector in 1980 were carried out during the second stage of nationalization. In India, 80% of the banking sector belongs to the government.

To regulate the banking system in India the Indian government has taken the following steps:

- The decree implementing the Banking Act dates from 1949.
- The State Bank of India was nationalized in 1955.
- The State Bank of India subsidiary was nationalized in 1959.
- The coverage of insurance was extended to deposits until 1961.
- 14 major banks were nationalized in the year 1969.
- In 1971 credit guarantee companies were established.
- Local rural bank was created in 1975.
- Seven banks with more than 200 deposits were nationalized in 1980.

After nationalization of banks public sector agencies grew to about 800 percent of deposits, and a substantial increase of 11,000 percent thereafter.

Public banks have a lot of confidence in sustainability.

Phase III

At this point, there was an introducing to facilities in the banking sector with more products. The committee was created in 1991 and was working on the liberalization of banking practices under the chairmanship of Mr Narasimham.

Foreign banks and ATMs flood the country. More important than money over time, we have implemented more convenient online and telephone banking. We strive to provide a satisfactory service to our customers.

The Indian financial system is highly resilient. It is protected from crises caused by external macroeconomic shocks, as has been the case for other East Asian countries. Indeed, they all have flexible exchange rate, high foreign exchange, capital accounts but are not yet fully convertible. Banks and their clients have limited exposure to currency risk.

Indian Scheduled Banks

TABLENO-1.1(A) Scheduled Commercial Banks in India.

Public sector Banks (29)	Private sector Banks (28)	Foreign Banks in I ndia (30)	Regional Rural Bank (103)
<ul style="list-style-type: none"> • Other Public Sector Banks (PNB) • Nationalized Bank • State Bank of India and its Associates 			

TABLENO-1.2(B) Scheduled Cooperative Banks in India.

(55) Scheduled Urban Cooperative Banks	(31) Scheduled State Cooperative Banks
--	--

There is competition between private banks. In the banking sector there are a total of twentyseven private sector banks. Eight of these are new, actively selling products and introducing advanced technology, and the remaining 19 are former private sector banks. These days there is always a competition between the new private sector bank and public sector banks. The new personal space will be referred to the bank created in the 1990s in accordance with the guidelines of the Narasimham Committee Bank.

Indian Banking Industry

By 2010, the Bank of India is expected to have \$ 1 trillion in assets because of its phenomenal pace and growth. There are technological innovations to develop the banking sector in India and develop in the economy and the middle class.

There are more than 320 million middle-class people in this country. Some factors that promise continuous expansion of banks are raising incomes, increasing correlation with economic growth, improved living standards and the economic situation.

It is more focused on expanding retail banks and rural banks during the IT revolution. Stakeholders have more innovative ways to deliver new customer-focused financial products and services. Banks have begun to pay more attention to mergers and acquisitions in order to capitalize on economies of scale. Indian banking assets are expected to reach \$ 1 trillion by 2010 and foreign capital inflows are expected to increase. The focus should be on securing a small number of big players that can compete globally rather than securing a large number of fragmented players.

Growth of Foreign Banks in India

There will be more names added to the list of foreign banks of India by 2019 to 2020. The best private bank in the world is the UBS Bank Swiss by EURO Money.

Following are the foreign banks to establish their business in India.

- **Kookmin Bank South Korea**
- **Royal Bank of Scotland**
- **Nonghyup Bank**
- **Netherlands Cooperative Rabo Bank**
- **Industrial and Commercial Bank of China**
- **US-based GE Capital**
- **Credit Suisse Group**
- **Switzerland's UBS**

COMPANY PROFILE

HDFC BANK

The Reserve Bank of India approved "in principle" the first housing development company in the year 1944, HDFC who were the first among the others to establish a private sector bank as part of the liberal Indian banking sector by RBI. . On August 1944, it was registered with an office based Mumbai and received the name of "HDFC bank limited". In January 1995, HDFC Bank began operating as a planned commercial bank.

HDFC is proud of its incredible performance not only in India but also in other international markets. It is well known as the premier executive housing finance company in India. To be the leader in mortgage credit market the company has maintained a reliable growth from its inception in 1977. HDFC has secured a broad client base from the corporate sector for its home-based credit facilities and retail mortgage expertise in advanced and other market segments. It is

well positioned to promote the bank in the Indian market because of its strong market reputation and its highly qualified experience in the financial markets.

In 1995, the facile mission, 'World Class Indian Bank' had been the starting point for the HDFC bank to begin its operations. They soon came to the realisation that an individually driven mind that put great emphasis on the product quality and service excellence would be the only way to achieve their mission. As for today, the bank can proudly declare that they are not far from reaching their goals.

Promoters

1. Housing Development Finance Corporation Limited (Indirect Foreign Holding)
–No of shares 432,307,917 i.e. 19.7%.
2. HDFC Investments Limited (Indirect Foreign Holding)
–No of shares 150,000,000 i.e. 6.87%.
3. HDFC Holding Limited (Indirect Foreign Holding)
–No of shares 5,000 i.e. 0%.

MissionStatement

Reposition the bank as the best Indian financial service group and take a strong global commitment to customer satisfaction, shareholder and employee satisfaction. Also play a leading role in the expansion & diversification of financial services with a focus on development.

VisionStatement

- Through high sustained earnings per share, maximize the shareholder value.
- Be a pioneer of development finance (housing) in the country.
- To be a banking institution with mutual cultural attention and dedication.
- A satisfying and excellent work environment offering continuous learning opportunities.

QualityPolicy

- Best customer service.
- Unbiased decisions in all dealings.
- Be ready to take on a challenge and be innovative.
- Teamwork.
- Honest and disciplined in the policy provided by the system.

Products&Services Profile

PERSONALBANKING

TABLENO-1.3

LoanProduct	DepositProduct	Investment&Insurance
<ul style="list-style-type: none">• Construction Equipment• HealthCare• Vehicles• Homeloans• Retailbusinessbanking• Loan AgainstProperty• Personalloan• AutoLoan• Loan AgainstSecurity• Creditcard• 2-wheeler• Education• Gold• Commercial• Tractor• WorkingCapital Finance	<ul style="list-style-type: none">• Safe DepositLoc kers• Fixeddeposit• Demata/c• Savinga/c• Currenta/c	<ul style="list-style-type: none">• KnowledgeCentre• EquityandDerivatives• MudraGold Bar• Insurance• MutualFund• Bonds• GeneralandHealthI nsurance

Cards	PaymentServices	AccessToBank
<ul style="list-style-type: none"> • CreditCard • DebitCard • PrepaidCard 	<ul style="list-style-type: none"> • NetSafe • E– MoneyElectroni cFundsTransfer • Online PaymentforDire ct Tax • Merchant • PrepaidRefill • Direct Pay • Visa MoneyTran sfer • Billpay • VisaBillpay • InstaPay 	<ul style="list-style-type: none"> • Instant Alert MobileBanking • ATM • PhoneBanking • NetBanking • OneView • BranchNetwork • EmailStatements
<p style="text-align: center;">ForexServices</p>		
<ul style="list-style-type: none"> • Product&Services • ForexserviceBranch Locater • RBIGuidelines • TradeServices 		

WHOLESALE BANKING

TABLENO-1.4

Corporate	Small and MediumEnterp rises	FinancialInstitutionsandTrusts
<ul style="list-style-type: none"> • FundedServices • InternetBanking • Non FundedServ ices • Value AddedServic es 	<ul style="list-style-type: none"> • SpecializedServices • FundedServices • InternetBanking • NonFundedServices • Valueaddedservices 	<p style="text-align: center;"><u>BANKS</u></p> <ul style="list-style-type: none"> • FundTransfer • ATMTie-ups • ClearingSub-Membership • Tax Collection • RTGS– sub membership • CorporateSalarya/c <p>Trusts</p> <p>Stock</p> <p>BrokersInsurance</p> <p>CompaniesFinancial</p> <p>InstitutionsMutualFu nds</p> <p>CommoditiesBusiness</p>

NRISERVICES

TABLENO-1.5

Accounts&Deposits	Remittances
<ul style="list-style-type: none"> • AccountsforReturning Indians • RupeeSavings/c • ForeignCurrencyDeposits • RupeeCurrenta/c • RupeeFixedDeposits 	<ul style="list-style-type: none"> • Africa • NorthAmerica • SouthEast Asia • MiddleEast • UK • Europe • Others
	<p>ChequeLockbox</p> <p>FundsTransferCheques/DDs/TCsI</p> <p>ndiaLink</p> <p>Quick</p> <p>remitTelegraphic/WireTra</p> <p>nsfer</p>

Investment&Insurances	Loans
----------------------------------	--------------

<ul style="list-style-type: none"> • PrivateBanking • PortfolioInvestmentScheme • MutualFunds • Insurance 	<ul style="list-style-type: none"> • LoansAgainstDeposits • HomeLoans • GoldCreditCard • LoansAgainstSecurities
PaymentServices	AccessToBank
<ul style="list-style-type: none"> • NetSafe • OnlineDonation • Direct Pay • Visa Money • BillPay • InstaPay 	<ul style="list-style-type: none"> • InstaAlert • ATM • NetBanking • OneView • EmailStatements • BranchNetwork • PhoneBanking

AreasofOperation

- AlloverIndia.(HeadquarteredinMumbai,Maharashtra)
- Bahrain
- HongKong
- Dubai

Key Executives

Abhay Aima - Group Head

Aditya Dhananjai Kumar -

Senior Manager Aditya Puri - CEO

Aditya Puri - Managing Director

Ankush Pitale - Executive Vice President

Arup Kumar Rakshit -

Senior Executive Vice President Cheshta Chopra Sharma -

Vice President

Kaizad Bharucha -

Executive Director Keki Mistry -

Director

Malay Patel - Director

MD Ranganath - Addnl. &

Ind. Director Rajesh Kumar Rathchand -

Group Head Ravi Narayan - Group Head

Samrat Bose - Senior Vice

President Sashidhar Jagdishan -

Chief Financial Officer Shyamala Gopinath -

Chairperson

Silvestre Anthony Pereira -

Vice President Srikanth Nadhamuni -

Director

UmeshChandraSarangi-Director

VitthalMangeshKulkarni -SeniorVicePresident

Competitors Information

TABLENO-1.6

Company	Leadership	CEOScore	Employees	Totalfunding	Revenue
HDFCBANK	Adityapuri CEO	87/100	94,907(2018)	\$ 3.1 B	\$ 8.7 B
KOTAKMA HINDRA BANK	UdaySkotak CEO	76/100	33,013(2017)	\$250M	\$ 4.3 B
IDBIBANK	RakeshSharma CEO	88/100	27,570(2016)	\$783.5M	\$ 3.4 B
IDFCBANK	V.Vaidyanathan CEO	88/100	7043(2018)	-	\$ 1.4 B
INDUSIND BANK	RomeshSobti CEO	95/100	25314(2017)	\$925M	\$ 3.5 B
SBI	HardayalPrasad CEO	81/100	264041(2018)	-	\$573.1 M
AXISBANK	Amitabh Chaudhry CEO	86/100	59,600(2018)	\$1.9 B	\$ 2.3 B
TATA CAPITAL	RajivSabharwal CEO	90/100	3407	-	\$81.6 M
ICBC	GuShu President	--	461749(2016)	\$500M	\$ 104 B
ADITYABIRL ANUVO	Lalit NaikMan aging Director	56/100	20250	-	\$ 28.4 B

AU ALLSMA LLFINAN CE BANK	Sanjay AgarwalManag ingDirector	77/100	8515(2017)	\$46 M	\$ 45M
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SWOT Analysis

Strength

- The second largest private bank in India is HDFC. Across India this private sector has 13,160 automated teller machines. HDFC Bank is successfully running 4,963 branches in 2,727 cities.
- HDFC ATM bank cards are a popular choice for online transactions and shopping, one of the reasons being that the cards are internationally compatible with all MasterCard/ Visa, Visa Electron / Maestro and American Express cards. In comparison to other private banking branches, HDFC has a high customer satisfaction rate.
- HDFC provides highly skilled staff who are able to help customers make sensible investments. Working in private banking can be a stressful and draining job, however, the attrition rates at HDFC make it one of the better companies to work for within the private banking sector.
- HDFC has good recognition among the people and they have received a lot of awards:-
- The guidance of HDFC Bank's financial advisors is good when it comes to guiding the customer to make the right investments.

Weakness

- In contrast, HDFC still has difficulties with competitors for example in rural areas ICICI Bank has a stronger presence and popularity.
- Individuals using private banking in rural areas feel safe and secure with their bank, which makes it difficult for HDFC to be considered for banking with them.
- HDFC has created doubt in investors' minds and may have lost out on investors due to their constant increasing and decreasing of share prices.
- There is a lack of performance in the bank's product categories and it is not reached in the market.
- High end clients are only being focused by the banks. Middle class and others are being ignored most of the time.

Opportunities

- When it comes down to debt HDFC have more opportunities compared to the other government banks this is due to the fact that they have worked to recover from its bad debt and improve its bad debt portfolio.
- HDFC has many branches in different countries and continues to prosper and gain more opportunities abroad.
- The company has the opportunity for a growth in profit rate, due to the fact that the asset quality parameters are beneficial when compared to government banks.
- Due to strong financial position there are greater scope for acquisitions and strategic alliances.

Threats

- ICICI still remains a threat to HDFC which makes it difficult to widen market share.
- Government banks are constantly working on ways to become more modernized which is increasing the competition between government and private banks such as HDFC.
- Foreign banks have received up to 74% from the RBI for bank investments within India this will threaten banks such as HDFC.
- Private Banks, new age banks and non-banking financial companies are increasing in India.
- There is an increase of 0.18% to 0.20% in the non-performing assets (NPA) of HDFC. Even though it is a minor change in terms of financial health of the bank it is not a good sign.

Future Growth & Prospects

HDFC Bank has increasing net profit of 20% year on year backed by robust growth in loan book. They are one of the most profitable private institution banks and one of the largest. There is an increase in the net interest income of 22% and a stable net interest margin of 4.3%. Further there was an increase in the Non-interest income of 27% YoY.

Additionally there is a massive growth in the bank's operating leverage. Significantly there is a decline in its core cost-to-income of 39.5% as against 41.2%. There is a controlled growth in the digital initiatives and branch network. HDFC Bank made some contingent provisions on its agriculture lending books which leads to the increase in the provisions by 64% YoY.

In comparison to the year 2017 there is an increase of 24% in the total advances in the year December 2018 as HDFC Bank reported total advances of Rs 780,951 Cr. There is a robust growth of 24% each in the domestic retail and corporate in total advances. The Bank continues to grow its loan book at much ahead of system and their performance is commendable.

There is a growth of 13% YoY in Bank's current and savings account compared to the growth in time deposits was much stronger as there is an increase of 29% YoY. Due to this the CASA ratio declined slightly to 41% as compared to 42% in last quarter. At the end of December 2018 the impeccable asset quality with gross and net non-performing assets are at 1.4% and 4% respectively. The bank is maintaining this continuously.

For many years HDFC Bank has been the most consistent performer on the street. They are the most profitable bank and they are continuously growing day by day and they are delivering earnings growth in the high-teens. Ahead of the industry the growth of the loan is continuously strong, its margin is steady and asset quality remains as pristine as ever. Not only withstanding its huge size, HDFC Bank is also gaining market share at a growing pace aiding sustainable high earning growth.

FinancialStatement

TABLENO-1.7

	31/03/18	31/03/17	31/03/16	31/03/15	31/03/14
Capitaland					
Liabilities:					
Total Share Capital	519.0	512.5	505.6	501.3	479.8
EquityShareC apital	519.0	512.5	505.6	501.3	479.8
Reserves	105,775.9	88,949.8	72,172.1	61,508.1	42,998.8
NetWorth	106,295.0	89,462.3	72,677.7	62,009.4	43,478.6
Deposits	788,770.6	643,639.6	546,424.1	450,795.6	367,337.4
Borrowings	123,104.9	74,028.8	53,018.4	45,213.5	39,438.9
TotalDebt	911,875.6	717,668.5	599,442.6	496,009.2	406,776.4
OtherLiabiliti es&Provisions	45,763.7	56,709.3	36,725.1	32,484.4	41,344.4
Total Liabilities	1,063,934.3	863,840.2	708,845.5	590,503.0	491,599.5
	31/03/18	31/03/17	31/03/16	31/03/15	31/03/14
Assets					
Cash &	104,670.4	37,896.8	30,058.3	27,510.4	25,345.6

Balances					
Balance with Banks, money at Call	18,244.6	11,055.2	8,860.5	8,821.0	14,238.0
Advances	658,333.0	554,568.2	464,593.9	365,495.0	303,000.2
Investments	242,200.2	214,463.3	163,885.7	166,459.9	120,951.0
Gross Block	3,607.2	3,626.7	3,343.1	3,121.7	2,939.9
Net Block	3,607.2	3,626.7	3,343.1	3,121.7	2,939.9
Other Assets	36,878.7	42,229.8	38,103.8	19,094.9	25,124.6
Total Assets	1,063,934.3	863,840.2	708,845.5	590,503.0	491,599.5

CHAPTER 2: CONCEPTUAL BACKGROUND & LITERATURE REVIEW

THEORETICAL BACKGROUND OF THE STUDY

Customer satisfaction is a measure of a customer's satisfaction (how pleased the customer is) with a service or product received from an agency. Satisfaction does not only depend on the quality and type of customer experience, but also on the customer's expectations.

A customer is defined as someone who has a mutual relationship with an agency and effected by an agency. Customers require and depend on one or more of their products or services from an agency.

Consumers, service users or customers are usually referred to as personal services customers. Clients can be groups or individuals. Organizations that are motivated to provide excellent service to their customers gather feedback from consumers as they plan and value service delivery. A customer-centric organization listens to the expectations of its customers when designing ads. It also appreciates customer feedback and focuses on providing customer service and measuring performance.

Features of Customer Satisfaction

Customer satisfaction is very crucial for the growth of any business. For the success of all the elements in the business the relationship between a business and its customers is important. Customer satisfaction is necessary for the group of the company and it is crucial to provide a favorable experience to increase the likelihood of gaining more customers.

Some of the features of customer satisfaction are the following:-

Relationship between customer and business

Good quality customer satisfaction is very necessary to build a relationship between a business and a customer. By creating a quality relationship continuously, customers will continue to utilize a business services and products and there will be regular business. Courtesy and respect

is gained from the customers through good communication. A customer survey will help the customer service representative in understanding a customer in a better way which creates a positive relationship between both parties. Once the product is delivered to the customer a followup with them will help in the likelihood of repeat business. This will indicate the purchaser that the company cares about customer satisfaction.

Reliability

Reliable to its customers is the main foundation of a company. By responding quickly to questions or problems, keeping promises, providing replacement products or services in a timely fashion indicate to customers that the company is committed to reliable customer satisfaction. Once the customers believe that a business can be counted on in the event of a problem, they are more likely to buy the product or service of a particular business in the future.

Product Knowledge

For the effective customer satisfaction extensive knowledge of the products and services is important. Customer would want proper information regarding their purchases before they buy therefore knowledge about the service and products is necessary, By updating the customer regularly about the new products and providing extensive FAQs on a company website will

show the customer that the employees are thorough with their knowledge and customer will be satisfied.

Ease of doing business

Customer should have no problem acquiring whatever goods or services a business provides. Customer satisfaction will be decreased if the description, forms and purchasing procedure of the products is overly complicated. This will ultimately reduce the likelihood of a sale.

The Importance of Customer Satisfaction

Success of any business depends on several factors and one of the most important factor is customer satisfaction. Customers won't care about the company's service and products if they don't care about the customer.

More than price customer satisfaction matters

Even if the company offers higher price over a cheap product or service as long as they are treated right majority of customer will choose the company that keeps them satisfied. Therefore it is necessary to satisfy customers with good service than offering them lucrative prices.

Customer satisfaction promotes customer loyalty

By good trust and by being loyal with the customers they will keep on coming back to buy the product from the company

The feedback of customer satisfaction

Through constant feedback from the customer satisfaction it will help in the improvement of the product. By simply asking the customer it will help the company to understand what are they lacking and both positive and negative feedback which will help them in improving their product.

Objectives of Customer Satisfaction Survey program

Set of objectives are necessary for any customer survey program. Customer surveys should meet the most objectives and some of the most basic objectives are the following:-

- To know the expectations and necessities of customers.
- To determine the satisfaction of the customer towards the product of the company and improve on their expectation and requirements.
- Based on the findings develop service and product
- In order to take action on a timely basis examine the trend over time
- To know how well the company meet these goals by establishing priorities and standards to judge.

Show your customer you value them

Customer's experience with the company demonstrates the value of the company's place. Customer will have a better impression when the company pro-emptively strives to satisfy the

customer. A long of loyalty of customer and repeats sales will be seen when the company considers customer's opinion.

Collection of customer demographics

To form a clear concept of the company's demographics, customer satisfaction surveys will be excellent. To help tailor the company's products, services, marketing and communications material, these surveys will help in finding the customer's age, gender, occupation and their statistics.

Factors influencing customer satisfaction

Accessibility

The company needs to ensure that customer doesn't have any barriers and friction while they are accessing the products. Customers must have effective access to products and services.

Making

sure that the customer could reach the company and obtain good services easily. Always being available to assist the customer to make a purchase decision or to fulfill a customer query.

Navigation

One of the simple and straightforward processes is navigating and browsing the company store. By helping the customers in identifying suitable products quickly and providing the users with what they want with an effective keyword search or filters with an integrating solution is one of the key foundations of a company. There will be repeated sales when the website is easy to navigate. There will be loss of potential customers when the website is difficult to navigate as it leads to customer frustration.

Page load speed

One of the important factors is page load speed because customer will move onto another store if the company website is slow. Therefore, the faster the website loads, happier the visitors. Shoppers who experience a slow website are less likely to return to the site and buy products also.

they would tell a friend about the poor online shopping experience. This will lead to a decrease in visitors and customers.

Language

Language is another key factor because a customer won't have a good experience if the company doesn't speak their preferred language. It is pivotal for the company's business to speak to the customer in their preferred language.

The company should avoid confusion so they should use more user-friendly language to connect well with customers. There will be no great customer satisfaction without great communication.

Convenience

This is another key factor of a positive customer experience. This influences on where to go, with whom to engage, how customers make decisions about what services to use and what services to buy.

There are 4 key variables in convenience:-

Benefit Convenience: What are the benefits the customer receives at a particular company? Decision

on Convenience: How to decide what to shop at the store quickly and easily?

Access Convenience: How easy accessible is your store?

Transaction Convenience: How fast can the customer complete the whole payment?

Way to find out customer satisfaction

Once the customer has made a purchase or received a service from the company then the company tends to shop a customer satisfaction survey which is also known as a questionnaire. To measure the customer satisfaction there are five different situations and each of these serves a different purpose. Therefore asking the right question is very important.

Some of the customer satisfaction surveys are the following:-

1) NPS Survey Template

To measure the customer satisfaction or loyalty an NPS or Net Promoter Score survey can be used by asking a single question. For example how satisfied are you with our company product? Customers can score from 0 to 10.

To measure the customer satisfaction, loyalty and overall customer sentiment NPS is used instead of feedback on a specific product or experience. NPS is a good tool to measure customer loyalty and satisfaction against competitors as they are widely used across many industries.

Customers receive NPS survey through email surveys or text messages. It can also appear as a pop-up or chat box on the site for online business sometimes. An example of a customer's feedback software that provides business with NPS insights and collects NPS data is Ask Nicely.

Based on the customer's answer to the question they are placed into three categories:

Detractors- Customers are considered as detractors if their response is in between 0 and 6. These people are more likely to impede the growth of the company's business through negative word of mouth and the company is more likely to lose these customers.

Passives- Customers are considered as passives if their response is in between 7 and 8. They are satisfied with the services and products offered by the company but they are not raving fans of the company. Passive customers could be converted into raving fans or they could even leave your company for a competitor.

Promoters- Customers are considered as promoters if their response is in between 9 and 10. These customers will help in the growth of the business through referrals and they are loyal customers.

The NPS score can be anywhere from -100 to 100. 50 NPS score is considered as great and above 70 NPS score is considered as world class. NPS is a great tool to identify and reward loyal customers as well as identify unhappy customers to improve their experience in a small business.

2) **Customer Satisfaction Survey (CSAT)**

Unlike NPS, which is used to gauge customer loyalty CSAT, or customer satisfaction survey is used to measure how satisfied the customer is with the product or service. For example for the question "Will you recommend our product to colleagues, friends and other family member?" The answer will be from a scale of 1-5.

To calculate the CSAT score, you need to take the number of satisfied customers and divide by the total number of respondents and multiply by 100. To fix individual customer service issues and look at how specific products and services are performing overall CSAT surveys are used.

3) **Post-Purchase Survey**

Once the customers have bought a product or a service from the company, a post-purchase survey is sent. This survey will help in getting feedback on the specific experience the customers had with their transaction.

For the improvement of the company these surveys are used as this helps in pinpointing the specific areas of the business that need to be improved. Post-purchase surveys can be used to understand whether they need to focus their attention on their customer service or quality of products if the NPS score is low.

Post-purchase surveys consist of open-ended questions typically to rank the experience the customer faced on a scale of "Strongly agree" to "Strongly disagree" or "Poor to Excellent". These surveys are typically sent via a link in an email as they consist of longer than one question.

4) **Product or Service Development Survey**

Product or Service Development survey is also known as concept testing. Once the company launches a new product this survey is sent to the customers to get a feel and to see how likely existing customers are to purchase the product. By receiving the feedback from the survey the company can make improvements on the products before relaunching it.

The company needs to provide a sample of the product they are testing either in person or online, including price for this survey. It is better to send these surveys to the company's most loyal and highest spending customers to get a better feedback.

5) Usability Survey

These surveys are also called as experience survey. To create a better experience for the customer the company uses online business to receive feedback on their website. When the customer or shopper is on the company's site these surveys will popup with questions.

The questions could be multiple choice questions, open ended questions or even live messaging that provides the information for the customer that they are looking for. These surveys help in improving the customer experience, streamline content and to improve the website navigation.

LITERATURE REVIEW WITH RESEARCH GAP TAB

LENO-2.1

SLNo.	Author/Researcher	Title of the Article/Study	Objectives, Outcomes or Findings	Gap Identified
1.	Karen M. File, Russ A. Prince	Positive word-of-mouth: Customer satisfaction and buyer behavior.	Customer satisfaction through word of mouth.	The study differs because it only talks about word of mouth.
2	John T. Bowen, Shiang-Lin Chen	The relationship between customer loyalty and customer satisfaction.	To know the relationship between customer loyalty and how satisfied the customer is.	The gap in this study is that it doesn't talk about customer satisfaction level.
3.	Gilbert A. Churchill Jr, Carol S. Prentiss	An investigation into the determinants of customer satisfaction.	Determinants of customer satisfaction.	This study only talks about the determinants of customer satisfaction.

4.	Claes Fornell	A national customer satisfaction barometer: The Swedish experience.	Customer satisfaction barometer.	This study doesn't talk about how to increase customer
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				satisfaction.
5.	Claes Fornell, Michael D Johnson, Eugene W Anderson, Jaesung Cha, Barbara Everitt Bryant	The American customer satisfaction index : Nature, purpose and findings.	Nature and purpose of customer satisfaction.	This study only talks about the nature and purpose of customer satisfaction and not customer satisfaction level.
6.	Eugene W Anderson, Claes Fornell, Donald R Lehmann	Customer satisfaction, market share and profitability: Findings from Sweden.	In depth knowledge on customer satisfaction, market share and profitability.	This study doesn't talk about the customer satisfaction in the banking sector.
7.	Christian Homburg, Annette Giering	Personal characteristics as moderators of the relationship between customer satisfaction and loyalty – an empirical analysis.	Relationship between customer satisfaction and loyalty.	The gap in this study is that it doesn't talk about customer satisfaction level
8.	Mark M Davis, Thomas E Vollmann	A framework for relating waiting time and customer satisfaction in a service operation.	Relating wait time and customer satisfaction in a service.	This study doesn't talk about customer satisfaction in the banking sector.

9.	JagdipSingh,Robert	Whatoccursonce	Understanding	Thisstudyonly
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	EWiding	consumers complain? A theoretical model for understanding satisfaction/ dissatisfaction outcomes of complaint responses.	customer complaints.	talks about customer complaints and does not talk about how to increase customer satisfaction.
10.	Claes Fornell, Roland T Rust, Marnik G Dekimpe	The effect of customer satisfaction on consumer spending growth, Journal of marketing research.	Correlation of customer satisfaction on customer spending.	This study doesn't talk about the level of customer satisfaction.
11.	Thomas S Gruca, Lopo L Rego	Customer satisfaction, cash flow and shareholder value.	In depth knowledge on customer satisfaction, cash flow and shareholder value.	This study doesn't talk about customer relationship management.
12.	Lynette M McDonald, Sharyn Rundle-Thiele	Corporate social responsibility and bank customer satisfaction: a research agenda.	CSR and customer satisfaction regarding banks.	The study in hand study doesn't talk about satisfaction of different products and services offered by the bank.

13.	EugeneWAnderson,	Customersatisfactionand	Indepth	Thisstudy
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	ClaesFornell,Sanal KMazvancheryl	shareholdervalue.	knowledge oncustomersat isfactionandsh areholder value.	doesn't talkabout customersatisf actionlevels.
14.	Sunil Mithas,MayuramSKri shnan,ClaesFornell	Why do customerrelationship managementapplications affectcustomersatisfac tion?	Connectionb etweencusto merrelations hipmanagem entandcusto mer satisfaction.	This studydoesn't talkabout customersatisf action inthe bankingsector.
15.	DerekRAllen,D Allen	Customer satisfactionresearchman agement:Acomprehen sive guide tointegrating customerloyalty and satisfactionmetrics in themanagementofcompl ex organizations.	Integratingcu stomerloyalt y andsatisfacti onmetricsint hemanageme ntofcomplex organizations.	This studydoesn' t talkaboutper sonalizedcu stomereexper ience.
16.	Jonathan Barsky,Leonar dNash	Customer satisfaction:Applying concepts toindustry– widemeasures.	Applyingcu stomersatisf actionconce pts totheindustr y.	This studydoesn't talkabout customersatisf actionrelating thebanking industry.
17.	ClaesFornell,Sunil Mithas,ForrestV	Customersatisfactionand stockprices:Highreturns,	Indepth knowledgeon	Thisstudy doesn'ttalk

	Morgeson III, Mayuram S Krishnan	low risk.	customer satisfaction and stock prices.	about the features of customer satisfaction
18.	Anders Gustafsson, Michael D Johnson, Inger Rosas	The effect of customer satisfaction, relationship commitment dimensions and triggers on customer retention.	Effects of customer satisfaction.	This study doesn't talk about the way to find out customer satisfaction.
19.	Richard N Cardozo	An experimental study of customer effort, expectation and satisfaction.	Study on customer effort, expectation and satisfaction.	This study doesn't talk about customer relationship management.
20.	Nigel Hill, John Brierley	How to measure customer satisfaction.	Measuring customer satisfaction	This study doesn't talk about how to increase customer satisfaction.
21.	Luiz Moutinho, Douglas T Brownlie	Customer satisfaction with bank services: a multidimensional space analysis.	Customer satisfaction in banks.	This study doesn't talk about customer satisfaction levels.

22.	KDouglasHoffman, ThomasNIngram	Service provider jobsatisfactionandcustom er.	Connection betweenservic e	Thisstudy doesn't talkaboutw hat
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			provider, job satisfaction and customer.	influences customer satisfaction.
23.	Sergei Kochkin	Marketrak V: Consumer satisfaction revisited.	In depth knowledge on consumer satisfaction.	This study doesn't talk about customer satisfaction in the banking sector.
24.	Amy K Smith, Ruth N Bolton, Janet Wagner	A model of customer satisfaction with service encounters involving failure and recovery	Customer satisfaction model with service encounter including failure and recovery.	This study doesn't talk about personalized customer experience.

CHAPTER 3: RESEARCH DESIGN

TOPIC CHOSEN FOR THE STUDY

“A STUDY ON CUSTOMER SATISFACTION AT HDFC BANK.”

PERIOD OF RESEARCH

Period of six weeks.

STATEMENT OF THE PROBLEM

In the current scenario customer satisfaction is the major problem for the banking industry. It is very difficult to identify the customer needs and wants. Due to which serving the customer becomes difficult. It is also very difficult for marketers in retaining current customers and attracting future customers. To have a large market share attaining and retaining customers is important.

NEED OF THE STUDY

- To attain knowledge on customer satisfaction.
- To know the perception of customer towards HDFC Bank's.
- To study the satisfaction level of customers towards services and products offered to them.
- To study the problems faced by the customers.
- To improve customer service.

OBJECTIVES OF THE STUDY

- To find out which facilities influence customer the most while selecting a bank.
- To compare various products and services provided by bank.
- To find out the customer preference out of the different products and services offered.

- To find out the satisfaction level of the customers towards the bank.
- To find out if the customers prefer which sector of banks.

SCOPE OF THE STUDY

In today's scenario the Indian banking industry has grown by leaps and bounds and various products and services have come into existence. Following are the findings of the study:

- The customers level of satisfaction.
- The difficulties faced by the customers.
- Perception of the customer towards the bank.
- Preferred products and services of the customer out of the ones offered by the bank.

RESEARCH METHODOLOGY

Research is completely based on a logical and systematic way. The study of the overall question explains with the help of scientific techniques, specific procedures, collecting data from customer and analysing these with logical and scientific tools. Appropriate information is important to conduct this research. Hence information was collected from the customers and also from online relevant websites.

❖ RESEARCH DESIGN

Type of Methodology: Descriptive research.

The methodology for research adopted for carrying out

the study was: 1st stage – Theoretical/Detailed study was completed.

2nd stage – Customer satisfaction level was observed at HDFC Bank.

❖ **Sample Design**

It is a particular definite plan formulation before collecting the data from population. The research should select a particular sample. In sampling, there are 2 types: non - probability sampling and probability sampling. In this research, non-probability sampling is only used.

❖ **Sampling**

Sampling design	: Non-probability sampling
Sampling technique	: Random sampling
Sample unit	: People visiting the bank, people residing near the bank
Sample size	: 100 respondents
Area of study	: HDFC Bank, Vijayapura, Karnataka.
Data analysis method	: Tables and graphical method

❖ **DATA COLLECTION METHOD**

In this research, internal and external source of data are used. The raw materials were collected through researchers. Collecting data from company records and documents, these are all internal data and other data are external.

In data collection, there are 2 types -

➤ **Primary Data**

In this, questionnaire is used for collecting the data.

➤ **Secondary Data**

It is gathered from standard books, internal sources, newspapers and magazines, also collecting data from external and internal sources from the company annual reports, company additional profile and company website.

❖ RESEARCH INSTRUMENT

Hypotheses Testing through SPSS.

HYPOTHESES

TABLE NO.-3.1: Hypotheses testing

		Correlations		
		22. What is your overall satisfaction level rating when it comes to HDFC Bank?	18. How satisfied are you with the dealing of the HDFC Bank officials?	16. How satisfied are you with the number of services that are offered by HDFC Bank's online banking platforms?
22. What is your overall satisfaction level rating when it comes to HDFC Bank?	Pearson Correlation Sig.(2-tailed) N	1 100	.967** .000 100	.967** .000 100
18. How satisfied are you with the dealing of the HDFC Bank officials?	Pearson Correlation Sig.(2-tailed) N	.967** .000 100	1 .000 100	1.000** .000 100
16. How satisfied are you with the number of services that are offered by HDFC Bank's online banking platforms?	Pearson Correlation Sig.(2-tailed) N	.967** .000 100	1.000** .000 100	1 .000 100

** .Correlation is significant at the 0.01 level (2-tailed).

Interpretation: The two independent variables highly correlate with the dependent variable. Because the correlation is between -1 to 1 and the significance is less than 0.05.

LIMITATION OF THE STUDY

- A period of 6 weeks was not sufficient to cover our internship and also it was not possible to collect a large number of respondents in Vijayapura due to which the study could not be done in depth of the subject.
- Customers in the bank were busy, so it was very difficult to collect answers to the questionnaire.
- People have shown a negative attitude while filling personal details in the questionnaire.
- Due to the lack of interest it might be possible that the answers given by the customer of HDFC Bank Vijayapura are biased.

CHAPTER SCHEME

The project has five chapters, which consist of introduction, background of the study and literature review, research methods, data analysis and their interpretation & conclusion. The chapters are shortly described below.

Chapter 1: Introduction

This chapter includes introduction of the study, industry profile, company profile, promoters of the company, vision, mission and quality policies of the company, products and services provided by the company, competitors and their information, SWOT analysis and future growth and prospects about the company.

Chapter 2: Background & Literature Review

This chapter includes twenty-five literature reviews about the study and also the theoretical background of the study.

Chapter 3: Research Design

This chapter explains the problem of the statement, the need behind the study, objectives of the study, scopes, research methods, sample size of the research, sample design which is used in the research, hypothesis, limitations of the study and the chapter scheme.

Chapter4:Data Analysis&Interpretation

This chapter contains the data of the respondents and their analysis with interpretation. In this the hypothesis testing and results are also shown.

Chapter5: Findings,Conclusion andSuggestions

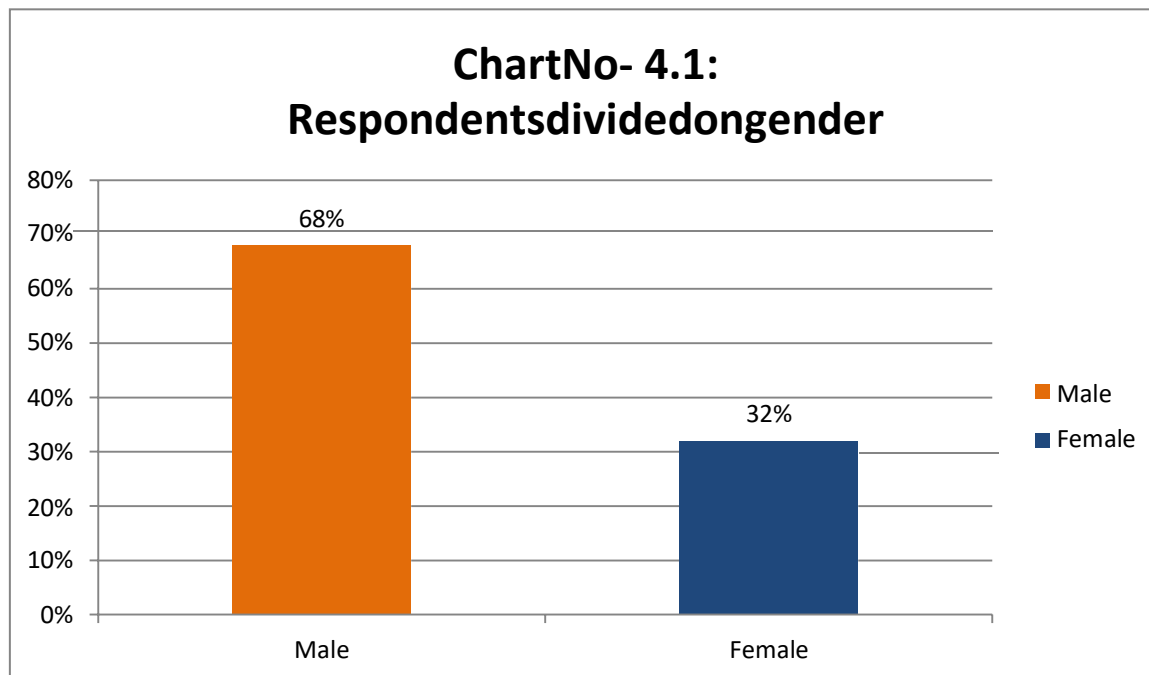
This chapter includes the conclusion about the research, findings and the suggestions for the company improvements in future.

CHAPTER4:ANALYSIS&INTERPRETATION

TABLENO-4.1: Respondents divided on gender.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGEOF RESPONDENTS
1	Male	68	68%
2	Female	32	32%
3	Total	100	100%

Analysis: As per survey out of 100 respondents, there are 68% of male responders and 32% of female responders.

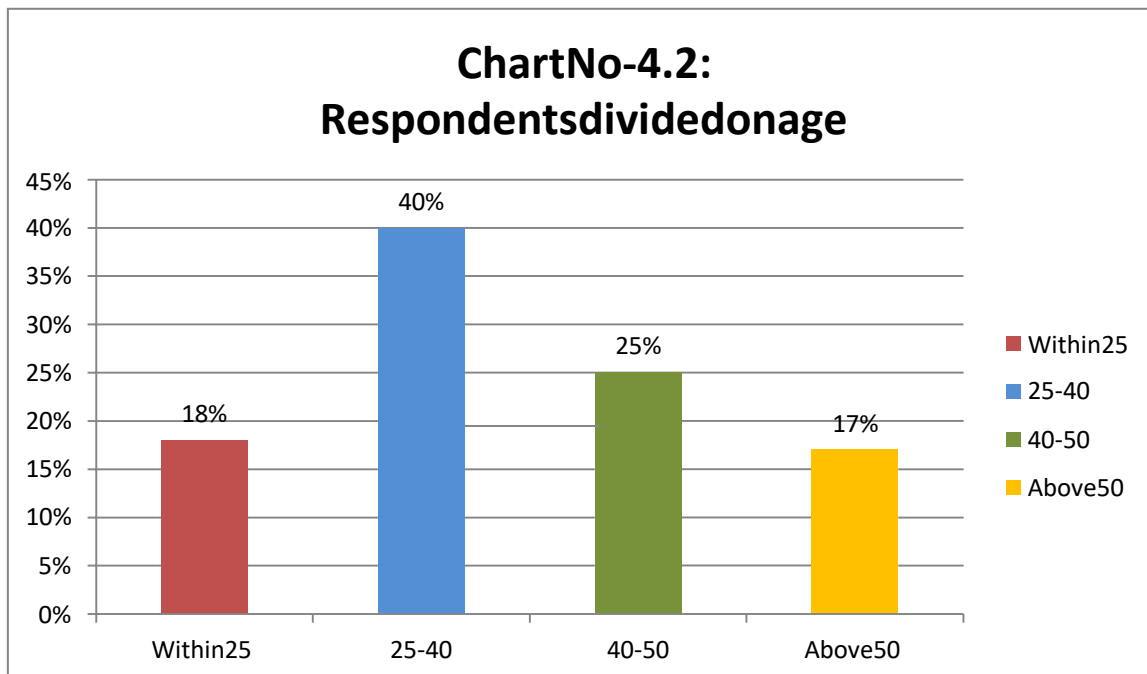


Interpretation: For this survey among 100 respondents 68% of responders (majority) are males.

TABLENO-4.2: Respondents divided on age.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGEOF RESPONDENTS
1	Within 25	18	18%
2	25 to 40	40	40%
3	40 to 50	25	25%
4	Above50	17	17%
5	Total	100	100%

Analysis: As per survey out of 100 respondents, 18% of responders were within the age of 25,40% of responders were from the age of 25 to 40, 25% of responders were from the age of 40-50 and 17% of responders were above 50.

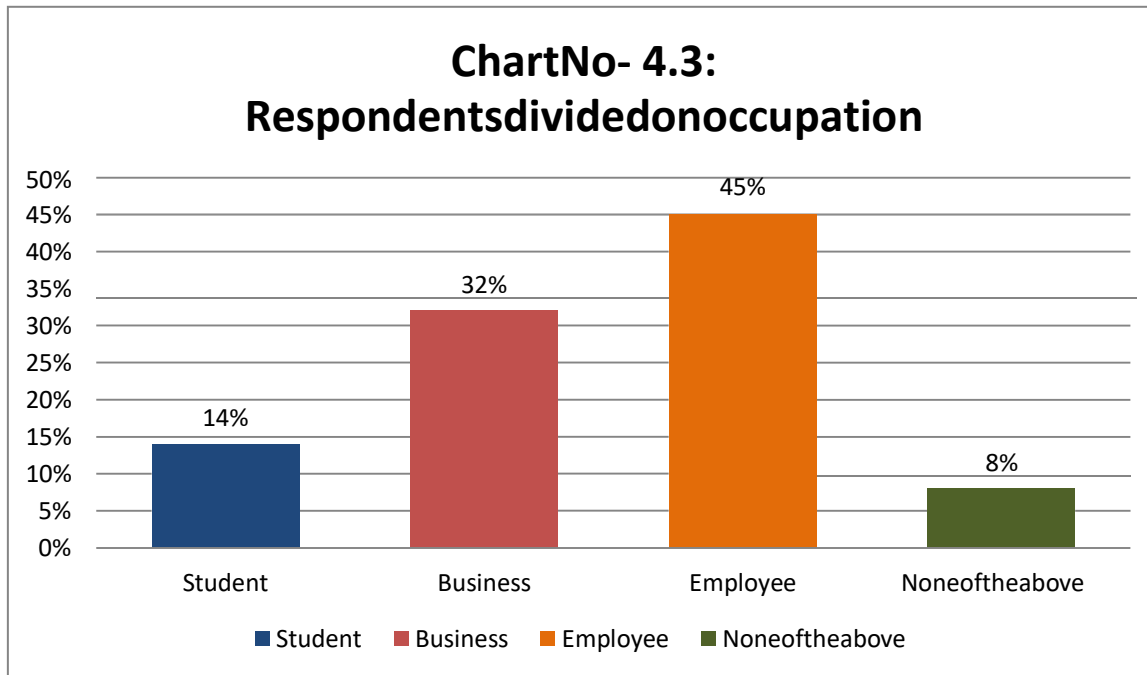


Interpretation: For this survey the majority of the respondents, 40% of respondents (majority) between the ages of 25-40.

TABLENO-4.3: Respondents divided on occupation.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGEOF RESPONDENTS
1	Student	14	14%
2	Business	32	32%
3	Employee	45	45%
4	Noneof theabove	8	8%
5	Total	100	100%

Analysis: As per survey out of 100 respondents, 14% of responders were students, 32% of responders had their businesses, 45% of responders were employees and 8% of responders didn't fall in any of these categories.

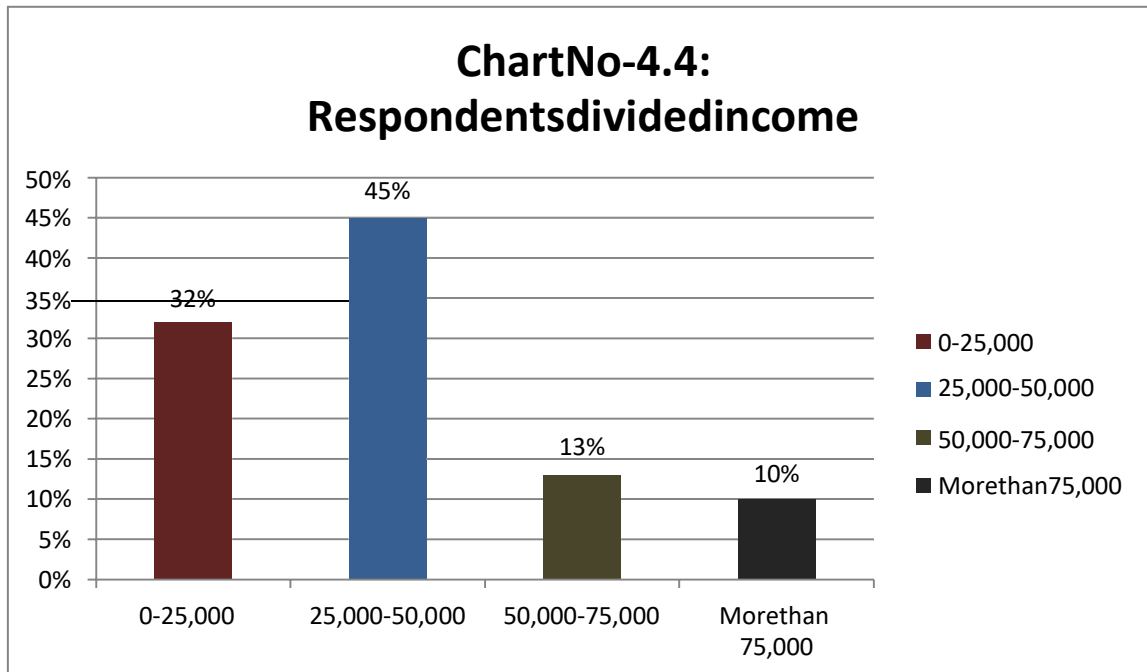


Interpretation: For this survey majority, 45% of respondents (majority) are employees when it comes to occupation.

TABLENO-4.4: Respondents divided in income.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGEOF RESPONDENTS
1	0 to 25,000	32	32%
2	25,000 to 50,000	45	45%
3	50,000 to 75,000	13	13%
4	Morethan 75,000	10	10%
5	Total	100	100%

Analysis: As per survey out of 100 respondents, 32% of responders were earning between 0 to 25,000, 45% of responders were earning between 25,000 to 50,000, 13% of responders were earning between 50,000 to 75,000 and 10% of responders were earning more than 75,000.

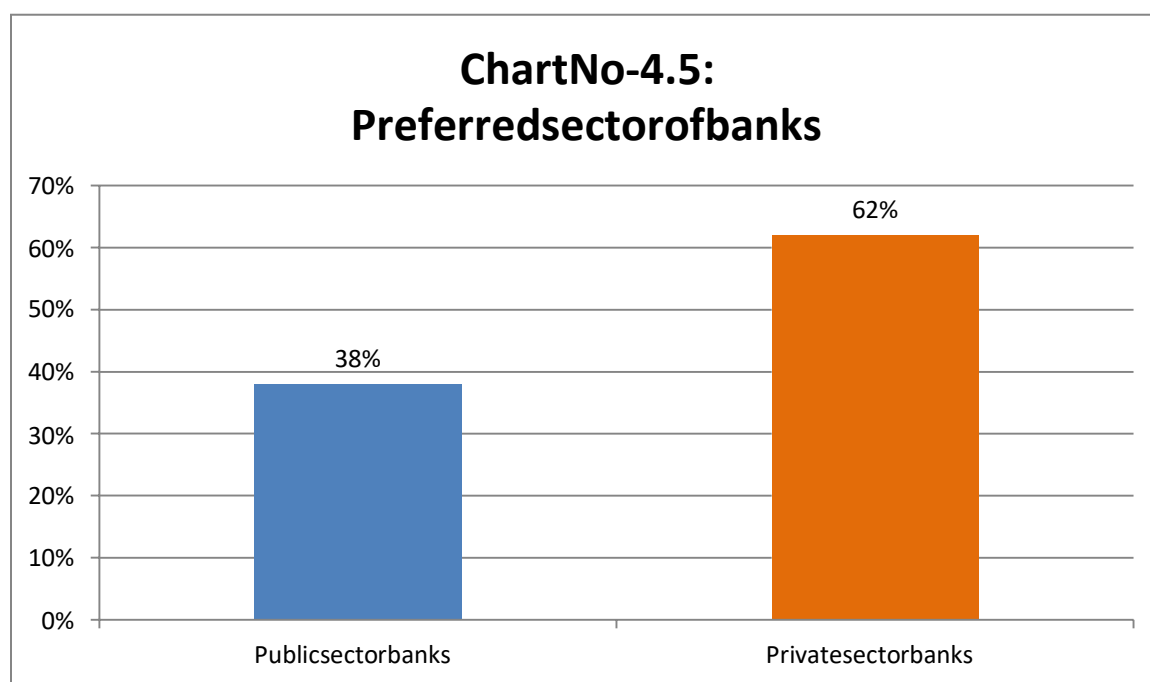


Interpretation: For this survey majority, 45% of respondents (majority) have an income between 25,000 to 50,000.

TABLENO-4.5:Preferredsectorofbanks.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGEOF RESPONDENTS
1	Publicsectorbanks	38	38%
2	Privatesectorbanks	62	62%
3	Total	100	100%

Analysis: As per survey out of 100 respondents, 38% of responders preferred public sectorbanksand62%ofresponders preferred privatesector banks.



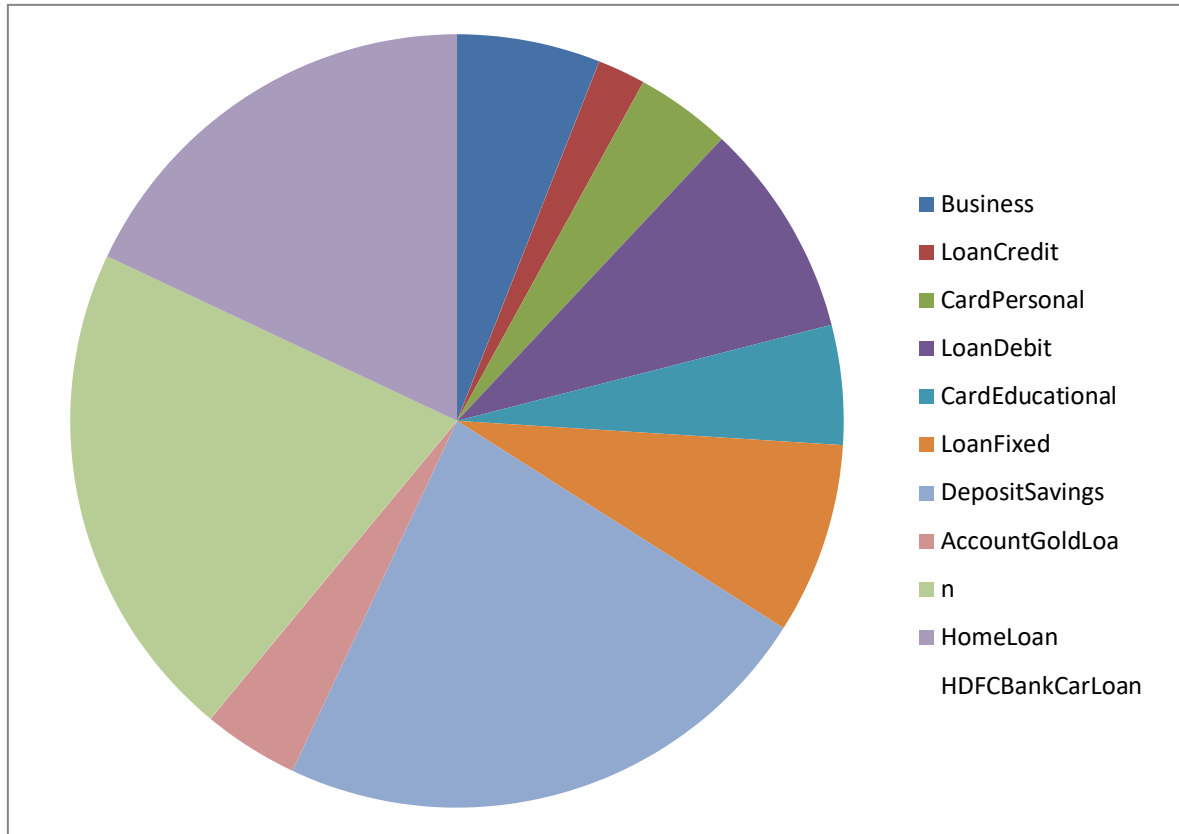
Interpretation:Accordingtothissurvey62%of respondents(majority)preferprivatesectorbanks.

TABLENO–4.6: Which service or product is preferred the most.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
1	BusinessLoan	6	6%
2	CreditCard	2	2%
3	PersonalLoan	4	4%
4	DebitCard	9	9%
5	EducationalLoan	5	5%
6	FixedDeposit	8	8%
7	SavingsAccount	23	23%
8	GoldLoan	4	4%
9	HomeLoan	21	21%
10	CarLoan	18	18%
11	Total	100	100%

Analysis: As per survey out of 100 respondents, 6% of the responders preferred HDFC Bank Business Loan, 2% of responders preferred HDFC Bank Credit Card, 4% of the responders preferred HDFC Bank Personal Loan, 9% of responders preferred HDFC Bank Debit Card, 5% of responders preferred HDFC Bank Educational Loan, 8% of responders preferred HDFC Bank Fixed Deposit, 23% of responders preferred HDFC Bank Savings Account, 4% of responders preferred HDFC Bank Gold Loan, 21% of responders preferred HDFC Bank Home Loan and 18% of responders preferred HDFC Bank Car Loan.

CHARTNO-4.6:Serviceorproductpreferredthemost.

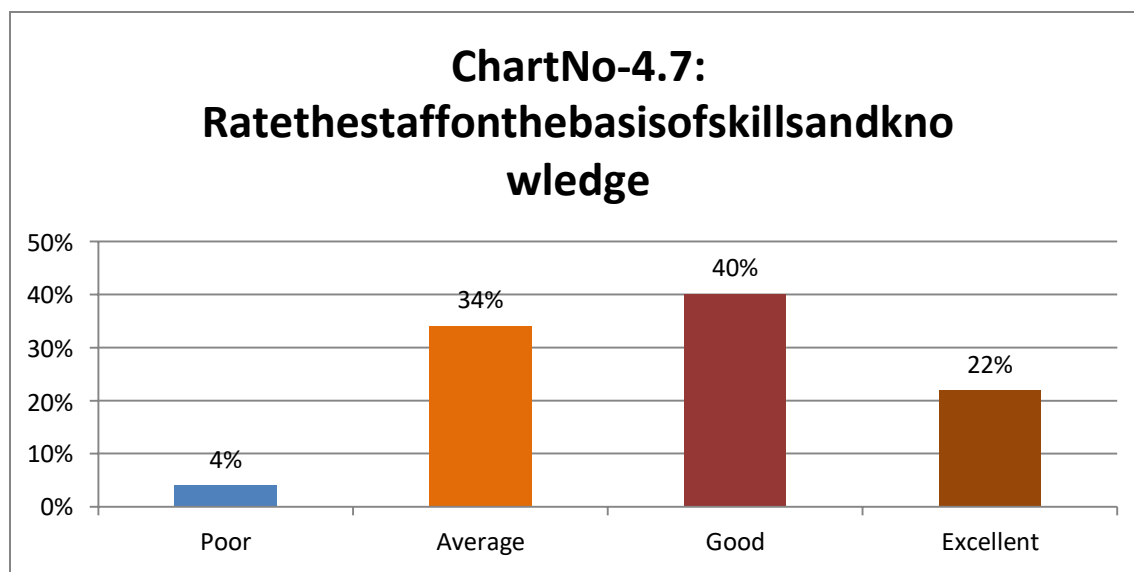


Interpretation: According to this survey 23% of respondents (majority) prefer HDFC Savings account out of the others.

TABLENO-4.7:Rate the staff on the basis of required skills and knowledge regarding the product.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
1	Poor	4	4%
2	Average	34	34%
3	Good	40	40%
4	Excellent	22	22%
5	Total	100	100%

Analysis: As per survey out of 100 respondents, on the basis of required skills and knowledge regarding the product 4% of responders rate the staff as poor, 34% of responders rate the staff as average, 40% of responders rate the staff as good and 22% of responders rate the staff as excellent.



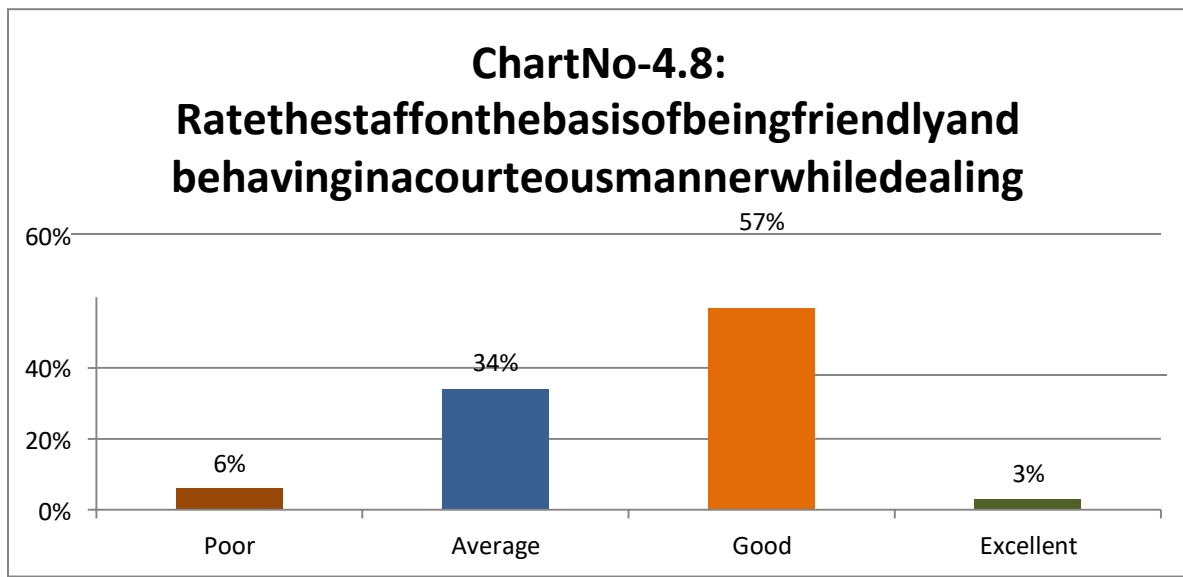
Interpretation: According to the survey 40% of respondents (majority) rate the staff as good on the basis of knowledge and skills regarding the product.

TABLENO-

4.8:Rate the staff on the basis of being friendly and behaving in a courteous manner while dealing.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
1	Poor	6	6%
2	Average	34	34%
3	Good	57	57%
4	Excellent	3	3%
5	Total	100	100%

Analysis: As per survey out of 100 respondents, on the basis of being friendly and behaving in a courteous manner while dealing 6% of responders rate the staff as poor, 34% of responders rate the staff as average, 57% of responders rate the staff as good and 3% of responders rate the staff as excellent.



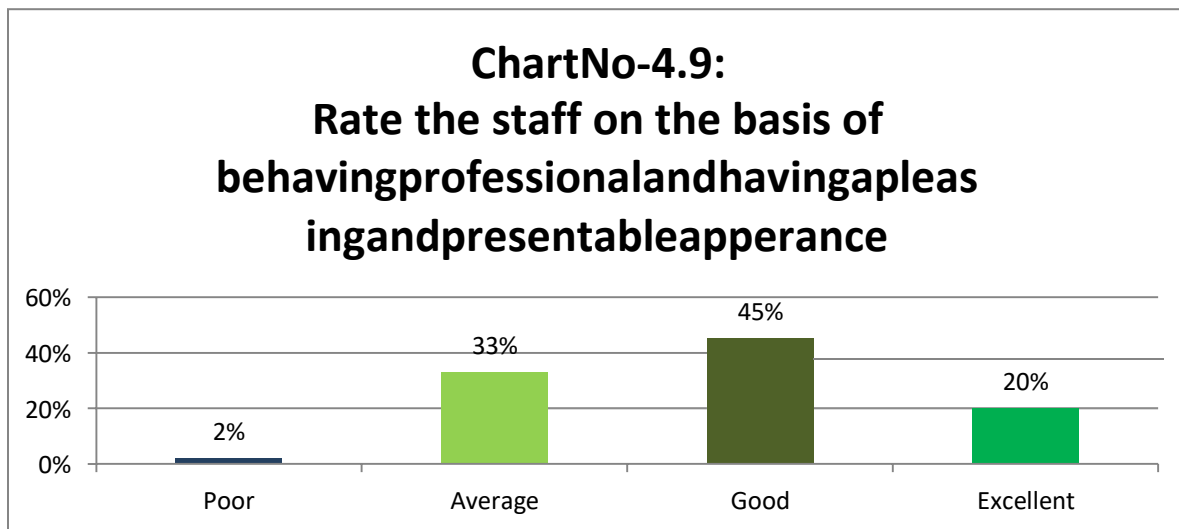
Interpretation: According to the survey 57% of respondents (majority) rate the staff as good on the basis of being friendly and behaving in a courteous manner while dealing.

TABLENO-

4.9:Rate the staff on the basis of behaving professional and having pleasing and presentable appearance.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
1	Poor	2	2%
2	Average	33	33%
3	Good	45	45%
4	Excellent	20	20%
5	Total	100	100%

Analysis: As per survey out of 100 respondents, on the basis of behaving professional and having pleasing and presentable appearance 2% of responders rate the staff as poor, 33% of responders rate the staff as average, 45% of responders rate the staff as good and 20% of responders rate the staff as excellent.

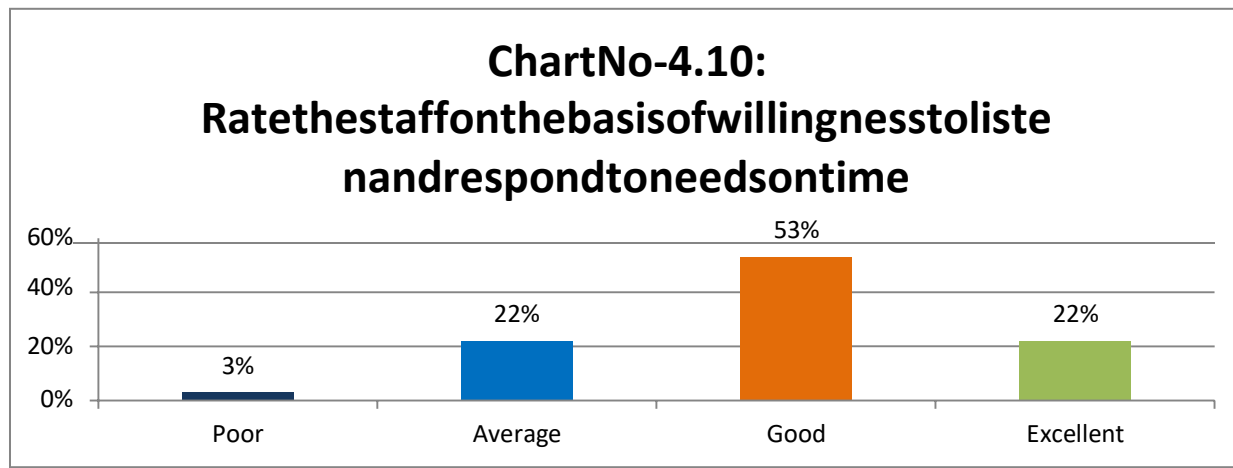


Interpretation: According to this survey 45% (majority) of responders rate the staff as good on the basis of behaving professional and having pleasing and presentable appearance.

TABLENO-4.10:Rate the staff on the basis of willingness to listen and respond to needs on time.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
1	Poor	3	3%
2	Average	22	22%
3	Good	53	53%
4	Excellent	22	22%
5	Total	100	100%

Analysis: As per survey out of 100 respondents, on the basis of willingness to listen and respond to needs on time 3% of responders rate the staff as poor, 22% of responders rate the staff as average, 53% of responders rate the staff as good and 22% of responders rate the staff as excellent.

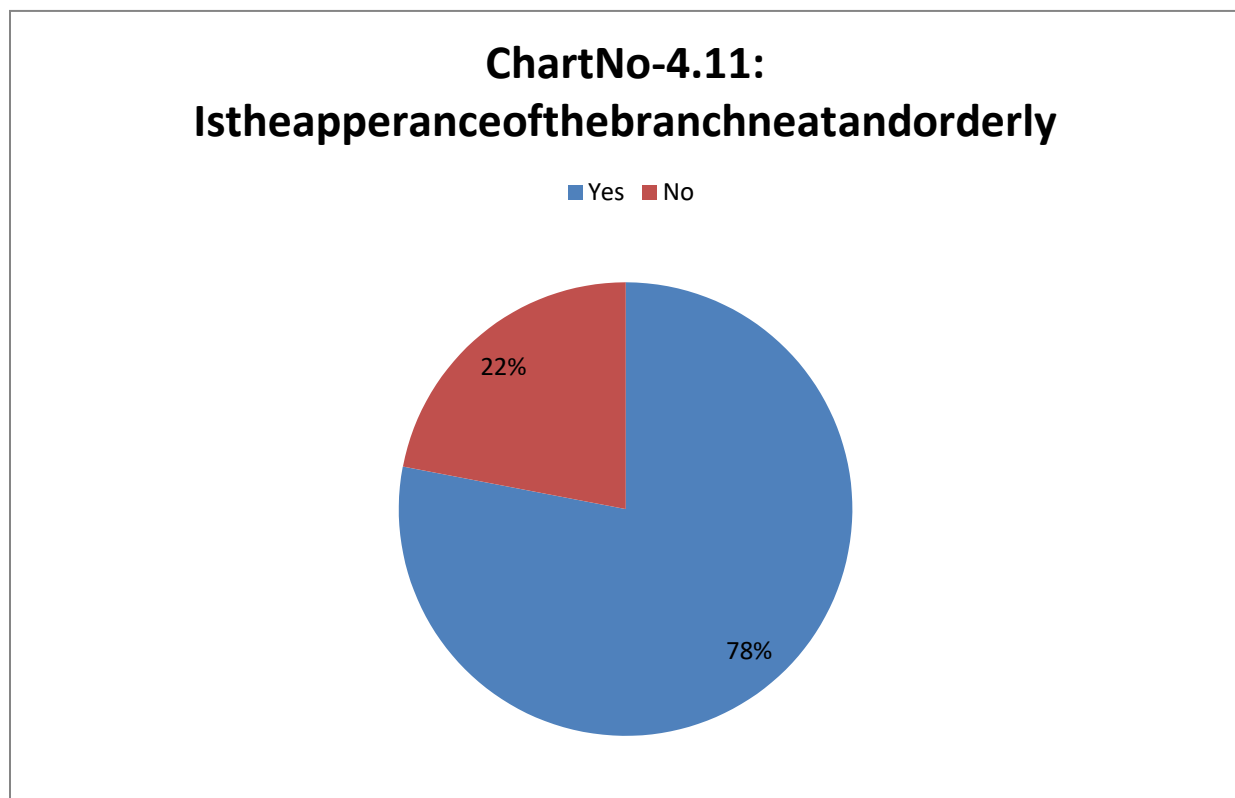


Interpretation: According to this survey 53% of respondents (majority) rate the staff as good on the basis of willingness to listen and respond to needs on time.

TABLENO-4.11: Istheappearanceofthebranchneatandorderly.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGEOF RESPONDENTS
1	Yes	78	78%
2	No	22	22%
3	Total	100	100%

Analysis:Aspersurveyoutof100respondents,78% ofresponderssayyesthebranchisneatandorderlyand 22%ofresponders sayno thebranch is not neat and orderly.

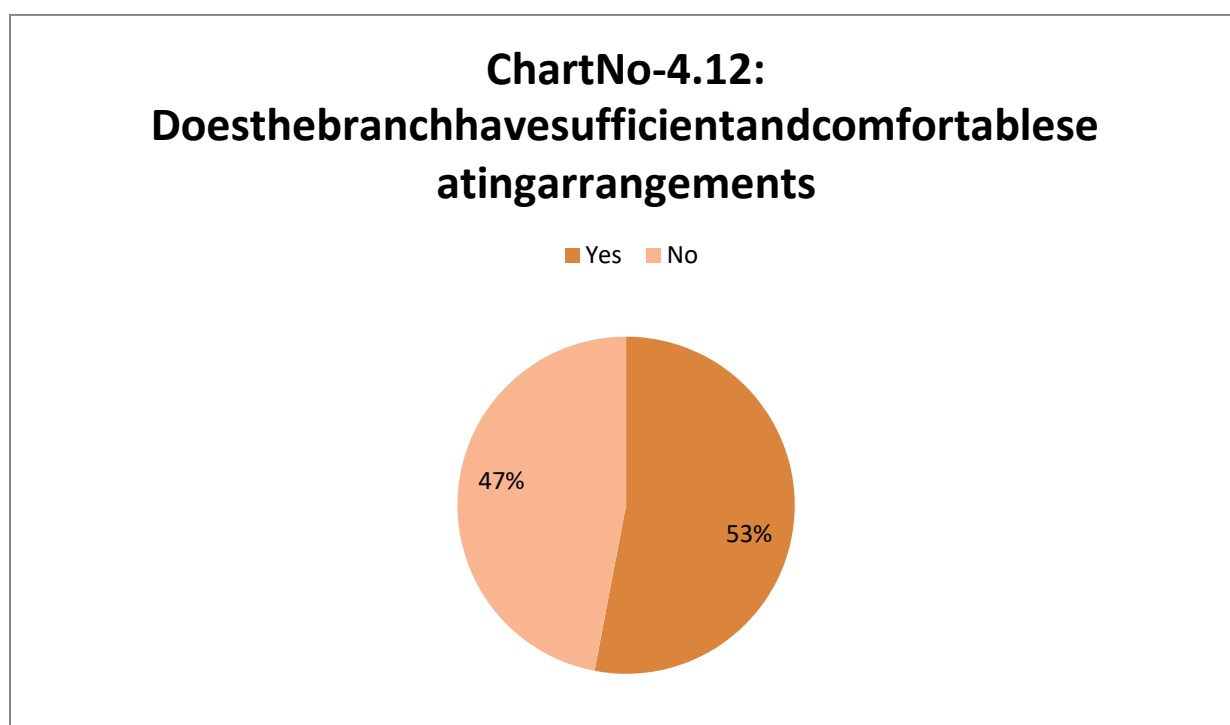


Interpretation:Accordingtothis survey78%of respondents(majority)sayyesthe appearanceofthe branch is neat andorderly.

TABLENO-4.12:Doesthebranchhavesufficientandcomfortableseatingarrangements.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGEOF RESPONDENTS
1	Yes	53	53%
2	No	47	47%
3	Total	100	100%

Analysis: As per survey out of 100 respondents, 53% of responders say yes the branch hassufficientandcomfortableseatingarrangementsand47%ofresponderssaynothebranchhasinsufficientanduncomfortableseatingarrangements.

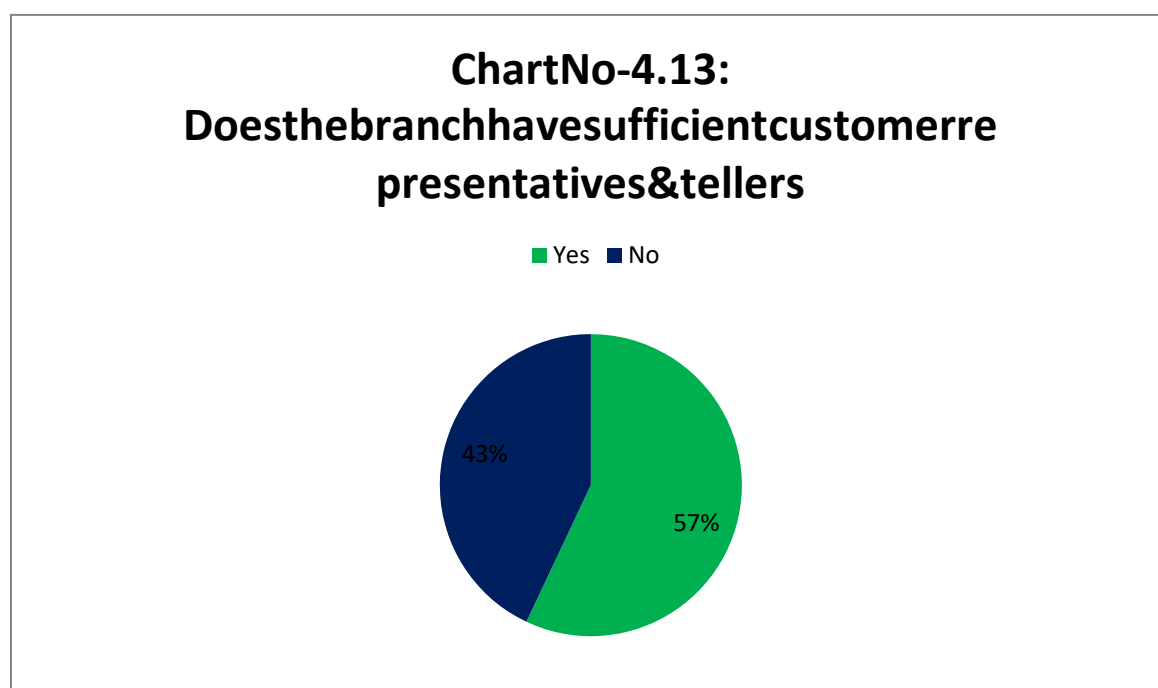


Interpretation:Accordingtothissurvey53% ofrespondents(majority)sayyesthe branchdoeshavesufficient and comfortableseatingarrangements.

TABLENO-4.13:Doesthebranchhavesufficientcustomerrepresentatives&tellers.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGEOF RESPONDENTS
1	Yes	57	57%
2	No	43	43%
3	Total	100	100%

Analysis:Aspersurveyoutof100respondents,57%ofresponderssayyesthebranchhassufficient customer representatives & tellers and 43% of responders say no the branch hasinsufficientcustomerrepresentatives &tellers



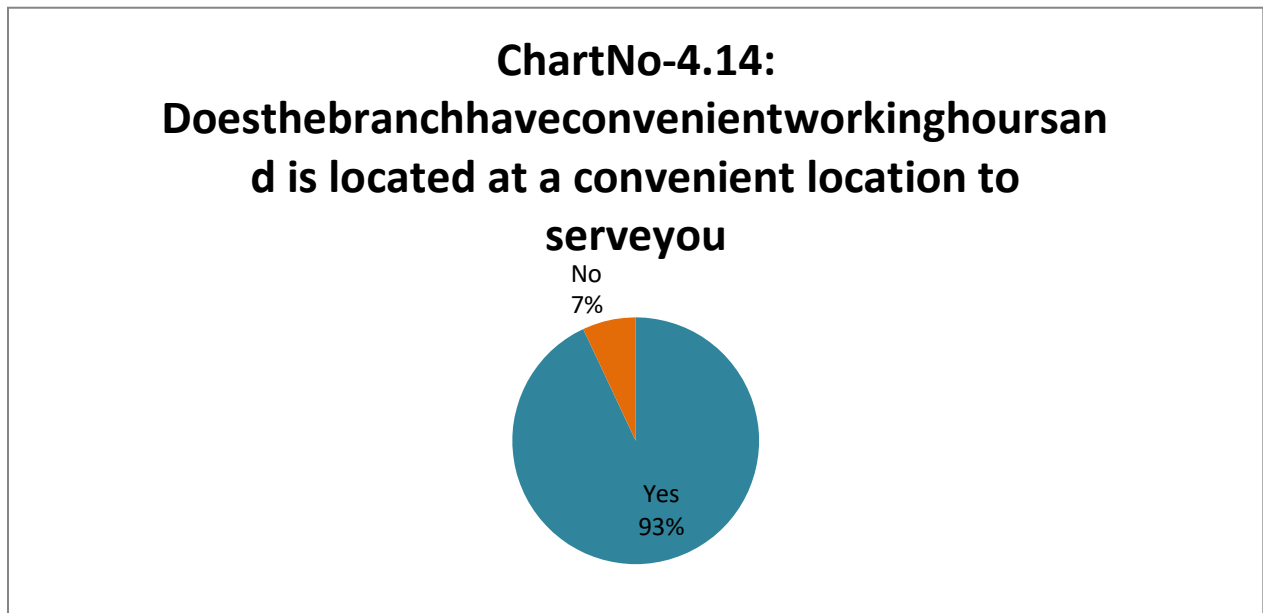
Interpretation:Accordingtothissurvey57%ofrespondents(majority)sayyesthebranchhassufficient customerrepresentatives &tellers.

TABLENO-

4.14:Howconvenientaretheworkinghoursofthebranchandislocatedataconvenientlocation.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGEOF RESPONDENTS
1	Yes	93	93%
2	No	7	7%
3	Total	100	100%

Analysis: As per survey out of 100 respondents, 93% of responders say yes the branch hasconvenientworkinghoursandislocatedataconvenientlocationand7%ofresponderssaynothebranc hhasnoconvenientworkinghoursandnorislocatedataconvenientlocation.

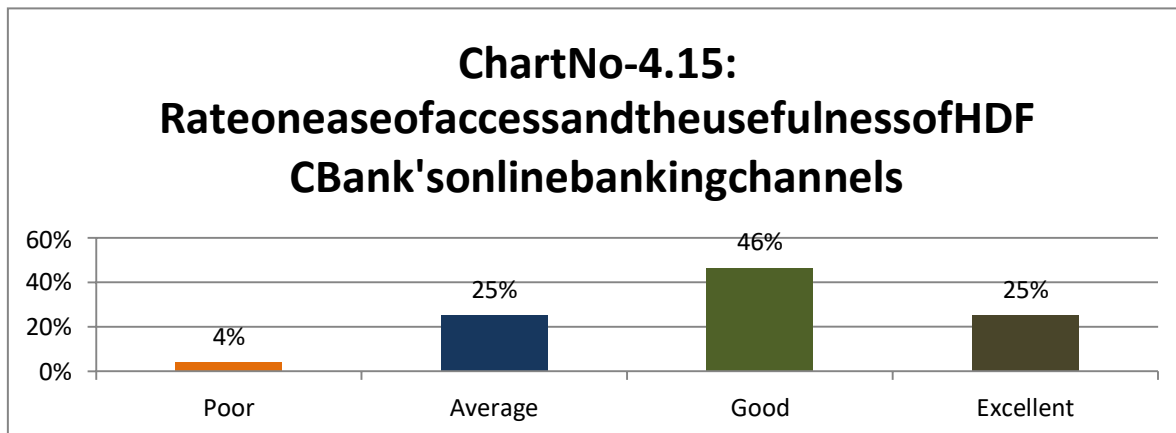


Interpretation: Accordingtothissurvey93%ofrespondents(majority)sayyesthe branchhasconvenientworkinghours andis located at aconvenientlocation.

TABLENO-4.15:RateoneaseofaccessandtheusefulnessofHDFCBank’sonlinebankingchannels.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGEOF RESPONDENTS
1	Poor	4	4%
2	Average	25	25%
3	Good	46	46%
4	Excellent	25	25%
5	Total	100	100%

Analysis: As per survey out of 100 respondents, 4% of responders rate poor on ease of access and the usefulness of HDFC Bank’s online banking channels, 25% of responders rate average on ease of access and the usefulness of HDFC Bank’s online banking channels, 46% of responders rate good on ease of access and the usefulness of HDFC Bank’s online banking channels and 25% of responders rate excellent on ease of access and the usefulness of HDFC Bank’s online banking channels.

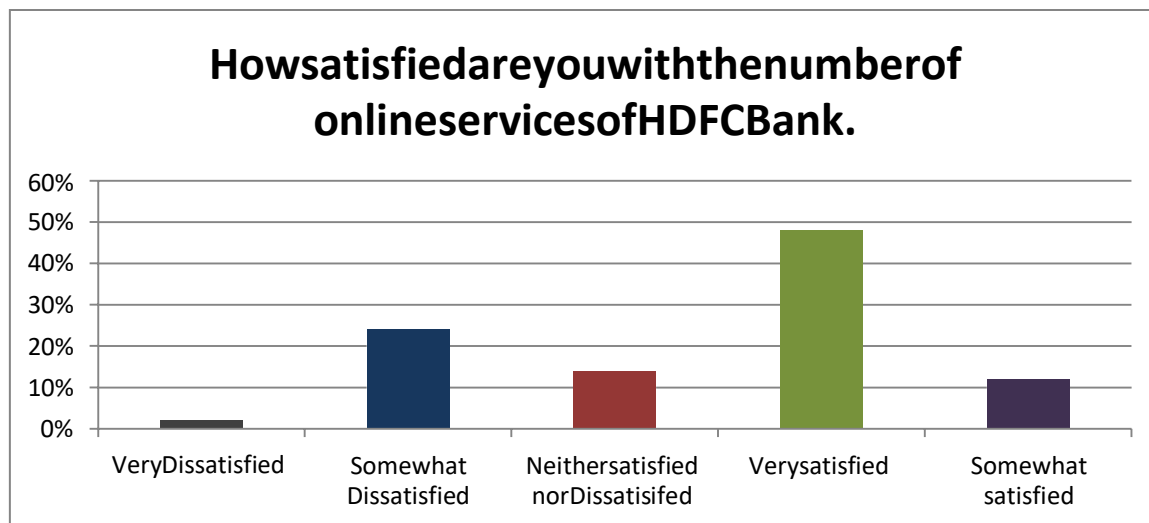


Interpretation: According to this survey 46% of respondents (majority) rate HDFC Bank’s online banking channels are useful and are easy to access.

TABLENO–4.16:How satisfied are you with the number of online services of HDFC Bank.

SINO	PARTICULARS	No.OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
1	Very Dissatisfied	2	2%
2	Somewhat Dissatisfied	24	24%
3	Neither Satisfied nor Dissatisfied	14	14%
4	Very Satisfied	48	48%
5	Somewhat Satisfied	12	12%
6	Total	100	100%

Analysis: As per the survey, 2% of the respondents are very dissatisfied, 24% of the respondents are somewhat satisfied, 14% of the respondents are neither satisfied nor dissatisfied, 48% of the respondents are very satisfied and 12% of the respondents are somewhat satisfied with the number of online services of HDFC Bank.

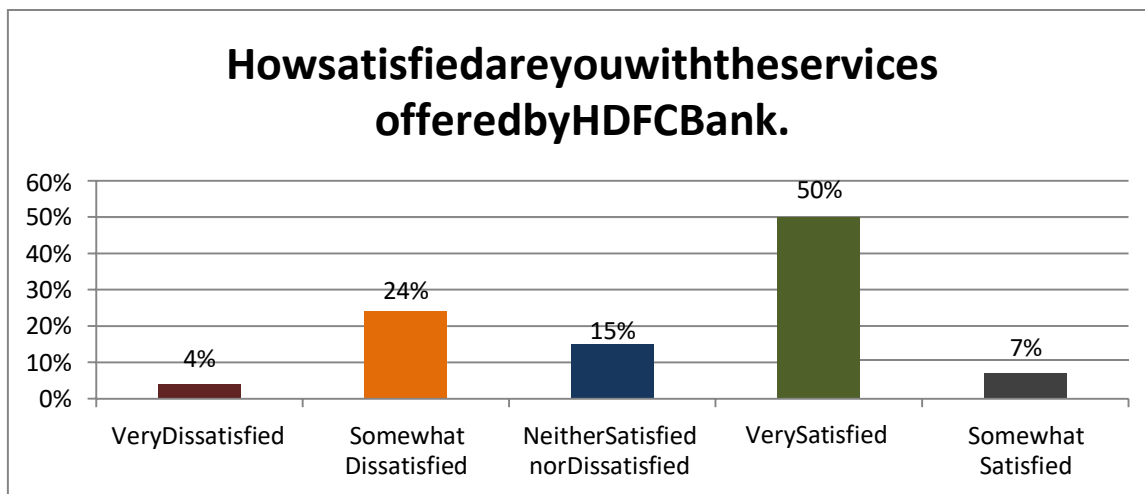


Interpretation: According to this survey 48% of respondents (majority) say that they are very satisfied with the number of online services offered by HDFC Bank.

TABLENO-4.17:How satisfied are you with the services offered by HDFC Bank.

SINO	PARTICULARS	No.OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
1	VeryDissatisfied	4	4%
2	SomewhatDissatisfied	24	24%
3	NeitherSatisfiednorDissatisfied	15	15%
4	VerySatisfied	50	50%
5	SomewhatSatisfied	7	7%
6	Total	100	100%

Analysis: As per the survey, 4% of the respondents are very dissatisfied, 24% of the respondents are somewhat satisfied, 15% of the respondents are neither satisfied nor dissatisfied, 50% of the respondents are very satisfied, and 7% of the respondents are somewhat satisfied with the services offered by HDFC Bank.

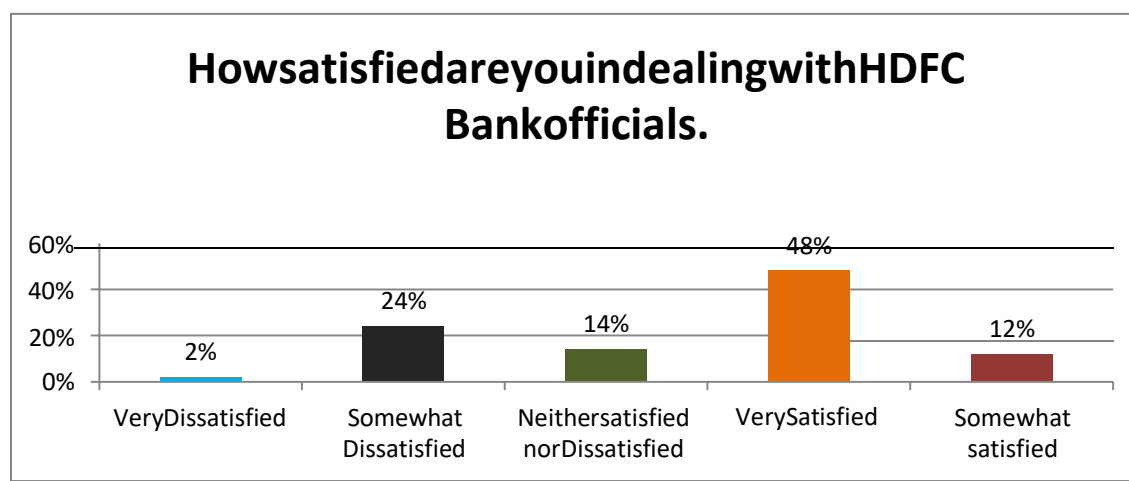


Interpretation: According to this survey 50% of respondents (majority) say that they are very satisfied with the services offered by HDFC Bank.

TABLENO-4.18:How satisfied are you in dealing with HDFC Bank officials.

SINO	PARTICULARS	No.OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
1	Very Dissatisfied	2	2%
2	Somewhat Dissatisfied	24	24%
3	Neither Satisfied nor Dissatisfied	14	14%
4	Very Satisfied	48	48%
5	Somewhat Satisfied	12	12%
6	Total	100	100%

Analysis: As per the survey, 2% of the respondents are very dissatisfied, 24% of the respondents are somewhat satisfied, 14% of the respondents are neither satisfied nor dissatisfied, 48% of the respondents are very satisfied, and 12% of the respondents are somewhat satisfied while dealing with HDFC Bank officials.

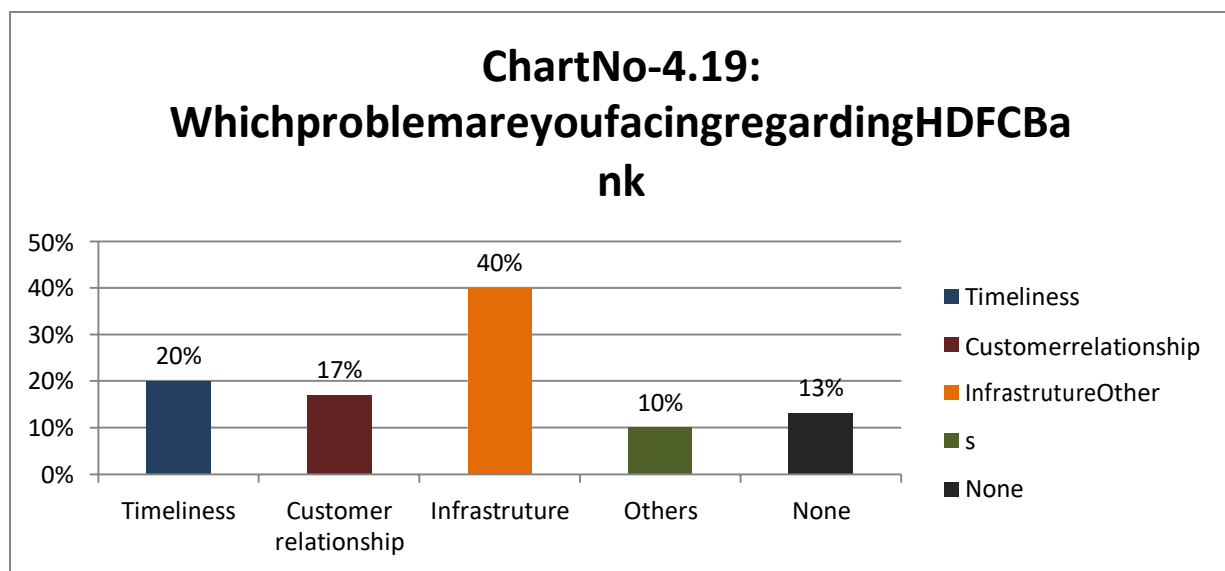


Interpretation: According to this survey 48% of respondents (majority) say that they are very satisfied with the dealing of HDFC Bank officials.

TABLENO-4.19: Which problem are you facing regarding HDFC Bank.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGEOF RESPONDENTS
1	Timeliness	20	20%
2	CustomerRelationship	17	17%
3	Infrastructure	40	40%
4	Others	10	10%
5	None	13	13%
6	Total	100	100%

Analysis: : As per the survey, on the basis of the problems they are facing regarding HDFC Bank 20% of responders say timeliness, 17% of the responders say customer relationship, 40% of the responders say infrastructure, 10% of responders have some other problems and 13% of responders have no problem that they are facing regarding HDFC Bank.

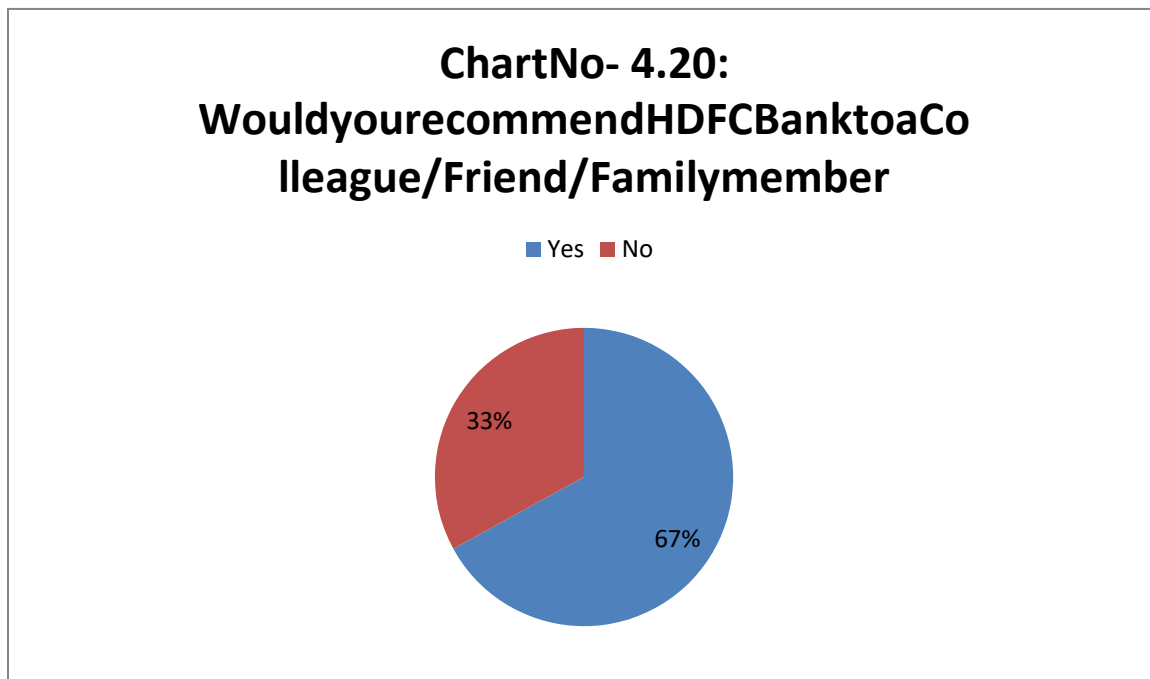


Interpretation: According to this survey 40% of respondents (majority) say infrastructure is the problem they are facing regarding HDFC Bank.

TABLENO-4.20: Would you recommend HDFC Bank to a Colleague/Friend/Family Member.

SINo.	PARTICULARS	No.OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
1	Yes	67	67%
2	No	33	33%
3	Total	100	100%

Analysis: : As per survey out of 100 respondents, on the basis of if they would recommend HDFC Bank to a colleague/Friend/Family Member 67% of responders said yes and 33% of responders said no.



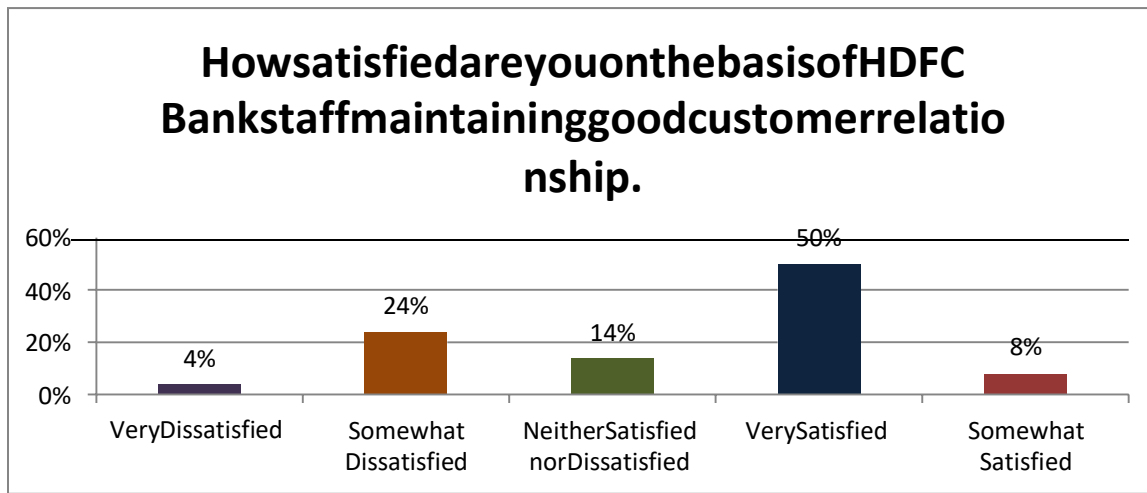
Interpretation: According to this survey 67% of respondents (majority) said yes they would recommend HDFC Bank to a Colleague/Friend/Family Member.

TABLENO-

4.21:How satisfied are you on the basis of HDFC Bank staff maintaining good customer relationship.

SINO	PARTICULARS	No.OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
1	Very Dissatisfied	4	4%
2	Somewhat Dissatisfied	24	24%
3	Neither Satisfied nor Dissatisfied	14	14%
4	Very Satisfied	50	50%
5	Somewhat Satisfied	8	8%
6	Total	100	100%

Analysis: : As per the survey, 4% of the respondents are very dissatisfied, 24% of the respondents are somewhat satisfied, 14% of the respondents are neither satisfied nor dissatisfied, 50% of the respondents are very satisfied and 8% of the respondents are somewhat satisfied with the staff of HDFC Bank when it comes to maintaining good customer relationship.

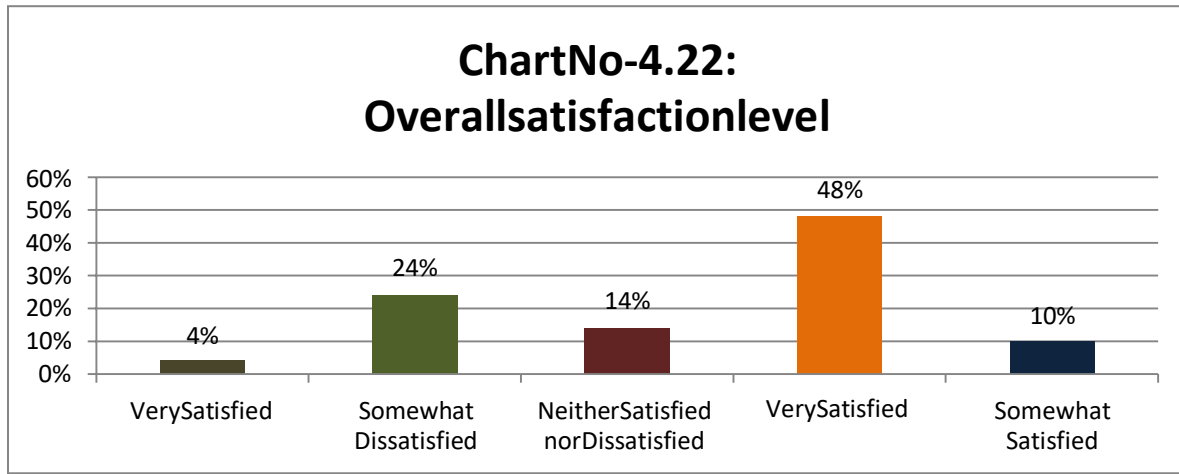


Interpretation: According to this survey 50% of respondents (majority) say that they are very satisfied with the staff at HDFC Bank maintaining good customer relationship.

TABLENO-4.22:Overall satisfaction level.

SINO	PARTICULARS	No.OF RESPONDENTS	PERCENTAGEOF RESPONDENTS
1	VeryDissatisfied	4	4%
2	SomewhatDissatisfied	24	24%
3	NeitherSatisfiednorDissatisfied	14	14%
4	VerySatisfied	48	48%
5	SomewhatSatisfied	10	10%
6	Total	100	100%

Analysis:As per the survey, 4% of responders are very dissatisfied overall with HDFC Bank,24% of responders are somewhat dissatisfied overall with HDFC Bank, 14% of responders areneithersatisfiednordissatisfiedoverallwithHDFC Bank, 48%of respondersareverysatisfiedoverall with HDFC Bank and 10% of responders are somewhat satisfied overall with HDFC Bank.



Interpretation:Accordingtothis survey48%ofrespondents (majority) areverysatisfiedwithHDFC Bank.

CHAPTER 5: FINDINGS, SUGGESTIONS, CONCLUSION

FINDINGS

- For this survey among 100 respondents 68% of responders (majority) are males.
- For this survey the majority of the respondents, 40% of respondents (majority) between the ages of 25-40.
- For this survey majority, 45% of responders (majority) are employees when it comes to occupation.
- For this survey majority, 45% of respondents (majority) have an income between 25,000 to 50,000.
- According to this survey 62% of responders (majority) prefer private sector banks.
- According to this survey 23% of respondents (majority) prefer HDFC Savings account out of the others.
- According to the survey 40% of responders (majority) rate the staff as good on the basis of knowledge and skills regarding the product.
- According to the survey 57% of responders (majority) rate the staff as good on the basis of being friendly and behaving in a courteous manner while dealing.
- According to this survey 45% (majority) of responders rate the staff as good on the basis of behaving professionally and having a pleasing and presentable appearance.
- According to this survey 53% of respondents (majority) rate the staff as good on the basis of willingness to listen and respond to needs on time.
- According to this survey 78% of responders (majority) say yes the appearance of the branch is neat and orderly.
- According to this survey 53% of respondents (majority) say yes the branch does have sufficient and comfortable seating arrangements.
- According to this survey 57% of responders (majority) say yes the branch has sufficient customer representatives & tellers.
- According to this survey 93% of respondents (majority) say yes the branch has convenient working hours and is located at a convenient location.

- According to this survey 46% of respondents (majority) rate HDFC Bank's online banking channels as useful and easy to access.
- According to this survey 48% of respondents (majority) say that they are very satisfied with the number of online services offered by HDFC Bank.
- According to this survey 50% of respondents (majority) say that they are very satisfied with the services offered by HDFC Bank.
- According to this survey 48% of respondents (majority) say that they are very satisfied with the dealing of HDFC Bank officials.
- According to this survey 40% of respondents (majority) say infrastructure is the problem they are facing regarding HDFC Bank.
- According to this survey 67% of respondents (majority) said yes they would recommend HDFC Bank to a Colleague/Friend/Family Member.
- According to this survey 50% of respondents (majority) say that they are very satisfied with the staff at HDFC Bank maintaining good customer relationship.
- According to this survey 48% of respondents (majority) are very satisfied with HDFC Bank.

SUGGESTIONS

As it is said, there's always room for improvement keeping this in mind customer satisfaction level could be increased at HDFC Bank by focusing on the following:

- Empowering the employees.
- Providing great self-service support.
- Segment the client base and create personalized customer experiences.
- Staying consistent across all touch points.
- Educating the customers on financial literacy.
- Improving financial technology.
- Not just being a lender, but also being an advisor for small businesses.

CONCLUSION

Overall HDFC Bank has a great working environment. All the new entrant is trained completely on the services and products offered by HDFC Bank. The advisor/sales manager of HDFC Bank market the policies better due to the extensive training that is given to them. HDFC should attempt in creating more awareness by advertising itself in India. A bit more of focus on customer satisfaction, slight improvement in sales techniques, an increase in advertising activities and a little modification to the existing portfolio would surely help HDFC Bank to capture a larger market in India.

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QUESTIONNAIRE

Dear respondents,

I Rudolf Shetty, student of MBA 4th semester, AIT, Bangalore have undertaken a project titled "Study on CUSTOMER SATISFACTION" at HDFC Bank - Vijayapura. Hence, I request your kind co-operation by sparing your precious time in answering the following questions and providing information.

This questionnaire is totally regarding collection of data to analyze the customers' problems regarding HDFC Bank, to find out which product or service offered by HDFC Bank the customer prefer the most and the satisfaction level of customer towards HDFC Bank.

I - Demographic profile of the respondents:

Name: _____

Phone Number: _____

Mail ID: _____

_____ Qualification: _____

1. Gender of the respondent?

a) Male () b) Female ()

2. Age group of the respondent?

a) Within 25 () b) 25 to

40 () c) 40 to 50 () d) Above 50 ()

3. Occupation of the respondent?

- a) Student () b) Business ()
c) Employee () d) None of the above ()

4. Income of the respondent?

- a) 0 to 25,000 () b) 25,000 to 50,000 ()
c) 50,000 to 75,000 () d) More than 75,000 ()

II - Opinion of the respondent

5. Which sector of banks do you prefer?

- a) Public sector banks () b) Private sector bank ()

6. The following are the most popular products and services provided by HDFC Bank. Which one do you prefer the most?

- a) Business Loan () b) Credit Card ()
c) Personal Loan () d) Debit Card ()
e) Educational Loan () f) Fixed Deposit ()
g) Savings Account () h) Gold Loan ()
i) Home Loan () j) Car Loan ()

7. What would you rate the branch staff of HDFC Bank – Vijayapur based on the required skills and knowledge regarding the products and services?

- a)Poor () b)Average()
c)Good () d)Excellent ()

8. What would you rate the branch staff of HDFC Bank–Vijayapur when it comes to being friendly and behaving in a courteous manner while dealing with you?

- a)Poor () b)Average()
c)Good () d)Excellent ()

9. What would you rate the branch staff of HDFC Bank–Vijayapur when it comes to behaving professional and having a pleasing and presentable appearance?

- a)Poor () b)Average()
c)Good () d)Excellent ()

10. What would you rate the branch staff of HDFC Bank–Vijayapur when it comes to willingness to listen and respond to your needs on time?

- a)Poor () b)Average()
c)Good () d)Excellent ()

11. When it comes to overall appearance is the branch of HDFC Bank–Vijayapur neat and orderly?

- a)Yes() b)No ()

12. Does the branch of HDFC Bank–Vijayapur have sufficient and comfortable seating arrangements?

a)Yes()

b)No ()

13. DoesthebranchofHDFCBank–Vijayapurahavesufficientstaff–
CustomerRepresentatives&Tellers foryour needs?

a)Yes()

b)No ()

14. DoesthebranchofHDFCBank–Vijayapurahaveconvenientworkinghoursandislocatedata
convenient location to serveyou?

a)Yes()

b)No ()

15. HowwouldyourateeaseofaccessandtheusefulnessofHDFCBank’sonlinebankingchannels?

a)Poor ()

b)Average()

c)Good ()

d)Excellent ()

16. HowsatisfiedareyouwiththenumberofservicesthatareofferedbyHDFCBank’sonlinebankingplat
forms?

a)VeryDissatisfied ()

b)Somewhat Dissatisfied ()

c)Neither SatisfiednorDissatisfied()

d) VerySatisfied()

e)SomewhatSatisfied()

17. How satisfied are you with the services offered by HDFC Bank?

- a) Very Dissatisfied ()
- b) Somewhat Dissatisfied ()
- c) Neither Satisfied nor Dissatisfied ()
- d) Very Satisfied ()
- e) Somewhat Satisfied ()

18. How satisfied are you with the dealing of the HDFC Bank officials?

- a) Very Dissatisfied ()
- b) Somewhat Dissatisfied ()
- c) Neither Satisfied nor Dissatisfied ()
- d) Very Satisfied ()
- e) Somewhat Satisfied ()

19. From the following which problem are you facing regarding HDFC Bank?

- a) Timeliness ()
- b) Customer Relationship ()
- c) Infrastructure ()
- d) Other ()
- e) None ()

20. Would you recommend HDFC Bank as a preferred banking choice to your colleagues / Friends / Family Members?

- a) Yes ()
- b) No ()

21. How satisfied are you with HDFC Bank when it comes to maintaining good customer relationship?

- a) Very Dissatisfied ()
- b) Somewhat Dissatisfied ()
- c) Neither Satisfied nor Dissatisfied ()
- d) Very Satisfied ()
- e) Somewhat Satisfied ()

22. What is your overall satisfaction level rating when it comes to HDFC Bank?

- a) Very Dissatisfied ()
- b) Somewhat Dissatisfied ()
- c) Neither Satisfied nor Dissatisfied ()
- d) Very Satisfied ()
- e) Somewhat Satisfied ()

23. Would you like to share your opinion, suggestion, comment and any improvement on customer satisfaction at HDFC Bank?

-



**ACHARYA INSTITUTE OF TECHNOLOGY
DEPARTMENT OF MBA**

PROJECT(17MBAPR407) -WEEKLY REPORT

NAME OF THE STUDENT: Rudolf Shetty

INTERNAL GUIDE: Prof. Suhas Patel

USN: IAY17MBA45

COMPANY NAME: HDFC BANK

WEEK	WORK UNDERTAKEN	EXTERNAL GUIDE SIGNATURE	INTERNAL GUIDE SIGNATURE
3 rd Jan 2019 – 9 th Jan 2019	Industry Profile and Company Profile		
10 th Jan 2019 – 17 th Jan 2019	Preparation of Research instrument for data collection		
18 th Jan 2019 – 25 th Jan 2019	Data collection		
26 th Jan 2019 – 2 nd Feb 2019	Analysis and finalization of report		
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Company Seal



College Seal



HOD Signature
Head of the Department
Department of MBA
Acharya Institute of Technology
Jaldevanahalli, Bangalore-560 107.

A FIELD PROJECT REPORT

ON

"STUDY ON CONSUMER BEHAVIOUR TOWARDS RELIANCE JIO"

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

(Pasupuleti Mani Babu ,Vempatapu Chandi Prasad ,Yernagula Mahima ,Bhupani Karthik,Prathipati Vasanthi)

(Regd. No.221FC01065,221FC01066,221FC01067,221FC01068,221FC01069)

Under the esteemed guidance of

Dr. Y. Srinivasa Rao

ASSISTANT PROFESSOR



VIGNAN'S

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DEPARTMENT OF MANAGEMENT STUDIES

Vignans' Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

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CERTIFICATE

I hereby certify that, the filed project entitled **STUDY ON CONSUMER BEHAVIOUR TOWARDS RELIANCE JIO** submitted by Pasupuleti Mani Babu ,Vempatapu Chandi Prasad ,Yernagula Mahima ,Bhupani Karthik,Prathipati Vasanthi bearing the Regd. No. 221FC01065, 221FC01066, 221FC01067, 221FC01068, 221FC01069 from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

SIGNATURE OF THE GUIDE

HOD/MBA

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Chapter1-Introduction

NON-MARKETING:-



After the globalisation of the Indian economy in 1991 the telecommunication sector remained one of the most happening sectors in India. The recent years witnessed rapid and dramatic changes in the field of telecommunications. In the last few years more companies both foreign and domestic, come into cellular service, service market offers large number of services to people.

A consumer may be referred to anyone engaged in evaluating, acquiring, using, or disposing of services which he expects will satisfy his wants. If any producer makes out the marketing programmer ignoring the consumer preferences, he cannot possibly achieve his ultimate objectives. A manufacturer must plan his production and distribution to suit the customers' convenience rather than his own. Therefore, a marketer must know more about the consumers, so that the products can be produced in such a fashion to give satisfaction to the consumers.

In the year of 1989, the number of cell phone users in India was zero. In the year of 1999 the number of cellphone users went up to 13 lacs. In the year of 2000 the number of cell phone users raised to a million. Indian telecom sector added staggering 227.27 million wireless mobile users in the 12 months between March 2010 and March 2011, while the overall tele density has increased to 81.82% as of 30 November 2015, and the total number of telephone users (mobile and landline) has reached 1009.46 million as of May 2015. Now currently telephone subscriber (mobile and landline) is 1058.01 billion (May 2016).

The company is reconfiguring to meet the growing demand for mobile services. It will differentiate our mobile services from our competitors through ongoing investment in technology, distribution, and customer services, providing both a great customer experience and competitive value.

The company is updating our retail footprint to a new Reliance Jio concept delivering a differentiated customer experience. A core part of our promise to customers is to ensure that their technical experts in store transfer all their personal data to their new LYF phone allowing them to walk out of the store with their phone fully functional. Extensive trials of our new concept store across all markets have shown significant increase in both sales and customer satisfaction. The new concept will be rolled out globally in the next coming years.

Jio is also known as RELIANCE JIO and officially as Reliance Jio Infocomm Limited (RJIL), is an upcoming provider of mobile telephony, broadband services, and digital services in India. RJIL, a subsidiary of Reliance Industries Limited (RIL), India's largest private sector company, is the first telecom operator to hold pan India Unified License, formerly known as Infotel Broadband Services Limited (BSL), Jio will provide 4G services on pan India level using LTE technology. The telecom leg of RIL was incorporated in 2007 and is based in Mumbai and headquartered in Navi Mumbai.

RJIL's subsidiary has been awarded with a Facility Based Operator License ("FBO" LICENSE) in Singapore which will allow it to buy, undersea and/or terrestrial fibre connectivity, setup its internet point of presence, offer internet transit and peering services as well as data as wire roaming service in Singapore.

R-JIO is also in the process of installing hundreds of monopoles, unlike the regular rooftop mounted telecom towers typically used by telcos, said company executive quoted above. Monopoles or ground-based masts (GBMs), are expected to double up as street lights and surveillance systems, and provide real-time monitoring of traffic and advertising opportunities.

The company, which plans to be rolled out commercial telecom service operations from January, is currently in the testing phase for most of its offerings including 4G services, a host of mobile phone applications and delivery of television content over its fibre optic network.

R-JIO, meanwhile faces its share of challenges in terms of return on investment and capturing market share. The company, according to industry analysis, is expected to spend \$8-9 billion for the 4G roll-out. The company will battle for subscribers with leading tele companies such as Bharti Airtel Ltd., Vodafone India Pvt Ltd., and Idea Cellular Ltd. The dominant players in the tele communication market are Bharti Airtel with 23% market share, Vodafone India with 18% market share, Idea Cellular with 15% market share, Reliance Communications with 12% market share, BSNL with 10% market share, Aircel with 8% market share, TATA Infocomm with 7% market share and others with 7% market share.

The services of R-JIO were beta launched to Jio's partners and employees on 27 December 2015 on the eve of 83rd birth anniversary of late Dhirubhai Ambani, founder of Reliance Industries. Mr. Akash Ambani is being launched in business as a chief of strategy in Reliance Jio, involved in branding and marketing. And the key people are Sanjay Mashruwalla (Managing Director), Jyotindra Tacker (Head of IT).

RelianceJioProductsandServicesinclude:-

RELIANCE JIO 4G BROADBAND: -Thecompany has launched its 4g broadband services throughout theIndia in first quarter of 2016 financial year. It was stated to release in December 2015 after some reports saidthat the company was waiting to receive final permits from the government. MukeshAmbani, owner ofReliance Industries Limited (RIL) whose Reliance Jio is the telecom subsidiary, has unveiled details of Jio“sfourth-generation (4G) services on 12 June 2015 at RIL“s 41st annual general meeting. It will offer data andvoice services with peripheral services like instant messaging, live TV, movies on demand, news streamingmusic and digital payment platform. The company has a network of 250,000 km of fibre optic cables in thecountry, over which it will be collaborating with local cable operators to get broader connectivity for itsbroadband services. With its multi-service operator (MSO) license, Jio will serve as a TV channel distributorandwill offer television-on-demand on its network.

PAN-INDIA SPECTRUM: -Jio owns spectrum in 800 MHz band in 10 and circles of the total 22 circles inthe country, and owns Pan-India licensed 2,300 MHz spectrum. The spectrum is valid till 2035. Ahead of itsdigital services launch, MukeshAmbani-led Reliance Jio entered a spectrum sharing deal with youngerbrother Anil Ambani-backed RELIANCE COMMUNICATION. The sharing is for 800 MHz band acrosssevendircles otherthan the10 circlesforwhich Jio alreadyowns.

Prior to its pan-India launch of 4G data and telephony services, Jio has started providing free Wi-Fi hotspotservices in cities throughout India including Ahmedabad and Surat in Gujarat, Indore, Jabalpur, Dewas andUjjain in Madhya Pradesh, select locations of Mumbai in Maharashtra, Kolkata in West Bengal, Lucknow inUttar Pradesh,Bhubneshwar in Odisha,Mussoorie in Uttrakhand, Collectorate“s office in Meerut, and atMG road in Vijaywada among others title. Reliance Jio rolls out wi-fi services at IP sigra mall in Varanasiamong others. In March 2016, Jio started providing free Wi-Fi internet to spectators at six cricket stadiumshostingthe2016ICCWORLDGUPTWENTY20matches.JionetwasmadeavailableinWankhedeStadium (Mumbai), Punjab Cricket Associations IS Bandra stadium (Mohali), Himachal Pradesh CricketAssociation Stadium (Dharamshala), Chinnaswamy Stadium (Bengaluru), Feroz Shah Kotla (Delhi) andEdenGarden (Kolkata)inIndia.

Jio Apps

In May 2016,Jio launched a bundle of multimedia apps on Google Play, as a part of its upcoming 4Gservices. While the apps are available to download for everyone, a user will require a Jiosim card to use them. Additionally, most theapps arein beta phase. Followingisthelist of theapps: -

MyJio- Manage Jio account and digital services associated with

itJioPlay-A live TVchannel service

JioOnDemand- An online HD video

libraryJioChat messenger- An instant

messaging appJioBeats-A musicplayer

JioJoin- A VoLTE phone

simulatorJioMags-E-reader

formagazines

JioXpressNews- A news and magazine

aggregatorJioSecurity- A securityapp

JioDrive-Cloud-Basedbackuptoo

JioMoneywallet-An online payment/wallet app



LYF



LYF also known as **Reliance LYF**, is an Indian [mobile handset company](#) headquartered in [Mumbai, Maharashtra, India](#).

It manufactures [4G-enabled Volt](#) smartphones. It is a subsidiary of [Reliance Retail](#), the

consumer electronics arm of [Reliance Industries Limited](#). It is operated along with the parent company's flagship venture, [Jio](#).

According to Counterpoint Research, in May 2016, LYF became the fifth largest smartphone player and second largest LTE phone supplier in India.

History LYF was established in 2015 by the telecom operator, Jio. Marketed closely along Jio's 4G services, smartphones under the brand were slated to launch in November 2015. In January 2016, it launched its first set of 4G-enabled smartphones named after the four elements: Earth, Flame (Fire), Water, and Wind.

Market

In May 2016, international market tracker Counterpoint Research reported that LYF had become the fifth largest smartphone producer in the Indian market, capturing 7% share in the January-March quarter of the financial year 2015-16. It was the second largest LTE phone supplier after [Samsung](#), surpassing [Micromax](#) and [Lenovo](#) during the quarter. "In first quarter of its inception, Lyf instantly climbed to become one of the top five smartphone brands in India in terms of shipment volumes," Tarun Pathak, senior analyst at Counterpoint said in the report. Reliance Digital had shipped around 1.7 million LYF branded smartphones in the first quarter of 2016.

Products

An image of LYF WATER 2 phone with [IPS](#) display.

In October 2015, LYF tied up with domestic handset maker [Intex](#) to supply 4G handsets enabled with voice over LTE (VoLTE) feature. In January 2016, it launched its first set of smartphones - LYF Earth 1, LYF Water 1, and LYF Water 2.

Production

LYF smartphones are manufactured by Chinese handset maker [ZTE Corporation](#), CK Telecom Limited, Intex. The company plans to source more phones from the maker before the launch of its Jio 4G services later in 2016.

Distribution

LYF phones are directly sold through its [retail](#) outlets.^[19] In February 2016, LYF tied up with app-based delivery service [Gofers](#) and online retailer [Amazon](#) to deliver its phones to users.



RelianceCommunications



Reliance Communications Ltd. (RCom) is an Indian telecommunications company headquartered in Navi Mumbai, India. It provides GSM (Voice, 2G, 3G, 4G) mobile services, fixed line broadband and voice services, DTH depending upon the areas of operation. Reliance Communications is the sixth largest telecom operator in India with 85.4 million subscribers as of May 2017.^[4] RCOM is a subsidiary of Reliance Anil Dhirubhai Ambani Group.

History

Reliance Communications Ltd. was established in 2002. The same year, it launched CDMA services nationwide. In 2008, Reliance Communications launched GSM services. In the 2010 spectrum auction, Reliance Communications paid ₹ 58,642.9 million for 3G spectrum in 13 circles Delhi, Mumbai, Kolkata, Punjab, Rajasthan, Madhya Pradesh, West Bengal, Himachal Pradesh, Bihar, Odisha, Assam, North East and Jammu & Kashmir.

On 25 May 2012, RCom announced a price reduction of 51% on its 3G services. In 2011, Reliance provided up to 28 Mbit/s data rate in India with its MIMO technology. On 31 January 2013, RCom announced its partnership with Lenovo to market co-branded smartphones in India. The smartphones were said to use the Android operating system and have dual-core processors. In 2015, it launched CDMA in REV. B technology in non-3G circles.

In April 2016, RCom informed its CDMA subscribers that it would be shutting down its CDMA operations, and that all CDMA subscribers would be migrated to GSM and LTE networks. The company announced that the migration had been completed in September 2016.

Acquisition of MTS India

On 14 January 2016, RCom announced that it had acquired Sistema Shyam Teleservices Limited (SSTL), doing business as MTS India, in an all stock deal, in which SSTL received a 10% stake in RCom, after paying off its existing debt. RCom would assume the liability for installments that SSTL had to pay the government from purchasing spectrum. The liability amounted ₹392 crores annually for 10 years. Because of the deal, Reliance acquired MTS India's subscribers, as well as SSTL's spectrum in the 850 MHz band.

The merger deal was approved by the Competition Commission of India (CCI) in February 2016.¹ SEBI cleared the deal by March, and SSTL shareholders approved the deal on 18 March. By mid-August, the deal was approved by tax authorities and the shareholders and creditors of RCom and SSTL. The merger was approved by the Rajasthan High Court on 30 September 2016, and the Bombay High Court on 7 October 2016. The merger is expected to be completed in 2017-18. In April, RCom laid off 600 employees in preparation for its merger with MTS and Aircel.

Merger of wireless business with Aircel

On 14 September 2016, RCom and Maxis Communications (owners of Aircel) announced that they would merge their mobile network operations. The deal is the largest consolidation in Indian telecom history, and will create the fourth largest mobile network operator in the country by subscribers and by revenue. RCom and Maxis, each will hold 50% stake in the merged entity, with equal representation on the board of directors and all committees. RCom will continue to operate in the enterprise segment and data center businesses as a standalone entity.

RCom announced on 15 March 2017 that it had received approval for the deal from SEBI, BSE and NSE. The deal was approved by the CCI on 20 March 2017. The shareholders of Aircel and RCom approved the merger on 22 and 24 April 2017 respectively. The merger is expected to be completed by mid-2017.

Network coverage

Reliance Communications operates in all 22 telecom circles of India, and offers services on GSM and CDMA platforms. Mobile services are available in the following telecom circles:

Telecom circle	<u>2G</u>	<u>3G</u>	<u>4G</u>
<u>Andhra Pradesh & Telangana</u>	✓	✗	✓ (under 4G partner with Reliance Jio)
<u>Assam</u>	✗	✓	✓ (under 4G partner with Reliance Jio)
<u>Bihar & Jharkhand</u>	✗	✓	✓ (under 4G partner with Reliance Jio)
<u>Delhi</u>	✓	✓	✓ (under 4G partner with Reliance Jio)
<u>Gujarat</u>	✓	✗	✓ (under 4G partner with Reliance Jio)
<u>Haryana</u>	✓	✗	✓ (under 4G partner with Reliance Jio)
<u>Himachal Pradesh</u>	✓	✓	✓ (under 4G partner with Reliance Jio)
<u>Jammu and Kashmir</u>	✓	✓	✓ (under 4G partner with Reliance Jio)
<u>Karnataka</u>	✓	✗	✓ (under 4G partner with Reliance Jio)
<u>Kerala</u>	✓	✗	✓ (under 4G partner with Reliance Jio)
<u>Kolkata</u>	✓	✓	✓ (under 4G partner with Reliance Jio)
<u>Madhya Pradesh & Chhattisgarh</u>	✓	✓	✓ (under 4G partner with Reliance Jio)
<u>Maharashtra & Goa</u>	✓	✗	✓ (under 4G partner with Reliance Jio)

Telecomcircle	<u>2G</u> <u>3G</u>	<u>4G</u>
		Jio)
<u>Mumbai</u>	✓ ✓	✓(under4GpartnerwithReliance Jio)
<u>North-East</u>	✓ ✓	✓(under4GpartnerwithReliance Jio)
<u>Odisha</u>	✓ ✓	✓(under4GpartnerwithReliance Jio)
<u>Punjab</u>	✓ ✓	✓(under4GpartnerwithReliance Jio)
<u>Rajasthan</u>	✓ ✓	✓(under4GpartnerwithReliance Jio)
<u>TamilNadu</u>	✓ ✓ (under3GICRwithAircel)	✓(under4GpartnerwithReliance Jio)
<u>UttarPradesh(East)</u>	✓ ✓ (under3GICRwithAircel)	✓(under4GpartnerwithReliance Jio)
<u>UttarPradesh(West)</u>	✓ ✓ (under 3G ICR with TataDocomo)	✓(under4GpartnerwithRelianceJio)
<u>WestBengal</u>	✗ ✓	✓(under4GpartnerwithReliance Jio)

Ultraband

RCom launched its Ultraband service offering internet speeds of up to 1Gbit/s in select locations in Mumbai and Navi Mumbai in April 2016.

Subsidiaries

Reliance Telecom Limited (RTL) operates in Madhya Pradesh, West Bengal, Himachal Pradesh, Odisha, Bihar, Assam and the northeast of India. It first offered GSM services in January 1997. Reliance Tech Services is the IT services wing of Reliance ADAG. It provides IT consultancy, business process outsourcing and software development for Reliance Communications and other ADA group companies. Reliance Globalcom owns the Fiber-Optic Link Around the Globe under sea cables system and RIDC provides Internet data center (IDC) services located in Mumbai, Bangalore, Hyderabad and Chennai. Reliance Communications also acquired FLAG Telecom, Yipes ethernet service, Digicable and Vanco.

Reliance Digital TV Ltd

Reliance Digital TV Ltd is a direct to home (DTH) television operator offering services under the brand name Reliance Digital TV.

Reliance Infratel Ltd.

Reliance Infratel Ltd. (RITL) handles RCom's mobile towers asset and related infrastructure. RCom owns a 96% stake in the company and the rest is held by several minority investors - Quantum (M), NSR Partners, Galleon, HSBC Daisy Investment (Mauritius), Drawbridge Towers, Investment Partners B (Mauritius). Investment Partners Bhad invested \$287 million in 2007.

RCom announced that it had signed a binding pact with [Brookfield Infrastructure Group](#) to sell a 51% stake in Reliance Infratel for ₹11,000 crore (US\$1.7 billion). RCom will utilize the entire amount earned from the deal to reduce its existing debt. Following the deal, Brookfield will hold a 51% stake in Reliance Infratel, RCom will retain a 49% stake and the minority partners will exit.

Global Cloud Xchange

Global Cloud Xchange (GCX) offers a comprehensive portfolio of solutions customized for carriers, enterprises and new media companies across the world's largest private undersea cable system spanning more than 67,000 route kilometers ("rkm"), integrated with Reliance Communications' 2,00,000 rkm of domestic fiber-optic backbone.

Reliance Global Call

Reliance Global Call offers international calling service in India, US, Canada, Australia, UK, Singapore, Hong Kong, New Zealand, Singapore, France, Belgium, Austria, Spain, Ireland, Netherlands, and rest of the world.

JioFi Wi-Fi Router – Price, Specifications, Tariff Plans, and Review

Wi-fi hotspot has become necessary if you own multiple gadgets. On the go, in the car, away from your home or office, often you need to have an Internet connection to access emails, accounts, and data on clouds, etc.

RelianceJioFiPortableWIFIrouteroverview



Internet access through data packs and open Wi-Fi networks is not always a feasible choice everywhere. Therefore, an Internet dongle serves the purpose of providing the Internet hotspot where more than one device is required to be connected simultaneously.

Reliance has introduced its **portable Wi-fi internet router named Jio-Fi**. The second generation of the dongle is available on the market since earlier this September. **JioFi WIFI router** can relate to non-4G devices as well. Hence, it is of use to a much wider range of customers.

What is the price of JioFi Router?

The price of the second generation **JioFi router is Rs. 1999**. The price is same as that of the previous version of **Jio-Fi**.

There are four different versions of JioFi Router, they all differ in specs and look.

JioFi1 Router: This was released as the first JioFi router during July.

JioFi2 Router: This JioFi2 version is the most selling router among all the versions which is still available across all the Jio stores.

JioFi3 Router: This is the improved version of JioFi2 with new Oled on the front which shows you the battery strength, Network, and Connectivity.

JioFi4 Dongle: JioFi dongle is the latest release of JioFi series and it's not yet available across all the stores. It can be used for seamless connectivity while using it on personal PC or Laptop.

JioFi2 Router Specifications

- Portable Wi-Fi hotspot connects to 10 devices and one on USB.
- Enjoy HD voice calls, video calls on 2G / 3G phone via Jio4G Voice app.
- The powerful 2300mAh battery which gives you a backup of 6 hours.
- **JioFi Wi-Fi __33 router range** easily cover 2 rooms.

Cons of JioFi Dongle:

Not everything is perfect for everyone. Some may find a few cons with the device. Some of them might be that

- Jio Dongle 2 doesn't have a battery pack and needs to be connected to a laptop or other power source
- The price of Jio Dongle 2 is same as the first Generation of Jio, which comes with the battery pack as well.

JioFi Dongle Contents and Review

When you buy Reliance **Jio Wi-fi dongle**, you receive a package with one AC to USB adapter (that can be plugged into any wall AC outlet). You can mount the dongle directly on USB adaptor. The speed and reliability according to the reviews are „excellent“.

To overcome the power pack difficulty, a battery power bank can also be used while on the go or other portability purposes. Any USB port can be used to power up the device like USB port of TV / Set-top Box / car charger.

There is another helpful feature of Multicolour LED present in the device. The led shows the 4G SignalStrengths grade wise (like excellent, good, poor, and out of range). This helps you to determine the speed of the network (even from a distance) by looking at the colour of light shown on the device.

Industry Overview Telecommunication



Technically, telecommunication encompasses any communication over a distance, be it via telephone, television, radio, wireless network, computer network, telemetry, or other means—but traditionally the term referred to telephone service. These days, though, all these technologies and others are converging—indeed, nowadays you can access the internet, play videos, or track your children's movements via Global Positioning

System (GPS) technology on your cell phones-so the lines between telecommunications and other industries like computer hardware and consumer electronics are getting blurrier all the time.

In other words: If you work in an industry that requires you to learn fast and adapt quickly, this is it.

Telecommunications is a mammoth industry, comprising companies that make hardware, produce software, and provide services. Hardware includes a vast range of products that enable communication across the entire planet, from video broadcasting satellites to telephone handsets to fiber-optic transmission cables. Service includes running the switches that control the phone system, providing Internet access, and configuring private networks by international collaborations conduct business. Software makes it all work, from sending and receiving e-mail to relaying satellite data to controlling telephone switching equipment to reducing background noise on your cell phone.

The breakup of AT&T in 1984 created the modern telecommunications industry, subjecting phone companies to free-market forces for the first time. The long-distance market became competitive almost immediately, but the so-called Baby Bells fought a rear-guard action against letting companies like AT&T (since acquired by SBC) or MCI (recently acquired by Verizon) enter the local phone markets. Proponents say deregulation makes telecommunications services more competitive, benefitting consumers. Critics say it gives a few giant companies unchecked sway over our ability to communicate with each other. Regardless, deregulation appears here to stay, with the industry swept up in waves of consolidation that are likely to continue.

Convergence Confusion

With each passing year, and each new generation of products introduced in the marketplace, it's getting harder and harder to pigeonhole companies and their products into traditional categories like telecommunications, computer hardware, and consumer electronics. Consider cell phones: these days, cell phone users can use their phone to do everything from take digital pictures to send and receive email to surf the "net", download and watch videos, and transmit geographic location via Global Positioning System (GPS) technology. You tell us: Should cell phones that do all that be called consumer electronic products? Telecom products? Computer Hardware products?

One result of convergence is that players in the consumer electronics, consumer hardware, and telecom sectors are increasingly finding themselves competing head-to-head to determine who will lead in brand-new product categories such as wirelessly connected cell phones. Turmoil, in the form of mergers and acquisitions and fluctuations in profitability, is likely to result in each of these industries as time passes.

The Growth of Wireless

The wireless sector is growing like gangbusters. A Deloitte Research report predicts that the number of wireless connections made in 2006 will be some 500,000,000 greater than the number made in 2005. The launch of dozens of 3G networks is leading to faster speeds, facilitating quicker downloads and improved service. At the same time, wireless carriers are undergoing a wave of consolidation: In recent times, Cingular acquired AT&T Wireless; Sprint joined Nextel; and Alltel acquired Western Wireless.

VOIP

VOIP, or voice over Internet Protocol, makes it possible to send phone calls as data packs across the Internet and other IP networks (such as private Local Area Networks, or IM-based VoIP like Skype and Yahoo IM), meaning phone calls no longer must travel through local phone company lines. Quality, consistency, and reliability of VoIP doesn't equal that of old-timey phone networks but it's getting there. And the price is right: like e-mails, VoIP-to-VoIP phone calls are free—the only cost is the cost of your broadband internet connection, which is typically relatively small, fixed, up-front cost. There are currently some downsides to VoIP offerings (while the phone usually continues to work even during power outages, if your power goes out and you don't have a generator, most VoIP users will be unable to make phone calls—and most VoIP don't support encryption, so the security of VoIP phone calls can be questionable, but use of VoIP is growing all time.

Prior to the telecommunications Act of 1996, a variety of regulations divided communications artificially—cable TV companies were prohibited from offering local telephone service, video programming over lines was banned, and local and long-distance service providers were forbidden from competing in each other's markets. The Telecommunications Act lifted these competitive restrictions. One remaining regulatory barrier prohibits service providers from manufacturing telecommunications equipment's. The cleanest way to break this industry down, then is, between those who make the software and hardware and those who provide various services.

Service Provider

These companies provide local and long-distance wireline telephone service. Industry insiders call these POTS, for plain old telephone service. Wireline providers include the large long-distance service providers such as Verizon and Sprint and the RBOCs (the Baby Bells) like SBC Communications and BellSouth. A new generation of companies is laying fibre-optic wire networks to handle the rapidly increasing data traffic, including Qwest, Level 3, and Verizon.

Wireless Service Providers

Marked by carrier consolidation and collaborating to augment geographic reach and gain economies of scale, wireless communications services have shaken up the telecom industry. They have also brought telecommunications to the far corners of the earth, including parts of Africa and South America where there's no existing wireline infrastructure, and have made local markets far more competitive in the United States.

Satellite Telecommunication Services

Satellite telecom services break down into fixed satellite services such as Intelsat; low earth orbit companies (LEOs), which include Globalstar and mega-LEO Teledesic (controlled by Craig McCaw); direct broadcast satellite companies such as DirecTV; and the global positioning system (GPS). Satellite services include everything from navigation systems (such as those being included in the dash of some new model vehicles) to video broadcast and data transmission.

Internet Service Providers (ISPs)

These consist of those companies that make it possible for you to go online—Microsoft, AOL, Earthlink, and the RBOCs. The Internet, which has become an integral part of the telecommunications industry, is also the vehicle by which a huge dose of talent and energy has been added to telecom as voice and data networks converge.

CustomerPremiseEquipment(CPE)Manufacturers

Telecommunication service providers are the biggest customers of telecommunications equipment makers. When they sell a service to a company, for instance, they purchase the switch, which can serve anywhere from 15 to 100,000 people, as well as other customer premise equipment (CPE)-everything from telephones to voice-mail systems to private branch exchanges (PBXs). Local area networks (LAN) require their own routers, switches, and hubs. The big players here include Lucent Technologies, Nortel, Fujitsu, Siemens, and Alcatel.

NetworkingEquipmentandFibreOpticsManufacturers

Networking equipment includes the stuff that makes the local area network operative, including routers, hubs, switches, and servers. Fibre optics consists of the optical fibre and fibre-optic cable, transmitters, receivers, and connectors that carry data and voice messages. The biggest switch makers are Nortel and Lucent. Cisco and 3Com are among the biggest makers of networking equipment.

WirelessandSatelliteCommunicationEquipmentManufacturers

These are different categories that we've grouped together. The radio-based communications systems, the switches, transmission, and subscriber equipment for this sector differ from those the wireline service providers use. Large players in wireless equipment include Motorola, Qualcomm, Sony, and NEC. Satellite communication equipment makers include Comcast and Intelsat, as well as many cable companies, such as Cox Communications, DirecTV, and the DISH Network.

According to the U.S. Bureau of Labour Statistics, "Employment in the telecommunications industry is expected to decline 7 percent over the 2004-14 period, compared with 14 percent growth for all industries combined."

In this varied field, demand for workers, or lack of it, will be based mostly on technology. For example, as new voice recognition technology improves productivity, jobs like telephone and directory assistance operators will continue to decrease in number. But the need for engineers who develop that technology will increase.

The outlook is good in telecom sectors that are bringing exciting new technologies to market. High-speed data services, voice communications over the Internet, and wireless networking are some of the sectors that will be hiring, and small companies are good places to find jobs. Electrical and electronics engineers, computer software engineers, systems analysts, customer service professionals, and the likes will find opportunities growing faster than overall for the industry as networks expand, providers invest in R&D, and computer technology grows more sophisticated. Line installers and repairers should also find work as businesses seek to increase connections to suppliers and customers and residential customers add broadband service.

Reach Out and Touch Someone

In telecommunications, you're working with products that people know and use. Everybody knows what voice mail, caller ID, and portable phones are. One insider says, "It's stuff I identify with and my friends identify with." Therefore, your work more than reaches out and touches someone—it touches a lot of people.

So Many Ways to Call

"The products are varied," says an insider. "It's changing incredibly fast. That's not unique to telecom, but it's certainly true of telecom." Wireless, speech recognition, Internet telephony—the long list of new products driving change in this industry will have a huge impact on our lives. If you can deal with the ambiguity that comes with change and get a charge from the excitement that goes along with all the new opportunities, then this is a great industry to work in.

New Directions

"Where does telecommunications end and the Internet start?" asks an industry insider. Because the Internet has drawn a lot of talented, innovative employees and workers, it has injected new life and energy into telecommunications as well. This makes both new products and the work environment particularly exciting, while bringing a variety of industries together.

Old Bells

The monopolies that the Bells held for so long didn't exactly make telecom a stimulating industry. New technology and deregulation have changed this, but there's still a lot of holdover. The four remaining Baby Bells still dominate local phone service. "Telecom was so regulated for so long, you didn't have to be good to go far," say an insider. "It was such an inbred industry." Join a newer company if you want to avoid this aspect of the industry.

Red Tape

Historically, telecommunications have been one of the most regulated industries. "One thing that's kind of a love-hate thing is the regulatory environment," says an insider. "It impacts just about every company in the industry. Some days I think it's an added challenge to deal with the industry and with this complexity. Some days I wish it weren't there."

The Hugeness

The biggest players in telecom are huge. "That's not for everybody," says an insider. The Bells and major long-distance service providers are large, often bureaucratic organizations where you'll need lots of people to sign off before you can get a project approved. In contrast, there are many smaller companies, many of which have found niches or picked off shares exactly because of their mobility.

Engineer

Engineers of various types are in great demand in this industry. Although the specifics of different assignments will vary (for example, field engineers will install equipment at a customer site, and network engineers will plan network needs), most positions will require a degree in computer science, electrical engineering, or system engineering, as well as knowledge of Windows NT, C++, Unix, and other programming languages. Salary range: \$45,000 to \$105,000.

TestEngineer

The test engineer makes sure the product works, especially the switches, which are critical. If email or voicemail doesn't work, it is, after all, considered an urgent issue. The test cycle is often if the development cycle. Salary range: \$45,000 to \$100,000.

Software or Applications Engineer

These engineers concentrate on writing code. Most companies require code to be written on Unix-based machines. Salary range: \$45,000 to \$100,500.

Product Manager

Essentially, product managers make the product happen. Product managers determine what service or product they'll sell to the end user, then help develop it, be it wireless service, DSL, caller ID, or voicemail. On the manufacturing side, they need to understand the technology. This position generally requires an MBA or similar experience with another company, preferably in networking or data communications. Salary range: \$60,000 to \$125,000.

Sales

Salespeople sell the product to the customer. They usually have a smaller base salary and larger commission than their counterpart, the technical sales rep or sales engineer, who often accompanies the sales rep to answer the customer's technical questions. Salary range: \$25,000 to \$100,000 or more, depending on commissions.

Customer Support Staff

Customer support answers customer phone calls or emails, helping to solve problems. This includes everything from identifying problems to fixing bugs. This is often a good place to start a career in telecom, particularly if you lack an engineering background. Customer service managers earn at the high end of the scale. Salary range: \$30,000 to \$50,000.

Public Relations and Government Relations

The role the government has played in regulating telecommunications has resulted in many jobs within the major companies to work with the government and press to enhance relations. These include lobbying government officials, helping draft legislation, and working with the press to garner favourable coverage for regulations your company supports. Salary range: \$50,000 to \$150,000.

Here are a few things to think about before you start looking for a job in telecommunications:

- Keep your training in the industry up to date. In this rapidly changing field, new training will be the key to getting that first job and additional promotions.
- If you want a job in telecom, your best bet is to study up on the industry. There's a host of industry trade magazines covering a variety of areas, and these will provide you with a sense for the peculiar argot of the industry.
- The bigger companies, such as SBC and BellSouth, recruit on college campuses. Career fairs at your school are great places to make contacts.
- Smaller companies typically look for people with experience in some aspect of the industry. If you do have experience in the industry, including such areas as networks or computer telephony, this will give you a leg up in finding work.
- Insiders in the industry say that your best route to finding a job is networking. Although this is true in most industries, it's particularly true for telecommunications. Companies talk to each other a lot. If you know a few people in the industry, you can easily get additional contacts.
- Be careful about going to work for a company that's a potential takeover target. If there are lots of articles speculating that a company is a buyout candidate, it's probably going to get bought out within two years. If you work in corporate sales or another area where there will be serious duplication-line installers, however, shouldn't worry-you may want to think twice about accepting an offer.

ShahRukhKhannamedbrandambassadorofRelianceJio

NEWDELHI: Bollywood superstar

ShahRukhKhan will be the brand ambassador of billionaire Mukesh Ambani's telecom venture RelianceJio, which will launch the 4G service on December 27

The company will, however, begin the commercial rollout of the service from March-April and the Sunday's soft launch will be only for Reliance Industries' employees.

"I am their brand ambassador. Mukesh Bhai explained it to me. Actually it's his children who are doing it. All the three are very close to me," Khan said in an interview to ETV.

Khan and musician AR Rahman will host the soft launch function of Reliance Jio Infocomm Ltd's (RJIL) 4G service on December 27.

The film star added that Reliance Jio deferred the launch twice because it was looking to improve the services.

"They deferred it twice, because they felt there is work still left in end use. 27th will be soft launch and in March-April we will do more. So I think Jio will be revolutionary, not just for India. It will change things around world for India," Khan said.

When contacted, a Jio spokesperson said "Shah Rukh Khan is launching Jio on 27th December."

RIL chairman and managing director Mukesh Ambani in June had said that beta programme (trials) of Reliance Jio "will be upgraded into commercial operations around December of this (2015) year" and "financial year 2016-17 will be the first full year of commercial operations for Jio."

Later in October, RIL said financial year "2016-17 is projected to be the first year of commercial operations for RJIL."

Khan in the interview said the new service will be a game changer as it will increase speed and with speed, information and knowledge.

"We have only seen the tip of the iceberg. It will lead to a lot of innovations. This will increase speed. Speed will increase information, knowledge. It will be used at various places, I think, from education to production to manufacturing. I am talking very futuristic," Khan said.

Reliance Jio holds the highest amount of liberalized spectrum among telecom operators that can be used for deploying any technology for mobile services.

It has a total of 751.1 MHz spectrum across 800 MHz, 1,800 MHz and 2,300 MHz bands.

According to field trials by brokerage firm Credit Suisse, download speed on 4G network of Reliance Jio during beta-test peaked at 70 Mbps but remained in 15-30 Mbps range on most occasions.

Khan was earlier the brand ambassador of Bharti Airtel. Telecom major Bharti Airtel's founder and chairman Sunil Bharti Mittal had recently said that RJIL was using Airtel's two icons, Khan and Rahman, for the soft launch.





Chapter2-Jio Marketing

MARKETING

Marketing is the process of interesting potential customers and clients in your products and/or services.

The key word in this marketing definition is "process"; marketing involves researching, promoting, selling, and distributing your products or services.

It's a huge topic, which is why there are tomes written on marketing, and why you can take a four-year marketing degree. But essentially marketing involves everything you do to get your potential customers and your product or service together.,

the management process through which goods and services move from concept to the customer. It includes the coordination of four elements called the 4P's of marketing:

identification, selection and development of a product

(2) determination of its **price**,

(3) selection of a distribution channel to reach the customer's **place**, and

(4) development and implementation of a **promotional strategy**.

For example, new Apple products are developed to include improved applications and systems, are set at different prices depending on how much capability the customer desires, and are sold in places where other Apple products are sold.

In order to promote the device, the company featured its debut at tech events and is highly advertised on the web and on television. Marketing is based on thinking about the business in terms of customer needs and their satisfaction. Marketing differs from selling because (in the words of Harvard Business School's retired professor of marketing Theodore C. Levitt) "Selling concerns itself with the tricks and techniques of getting people to exchange their cash for your product. It is not concerned with the values that the exchange is all about. And it does not, as marketing invariably does, view the entire business process as consisting of a tightly integrated effort to discover, create, arouse and satisfy customer needs." In other words, marketing has less to do with getting customers to pay for your product as it does developing a demand for that product and fulfilling the customer's needs.

It was evident that carefully managed and created marketing would be needed to sell the new trucks because the trucks were hideous and people generally do not like hideous vehicles.

How should you market your product?

"Young companies have to get the word out, but they also can go broke doing it. A decade ago, America Online spent so much money flooding the planet with free trial software that it tried to mask the bleeding by capitalizing those expenses on its balance sheet. (Regulators later nixed that accounting treatment, wiping

out millions in accounting profits.) What percentage of sales should go toward marketing? As with sales, there is no one rule of thumb."

We are exposed to hundreds, if not thousands, of marketing messages *everyday*. Why would we be receptive to all of them? That would be mental chaos. So, in response, we tune out all but the most relevant tones. Our brain is actually very good at tuning out stuff that it does not want or need. We do this automatically. This prevents us from going insane.

You probably remember the experience of learning a new word—as a child or even as an adult—and suddenly you see and hear that word everywhere. This is an example of how our brains smooth over the parts of our environment that are not relevant to us. That word was always there, of course, but it was effectively invisible to our mind until learning its meaning gave it relevance. As a result, pop! like magic that word is now there where seemingly it never was before. A marketing message operates the same way.

Marketing strategy is sorting out who your audience is, and then finding out what has meaning for them. What do they care about, and how does this relate to your offer? What message can you deliver that is both true and meets your consumer squarely at the level of their needs? Marketing strategy is the process of uncovering messages that can be heard. Marketing strategy allows you to answer the crucial question your offer must address: "*Why should I care?*" To paraphrase Peter Drucker: *Consumers do not buy what you sell. They buy what has value to them.*

In marketing, there is *strategy* and there are *tactics*. A lot of marketing, in practice, is preoccupied with what I call tactical experimentation. This is the act of throwing all kinds of things out at the world or at broad demographic target sets to see what works. As you do this you are spending money, potentially a lot of it. The idea in this method is to do this until you find some marketing actions that work, and when you find them you can then do more of those.

This process often results in the classic Wanamaker dilemma—"*Half the money I spend on advertising is wasted; the trouble is I don't know which half.*" Hew was speaking of advertising, but the principle applies.

Marketing strategy allows you to use pathways and footholds that apply your limited marketing budget more effectively (everyone's marketing budget is limited). Marketing strategy facilitates your ability to apply marketing money to the correct half of the Wanamaker equation—the half you are not wasting on audiences who do not value your message.

To illustrate this principal with one of our own rather straightforward examples, when we looked at the South Bronx as a marketplace for the Bronx Museum, the situation we saw was reflected by the first competitive advantage diagram below; here, there is nothing in their offer, as understood by the consumer, that is of any perceived value. The strategy, therefore, could not be to simply support the institutional desire to communicate about all the great art that was on exhibit (see Drucker above).

We had to find factors that could legitimately be moved into the competitive advantage, things that were perceived as valuable to the desired audience, that were not perceived to be offered by the competition. In this case, there was no required product change, just an adjustment of the marketing message communicated through the website and advertising.

By effectively marketing based on the factors that reflected what was of value to the target consumer we cost-effectively supported the achievement of their desired objective to increase attendance from local audiences in the South Bronx. This is marketing strategy applied, and it helped them double attendance*. (You can read more about this campaign in [The Marketing of the Bronx Museum](#).)

So, for the sake of your own institution or product, please spend the time and energy to really get inside the head of your consumer. Find the intersection between your offer and their needs. Answer [Drucker's Questions #2](#) and #3: *Who is your customer? What do they value?* Isolate those specific factors that drive behavior for them. Realize they are not buying what you are selling, they are only buying what is of value to them. And use THAT in your marketing communications.

Marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures, and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company can serve best and it designs and promotes the appropriate products and services.

Marketing's key processes are: (1) opportunity identification, (2) new product development, (3) customer attraction, (4) customer retention and loyalty building, and (5) order fulfillment. A company that handles these processes well will normally enjoy success. But when a company fails at any one of these processes, it will not survive.

MARKETING MANAGEMENT

The application, tracking and review of a company's marketing resources and activities.

The scope of a business' marketing management depends on the size of the business and the industry in which the business operates. Effective marketing management will use a company's resources to increase its customer base, improve customer opinion of the company's products and services, and increase the company's perceived value.

According to Philip Kotler, "Marketing management is the analysis, planning, implementation and control of programmed designed to bring about desired exchanges with target markets for achieving organizational objectives.

It relies heavily on designing the organizations offering in terms of the target markets needs and desires and using effective pricing, communication and distribution to inform, motivate and service the market." Marketing management is concerned with the chalking out of a definite programmed, after careful analysis and forecasting of the market situations and the ultimate execution of these plans to achieve the objectives of the organization.

Further, their sales plans rest upon the requirements and motives of the consumers in the market. To achieve this objective, the organization must pay heed to the right pricing, effective advertising and sales promotion, distribution and stimulating the consumers through the best services.

To sum up, marketing management may be defined as the process of management of marketing programmed for accomplishing organizational goals and objectives. It involves planning, implementation and control of marketing programmed or campaigns.

Importance of Marketing Management:

Marketing management has gained importance to meet increasing competition and the need for improved methods of distribution to reduce cost and to increase profits. Marketing management today is the most important function in a commercial and business enterprise.

The following are the other factors showing importance of the marketing management:

(I) Introduction of new products in the market.

- (ii) Increasing the production of existing products.
- (iii) Reducing cost of sales and distribution.
- (iv) Export market.
- (v) Development in the means of communication and modes of transportation within and outside the country.
- (vi) Rise in per capita income and demand for more goods by the consumers.

P'S OF MARKETING

The 7 Ps are a set of recognized marketing tactics, which you can use in any combination to satisfy customers in your target market. The 7 Ps are controllable, but subject to your internal and external marketing environments. Combining these different marketing tactics to meet your customers' needs and wants is known as using a 'tactical marketing mix'.

Product

Product refers to what you are selling, including all the features, advantages, and benefits that your customers can enjoy from buying your goods or services. When marketing your product, you need to think about the key features and benefits your customers want or need, including (but not limited to) styling, quality, repairs, and accessories.

You can use research and development to inform the development of new products in your business.

Price

This refers to your pricing strategy for your products and services and how it will affect your customers. You should identify how much your customers are prepared to pay, how much mark-up you need to cater for overheads, your profit margins and payment methods, and other costs. To attract customers and retain your competitive advantage, you may also wish to consider the possibility of discounts and seasonal pricing.

Promotion

These are the promotional activities you use to make your customers aware of your products and services, including advertising, sales tactics, promotions, and direct marketing. Generally, these are referred to as marketing tactics.

Place

Place is where your products and services are seen, made, sold, or distributed. Access for customers to your products is key and it is important to ensure that customers can find you.

You can set yourself apart from your competition through the design of your retail space and by using effective visual merchandising techniques. If you are not a retail business, place is still an important part of your marketing. Your customers may need a quick delivery turnaround, or want to buy locally manufactured products.

If you are starting a new business, finding the right business location will be a key marketing tactic.

People

People refer to the staff and sales people who work for your business, including yourself.

When you provide excellent customer service, you create a positive experience for your customers, and in doing so market your brand to them. In turn, existing customers may spread the word about your excellent service and you can win referrals.

Give your business a competitive advantage by recruiting the right people, training your staff to develop their skills, and retaining good staff.

Process

Process refers to the processes involved in delivering your products and services to the customer. It is also about being 'easy to do business with'.

Having good process in place ensures that you:

repeatedly deliver the same standard of service to your customers save time and money by increasing efficiency.

Physical evidence

Physical evidence refers to everything your customers see when interacting with your business. This includes:

the physical environment where you provide the product or

service the layout or interior design

your

packaging your

branding.

Physical evidence can also refer to your staff and how they dress and act.

Marketing Techniques in Telecommunication

Telecommunication companies market their products and services to consumers, business customers and other service providers. Marketing techniques vary for each sector. The aim of telecommunication marketing is to generate the highest level of revenue from your network and strengthen customer loyalty. In consumer markets, focus on selling bundles of products to customers, while in business sectors, aim to build strong relationships as a channel for marketing additional services.

Consumer

In consumer markets, you can utilize broadband access to offer what is known as the triple play – telephone, video, and Internet. This enables you to increase revenue and customer loyalty and protects your customer base against competitive activity from low-cost telephone service providers and indirect competitors such as cable network companies.

Business

Market your services to business customers using consultative selling techniques. Work with your customers to discuss their communication needs and provide advice on the services that meet those needs. The rapid changes in communication technology make it important to educate your customers on the relevance and

benefits of new technologies. Discussion papers, seminars and other events form an important part of your marketing program.

Carriers

Wholesale marketing is an important part of your program. You can offer service providers, such as other telecommunication companies, online video publishers and content providers, access to your networks to carry their traffic. These are called carrier services; they increase revenue for your business and enable other providers to extend their networks without building additional infrastructure. To market carrier services, communicate the benefits of a network with the reach, performance, and capacity to meet customers' needs.

Product Development

To increase revenue and return on investment in your network, you must develop new products and services. The latest multi-service networks as of 2011, based on Internet Protocol (IP) technology, enable you to offer a much wider range of services on the same network than traditional dedicated voice networks. You can use the capability of IP networks to build video, data, Internet, and voice services over the same infrastructure. To accelerate service development Whether you're an experienced or new sales manager, you'll be able to evaluate and gain visibility into your current sales force, and decide whether you should grow your team and how you should go about doing so. You'll be equipped to pinpoint issues early on, coach people before it's too late, and have a better overview of the tasks the team should be doing to increase its sales. t, work with network companies who provide advice on market opportunities as well as technical advice and support.

Mobile

The increasing importance of mobile telecommunication threatens the voice revenue that was the mainstay of traditional telecommunication providers. Thus, it's important to develop your own mobile offering or work in partnership with other mobile operators to offer joint services

SALES AND SALES MANAGEMENT

Businesses that thrive execute one thing very well:

Sales management.

Because there are so many moving parts within an organization, the sales management process needs to be fully grasped to ensure each “aspect” of the sales effort is operating efficiently, resulting in the maximum profit for the team – and at the same time, the most benefit and best outcome for the customer. Who doesn’t like a win-win?

Sales management is the process of developing a sales force, coordinating sales operations, and implementing sales techniques that allow a business to consistently hit, and even surpass, its sales targets.

Whether you’re an experienced or new sales manager, you’ll be able to evaluate and gain visibility into your current sales force, and decide whether you should grow your team and how you should go about doing so. You’ll be equipped to pinpoint issues early on, coach people before it’s too late, and have a better overview of the tasks the team should be doing to increase its sales.

If you’re a sales rep who happened to stumble upon this guide out of curiosity, you’re already winning. You can learn how to get ahead from reading this guide. Understanding how your company’s sales process is managed will help you to become more in sync with your team, create a better relationship with your manager, and achieve better sales results yourself.

Overall, sales management will help businesses and their workers better understand results, predict future performance, and develop a sense of control.

What is there to manage?

There are three “umbrellas” to manage within the sales process:

Sales

operations

strategy

analysis

The process will vary from business to business, especially as you work your way down the line, but operations, strategy, and analysis are the three key starting or focal points.

Sales operations: Building the team

This may not be a total shocker, but the sales team is the backbone of the company – they are the direct connection between the product and the customer. In other words, they matter – a lot. Overall, the sales

teams should feel like they are a part of the company and be equipped to move it forward, rather than viewed as money-making machines

To provide a clear view of your sales management process, you need a well-managed sales funnel. A sales funnel provides a clear view of the opportunities available to a sales team, accurately showing the revenue the team is going to make in the months ahead.

While some people initially opt for excel spreadsheets and sticky notes – any documentation is a great start – a CRM, or customer relationship management tool, will allow you to grasp better control over your assets and be able to pinpoint and measure the things that matter most to your company's success.

Incorporating technology in your sales strategy will ensure you get the maximum profits. Find a tool that will help you master your selling process – and make sure that no deal will fall through the cracks. Cloud-based CRMs help your team increase its collaboration. There are tons of popular CRMs, and choosing a CRM may be difficult, but once you analyze your company's needs – and what's important to you – you should be up and running in no time.

Chapter3–ResearchMethodology

OBJECTIVESOFSTUDY

- 1: - To study the total awareness of Reliance Jio in the market compared to other telecom service providers.
- 2:-To study customer satisfaction level of Reliance Jio products and services.
- 3: - To find market potential and market penetration of Reliance Jio products and services.
- 4:-To identify the customer satisfaction level towards reliance 4G jio service.

SAMPLESIZE

Sampling may be defined as the selection of some part of aggregate or totality based on which a judgement or inference about the aggregate or totality is made. The items so selected which constitute of what technically is called sample is known as Sample Size. Since this research was confined to limited area and limited size of people, the sample size for the project was of 40 people.

Since Jio is used by almost everyone today there were many people included under the sample size. Group of people such as servicemen, Businessmen, kirana store owners, housewives, students, support staff, and teachers.

To get a overall view of the entire project these varied group of people were surveyed. Every person has their own different need for using internet hence was surveyed amongst such people.

SAMPLEUNIT

A sampling unit can refer to any single person being researched. In context of market research, a sampling unit is an individual person. The term sampling unit refers to a singular value of database. For example, if you were conducting research using a sample of university students, a single university student will be a sample unit.

Herein, the sample unit wasn't confined to a specific person like kid, or teen but it was overall to almost every member of society who uses a Jio sim card.

SAMPLINGDESIGN

The item so selected constitute what is technically called sample, their selection process or technique is called sample design and the survey conducted based on sample is described as sample survey. Sample

should be truly representative of population characteristics without any bias so that it may result in valid and reliable conclusions.

The method of sampling was: -

Convenient Sampling: - In this method, as per convenience, the research is carried out by picking up the cases that fall to hand, continuing the process till such time as the sample acquires a desired size. It is used to obtain data quickly and easily. It may include informal pool of friends and neighbours, employees at workplace etc. This sampling technique is often used for exploratory research or presenting of questionnaire.

Cluster Sampling: - In cluster sampling, the research is being carried out by first sampling out from population, certain large group, that is a „cluster“. A cluster is a set of heterogeneous subjects representing population. These clusters may be city ward, households, or even geographical or social units. The sampling of clusters from the population is done by simple or stratified random sampling methods. It is cheap to execute and population of survey is dispersed.

Collection of Data:-

Primary Data:-

Primary data refers to information that is generated to meet the specific requirements of the investigation at hand. The researcher collects primary data himself. In this research, surveying 40 people collected primary data. Simple questions on the experience of Jio sim card were asked to people and thus a data was collected and maintained.

Secondary Data:-

Secondary data is information that is collected for a purpose other than to solve the specific problem under investigation. Someone collects secondary data else for some other purpose (but being utilized by investigator for another purpose). In this research, the secondary data was collected from certain articles and links from the internet.

Scope of Study: -

There is no doubt that Reliance Jio is making headlines before its formal launch and ever since Mukesh Ambani announced its new plans for 4G network, as expected, the whole telecom industry has shaken. In fact, the company has forced all Telco's to change their tariff plans to retain their users.

To recall, on September 1, 2016, Jio announced free data, voice, and video to users until December 31, 2016, under its 'Welcome Offer'. The Welcome Offer has been replaced by the Happy New Year offer, which still provides free voice calls, video calling, messaging, and data until March 31, 2017, and now the company has announced an extension for the same in the form of 'Prime' membership. Under the Prime offer, existing customers will get a one-year extension by paying one-time enrollment fee of Rs. 99 and Rs. 303 per month and get the same free Jio services that they are getting. This means unlimited data (subjected to 1GB FUP limit per day) which you will get for 12 months. Users get access to all Jio application services which will cost over Rs. 10,000 per year.

Meanwhile, at the MWC 2017, Jio also announced its tie-up with Samsung to bring 5G to expand its current network capacity as well as network coverage. Similarly, the company has also joined hands with Cisco to enhance its existing multi-terabit capacity further.

Jio's achievements so far: -

- 1) Jio has also crossed 100 million customers mark in just 170 days after its launch on September 5, 2016.
- 2) Jio has added on an average 7 customers every single second of every single day.
- 3) Jio users make more than 200 crore minutes of voice and video calls have been made.
- 4) Users consumed more than 100 crore GB of data on the Jio network and this makes India, the No. 1 internet usage country.
- 5) Nearly 5.5 Crore hours of video have been watched daily on its network.
- 6) Over 10 Lakhs retail partnership was introduced all across India.

2) Jio's Future Plans

- 1) In the coming months, the Jio network will be present in nearly all the cities, towns and villages of India... and cover 99 percent of our country's population.
- 2) The company will provide 20 percent more value to each of the competitor plans.
- 3) The company is targeting a revenue market share of 50 percent by 2021.

Well the journey was not so easy as Jio's free data and voice offers have sparked controversy within the telecom industry. Telecom players such as Airtel and Vodafone have alleged that Jio's offers amount to predatory pricing.

Chapter4-LiteratureReview

4.1 LITERATURE REVIEW

The launch of Jio is likely to transform the Indian telecom sector but at the same time the pressure on multiple fronts not the current telecom operator such as Bharti Airtel, Idea, and Vodafone. The entrance of the Jio has brought a stormy revolution in the Telecom market and engaged into a brand-new world of innovations and upgradations. This article discusses the feature of Jio and the edge it would have over its rivals once operational the objective of this research paper is to find the company will become a star or will remain a question mark.

Jio is the telecommunication company owned by Reliance LTD. It emerges on the fastest growing telecom operator in India as data published in a literature of Jai Bhatia Economic and Political Weekly October 8, 2016 vol 111 no 41. Jio came up with the vision to generate huge revenue by providing quality service at a cheaper rate using the latest technology. Initially, its growth is high. In the Indian market, it is the first mover advantage for Jio with biggest 4G network coverage infrastructure across 22 telecom circles in India. None of its competitors have such biggest infrastructure for 4G infrastructure.

As we saw in the year 2012-2013, India is 150th in the world mobile penetration as well as quality. And Jio has already been convinced to change this position, the Indian billionaire said. Jio can also be understood by Predatory Pricing Strategy to some extent in the beginning, Jio also followed the same strategy which made their competitors think about their pricing process they all have tried to reduce and match the pricing level of Jio.

According to the data published in www.paulasset.com, Reliance Jio is good for Indian market because it is giving quality service at a lower price. The data also presently explains Jio's data traffic is higher (TRAI data) compared to its competitors. Jio is also threatening as it is expected it will kill more than 30 businesses within next 5 to 10 years, according to Paul asset, Jio will acquire and will hold a major number of market share in the same.

Jio has already started giving substitution at one place for TV, Mobile, Wallet, Drive etc.

According to information published by gadgetnet.ndtv.com, it is very difficult to compete with Jio as they have invested 150,000 crores, rupee during 2010-2016 for developing infrastructure without amount and long period of time. Reliance is always ready to deal with any such start-up which can threaten Jio existing competitors, as they are already suffering from huge debt, so it's not easy for them to invest such a huge amount in a short time.

Nearly 25 million cell phones are using Jiosim cards, before its commercial launch Jio made its commercial with easy data packs and lifetime free calling. Never in the history of telecom has witnessed a player seize the market in a week's time by distributing sim cards with unlimited free internet.

According to an article published in theyvoice.opindia.com, analysts doubt the strategy of Reliance by sitting with its scheme. Jio will attract low-quality customers who will jump into other networks once the freebies end. But Jio does not believe so. It is offering free 4G data which means it will occupy the primary SIM slot in the 4G phones. Also, customers will shift to Jio from their WIFI or broadband service and possibly will stick to it even after the promotion period ends. In addition to that, it is offering free calling, so it is aware people will be using the number for calling for the next 3 months. Three months is sufficient time for people to experience for super-fast data speed and the quality service and permanently transfer to the network. Now we assume that Jio reaches 75% of planned subscribers base. India's total number of 4G users is believed to touch the mark of 143 million by this year end. So, with 3 months of its official launch, Jio would have acquired more than 50% of market share. Even if any subscribers leave the service of Jio, still Reliance will be left with significant market share.

The analytical data shows, it has captured maximum number of market share, within the shortest period. It can also be conducted that people who are having Jio service at present, among them 70-80% of users are happy with the service. This number is high in the rural areas and lesser in the urban areas. By the end of 2017, it is expected that there will be 30-40 crore subscribers or more than that. The free app which is given today will no longer be free, later, the consumer will be spending 6-10 thousand in a year. It will generate a huge revenue.

By 2017, end, Jio will cover 90% and by 2018 India will be covered by its infrastructure- Ambani said.

Extensive literature survey is an integral part of every research work. Review of literature is necessary for the exact understanding of the topic under study. As the present topic is related to mobile phone services, an attempt is made here to review a few important studies conducted by various management researchers and professionals on these services. The analysis on the mobile phone service is of recent origin. A separate chapter is allotted for the review due to this reason. The present study concentrates on the available literature, on Indian level in the world and the study related data are collected from the various sources from the point of view of consumer awareness, consumers' attitude, level of satisfaction, factors influencing, factors affecting and opinion of the consumers Assar and Karia (2000) in their paper titled, "Churn Management towards

Customer Satisfaction; A Case of Cellular operation in Malaysia" have viewed that customer satisfaction and customer service have been critical factors of the cellular industry. Cellular service providers need to ensure about the technology that provides customer service best in the industry. It is stated that investment in people and technology helps in providing best customer service for today and for the future.

One common ground that most carriers and customers agree on is that good customer service

can have a key impact on how a customer views firm's services

and company Bepko² (2000) in his article entitled, "Service Intangibility and Its Impact on

Consumer Expectations of Service Quality" has pointed out that among the areas which need to be addressed in service quality research is the nature of consumer expectations across the range of intangibility. Previous research has compared consumers service quality expectations across services, but different groups of subjects have been evaluated for each different service. The problem of using different subjects for each service is that the subjects' demographic characteristics may be responsible for the significant differences in expectations of quality. The paper has used a controlled and repeated measure of design, where subjects have been asked to evaluate three services, varying in their degree of intangibility.

Carsten Fink, Aditya Mattoon and Randeep Rathindran³ (2001) in their study titled, "Liberalizing Basic Telecommunications: The Asian Experience" have found that despite the move away from traditional public monopolies, most Asian governments are still unwilling to allow unrestricted entry, eliminate limits on private and foreign ownership, and establish strong independent regulators. A comprehensive reform including privatization, competition and regulation has been implemented and there are significantly higher levels of main line availability, service quality and labour productivity.

David M. Szymanski and David H. Henard⁴ (2001) in their study entitled, "The New Marketing: Developing Long-term Interactive Relationships" has said that the growing number of academic studies on customer satisfaction and the mixed findings they report complicate the efforts among managers and academics to identify the antecedents to, and outcomes of, businesses having more against less-satisfied customers.

These mixed findings and the growing emphasis by managers on having satisfied customers point to the value of empirically synthesizing the evidence on customer satisfaction to assess current knowledge. To achieve this aim, the authors conducted a meta-analysis of the reported findings on customer satisfaction. They have documented that equity and disconfirmation are most strongly related to customer

satisfaction on average.

Jonathan, Lee, Jinghui, Lee, Lawrence and Feick⁵ (2001) in their article titled, "The Impact of Switching Costs on the Customer Satisfaction-loyalty Link: Mobile

Phone Service in France" have analysed that moderating role of switching costs in the customer satisfaction-loyalty link and to identify customer segments and to retain them. Thus, the purposes of this paper are to examine the moderating role of switching costs in the customer satisfaction-loyalty link and to identify customer segments and then analyse the heterogeneity in the satisfaction-loyalty link among the different segments. An empirical example based on the mobile phone service market in France indicates support for the moderating role of switching costs. Managerial implications of the results are discussed.

Robert C. Ford, Cheryl P. Heaton, and Stephen W. Brown⁶ (2001) in their article titled, "Delivering Excellent Service Lessons from the Best Firms" have stated that many companies see investments in complaint handling as means of increasing customer commitment and building customer loyalty. However, firms are not well informed, on how to deal successfully with service failures or the impact of complaint handling strategies. They have supported a quasi "brand equity" perspective - where satisfaction with complaint handling has a direct impact on trust and commitment, to a limited extent, on the effects of poor complaint handling. Implications for managers and scholars have also, been discussed.

Wilska⁷ (2001) in his paper titled, "New Technology and Young People's Consumer Identities: A Comparative Study between Finland and Brazil" has found that among young people aged 16-20, it was found that mobile phones choice and especially usage is consistent with respondent's general consumption styles. The research has indicated that addictive use is common among females and is related to trendy and impulsive consumption styles. Instead, males have been found to have more technology enthusiasm and trend-consciousness. These attributes have been then linked to impulsive consumption. The study concludes that genders are becoming more alike in telecom service choice because individual differences in consumption patterns are obviously identifiable.

Balasubramanian, Paterson and S.L. Jarvenpaa⁸ (2002) in their article

entitled, "Exploring the Implications of M-convenience
for Markets and Marketing" have

identified that the unique intrinsic attributes mentioned by the end users are unhindered time and space attributes of the mobile phone. The extrinsic attributes are divided as

direct and indirect network. Direct network is the effect of the size, speed, and capacity of the network, whereas, indirect network is the effect originating from the information, transaction, or machine interactive services.

Bhava and Ashish⁹(2002) in their article entitled, "Customer Satisfaction Measurement" have found that the opinion that customer's perception towards service and quality of a product determines the success of that product or service in the market. With better understanding of customer's perceptions, a firm can determine the suitable actions to meet the needs of customers. Firms can identify their own strengths and weaknesses in comparison with their competitors. Major attributes that influence customer satisfaction is product quality, packaging, delivery commitments, price, responsiveness and ability to resolve complaints and overall communication, accessibility and attitude failing short creates dissatisfaction. Customer loyalty is an important strategic objective for all organizations.

K.E. Lumbered and L. Sorgard¹⁰(2003) in their study on "Entry in Telecommunication: Customer Loyalty, Price Sensitivity and Access Prices" have stated that telecommunication services are like undifferentiated products. Therefore, customers are not price sensitive all the times and sometimes brand loyalty takes a dominant part in brand preferences. This is because some consumers are retained with old monopolists.

They have pointed out that substantive role of price fairness and quality service with customer satisfaction existing in the communication sector.

Michael Draganska and Dipal Jain¹¹(2003) in their article titled, "Consumer Preferences and Product Line Pricing Strategies: An Empirical Analysis" have analysed that India is having 752.19 Million mobile subscribers and Informant Mobile Intelligence reports

claim that in Average Minutes Per User (AMPU) in India is 25 to 30 minutes perday of active time on voice calls and almost 15 to 20 minutes per day of the active timeon messaging. Bharati the major mobile service provider in India claimed as onNovember2010thatIndianMonthlyAverageRevenuePerUser (ARPU)is202 rupees

which is reduced at 20 percent on a year base and it is expected to decrease further. As there is an increase in mobile subscribers and increase in AMPU at the same time, there is a decrease in ARPU. Mobile service providers who are planning to attract Mobile subscribers to their service with less affordable price.

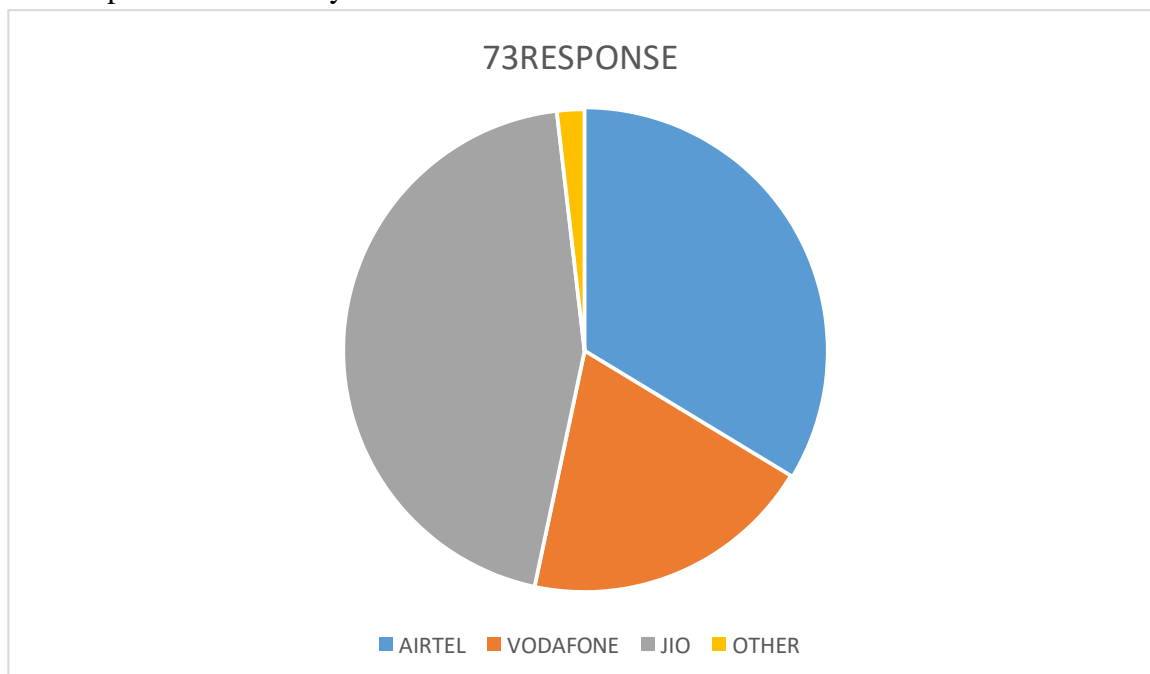
subscribers to their service with less affordable price.

J. Pakola, M. Pietila and R. Svento¹² (2003) in their article titled, "An Investigation of Customer Behaviour in Mobile Phone Markets in Finland" have indicated that price and properties are the major influential factors affecting the purchase of a new mobile phone, whereas audibility, price and friends are regarded as the most important in choice of the mobile phone operators. Customers have certain amount of self-knowledge about telephone features, connection fee, access cost, mobile-to-mobile phone rates, call rates and free calls which are related to mobile phone purchasing respondents. He has stated that customers with prior experience about a product can be able to predict their choices relatively well but tend to overestimate the importance of a monthly access fee, mobile-to-mobile rates, and connection fees.

Chapter5-DataAnalysis

ANALYSISANDDATAINTERPRETATION

(1) Which operators service do you use?



According to the survey and data collected, 32.9% of the population prefers Airtel, 19.2% of the population prefers Vodafone, 43.8% of the population prefers Reliance Jio and 5% of the population prefers other for their usage.

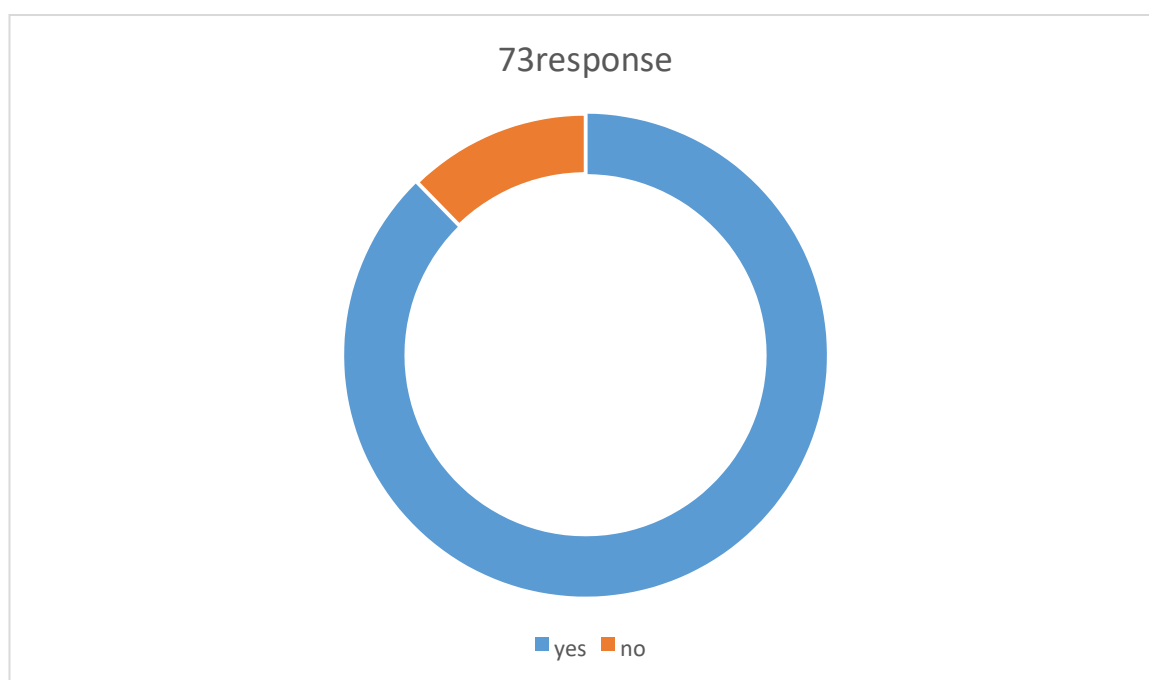
This question was asked to know about what percentage of people use Reliance Jio simcards. This was done to get an idea of what is the actual share of Reliance Jio in the market compared to other telecom operators in the market.

Since this question was confined to a limited area of 73 people so the answers were according to that sample size. But as per the findings it was concluded that amongst 73 people 31 people that is total of 32.9% of people use Reliance Jio. Also, it is seen that same percentage of people use Vodafone simcards. Airtel holds a market share of 15% of 6 of 73 users and least share is of other.

The main reason for this share can be of scheme that Reliance Jio gave to its users with 1Gb data and free calls and messages. Also connectivity is the second reason why people prefer this telecom

provider. Even though Airtel provides the same kind of scheme but it is little costly is the reason people are switching to other telecom providers.

(2) Are you aware of Reliance Jio?



According to the data surveyed and collected, 87.7% of the population says that they are aware of Reliance Jio and its services and 12.3% believe they are not fully aware of the services and plans of Reliance Jio company. Since this data is confined to a limited number of people, the survey results are confined to them and to the survey of the entire country.

This question was asked to know about the awareness of Reliance Jio company and its scheme of what the company provides to its people.

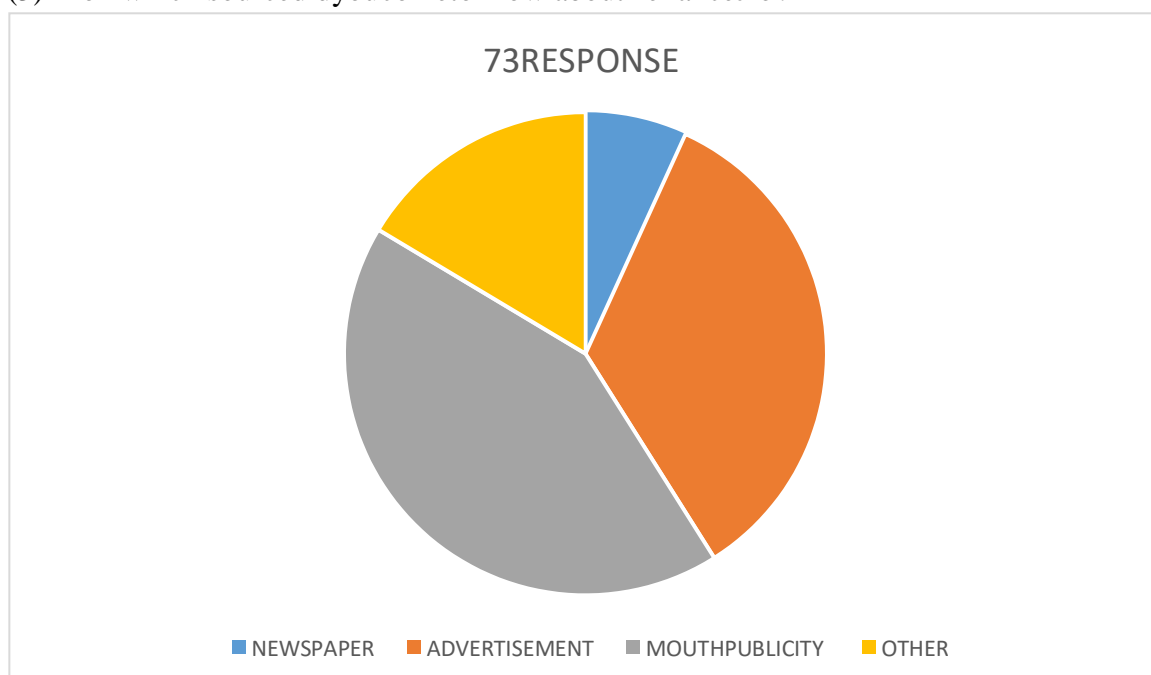
When it comes to Jio it is not only about the free data and call services but also about other Jio products such as JioFi devices and other products of Jio such as their Dish-TV products and their updates and related schemes.

Since this question was asked to local people and some of Reliance Jio employees itself it was known that 68 of 73 people are aware of Reliance Jio products, schemes and updates and 1 of 73 people was not aware of the entire scheme of the company.

This shows that Reliance has comparatively good market share compared to other telecom operators in the market. The main reason for this publicity is word-of-mouth. And this is done by people when they find that offers and scheme are good and relateable to them.

And since we all know the goodness of schemes that company provide and the excellent marketing strategy of the company which made Reliance Jio so famous amongst other telecom operators in the market.

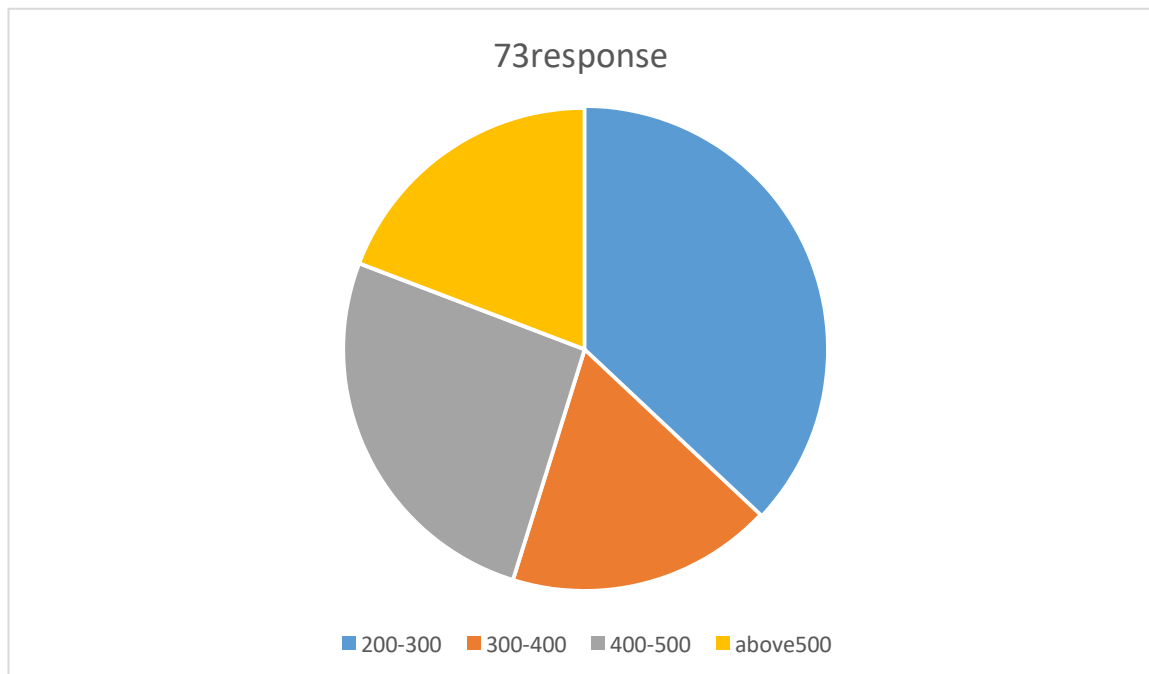
(3) From which source did you come to know about Reliance Jio?



According to the data surveyed and collected, 16.4% of the population says that they came to know about Reliance Jio from newspaper. 34.2%, of the population says that they came to know about Reliance Jio from Advertising. 42.5% of the population states that they came to know about Reliance Jio from mouth publicity. And the other section states some came to know from their instincts. Some people say that came to know about Reliance Jio via Quirk. And some people state that came to know about the services and offerings of Reliance Jio via Jio employees. Since this data is confined to a limited number of people, the survey results are confined to them and to the survey of the entire country.

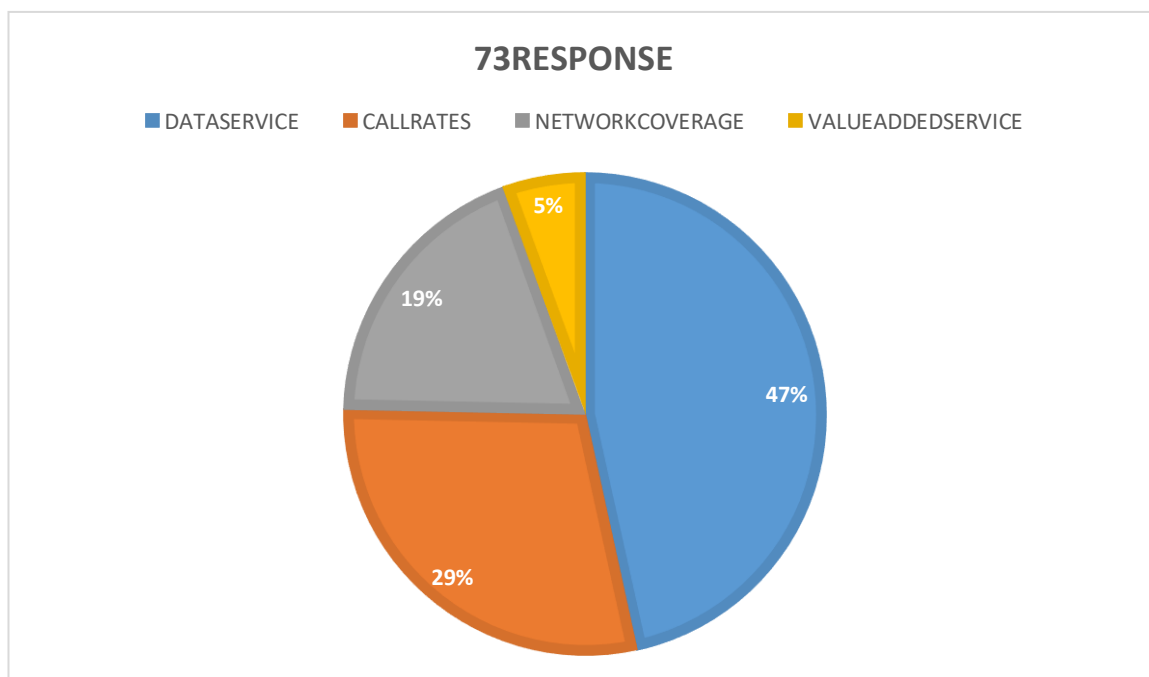
This question was asked to know which form of media contributed to major share of market in the telecom industry. As per the findings it was concluded that that the advertising done by Reliance Company contributed the most for that major share. And since the scheme was profitable to everyone many people did mouth publicity to others. And since it is evident that people rely on viewers comment more than other medium mouth publicity also held a good share in adding to share of market of Reliance Jio.

(4) what is your average monthly expenditure on mobile (rs)?



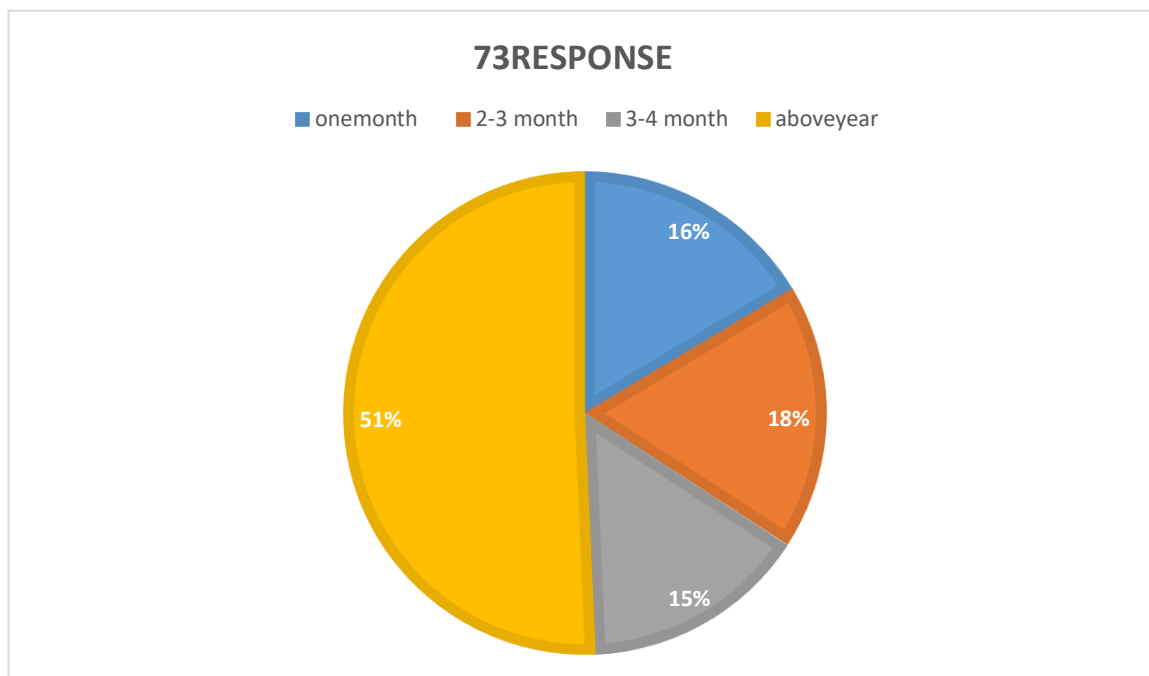
Herein, in this question, in survey question asked that the average expenditure customer spend on their mobile recharge. whereas, 37% of people spend 200-300 in their recharge. whereas, 17.8% of people spend 300-400 in their recharge. whereas, 26% of people spend 400-500 in their recharge. Others spend above 500 in their monthly recharge. This question is to know the monthly expenditure consumers spend on their mobile phones.

(5) Which service did you like the most in Reliance Jio services?



This question was one of the most important questions of the survey. According to the data surveyed and collected, 47% of the population states that data services which Reliance Jio provides is one of the most important things that they liked while using Reliance Jio services, which comprises a total of 16 people. 29% of the population says that they like Reliance Jio's call rates as one of the most convincing factors, which comprises a total of 6 people. Also, it wouldn't be incorrect to say that the free calls were one of the best strategies of Reliance Jio to capture majority of the market share. 19% of the population states that network coverage is Jio's main convincing factor and one person is in this favour. 5% of the population says value added service. This data is confined to a limited number of people, the survey results are confined to them and to the survey of the entire country.

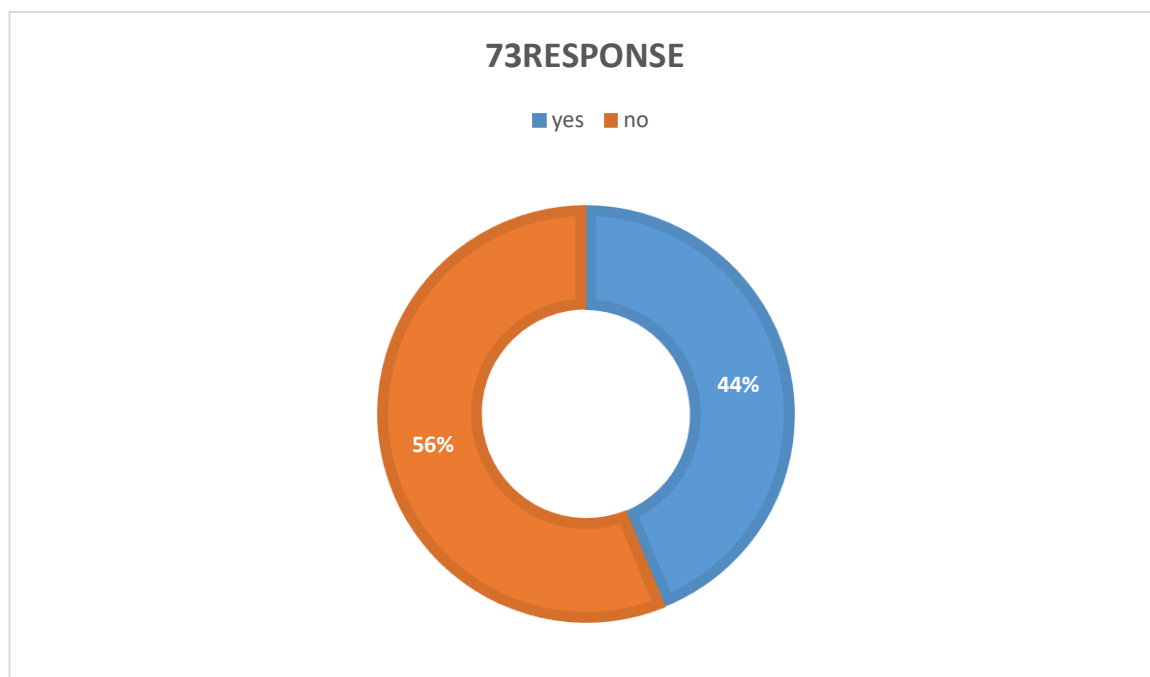
(6) since how long you are using reliance jio services?



From the data surveyed and collected, 70 of the population states that Reliance Jio is pretty good in its services which comprises of 20 people. And 16.4% population states that they have been using Reliance Jio services for one month. Where, 18% of population states that they have been using reliance jio for 2-3 month. 15% of population states that they have been using reliance jio for 3-4 month. and 51% of population states that they have been using reliance jio for more than a year. Since this data is confined to a limited number of people, the survey results are confined to them and to the survey of the entire country.

This question was asked to know about the satisfaction of customers regarding how long they were using services of Reliance Jio. And since we all know that Jio provides many services to its customers majority of people were satisfied with its services and since connectivity has a major issue people sometimes find its services are average and could be updated to something better in terms of connectivity.

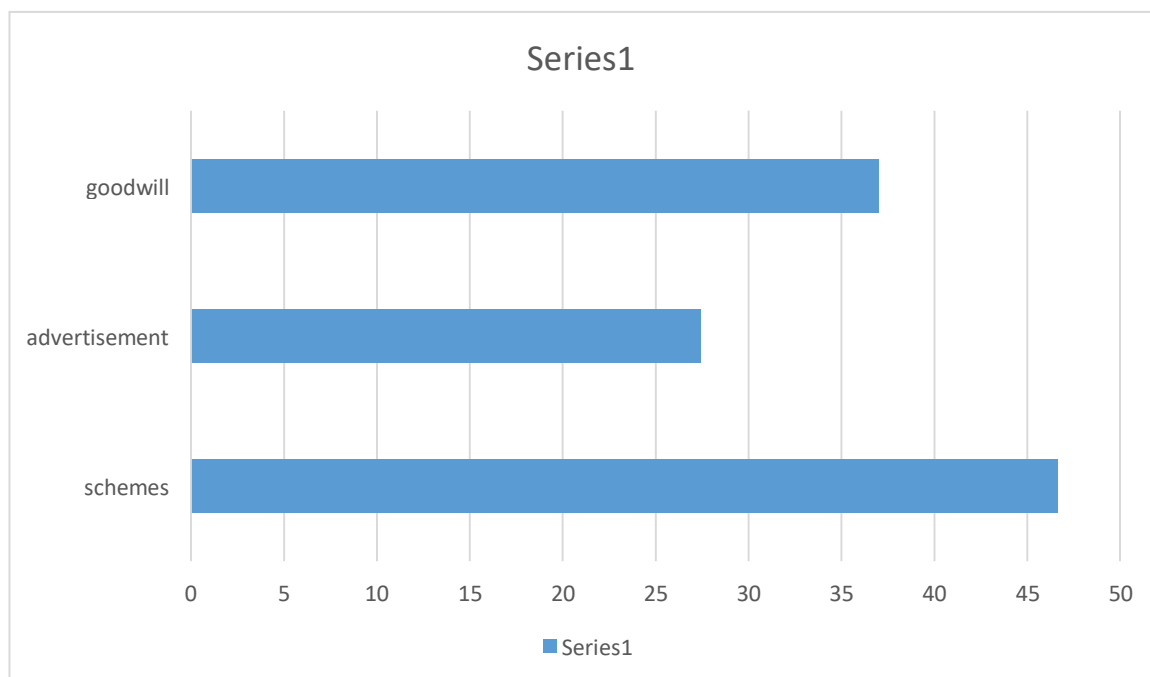
(7) would you switch jio from other brand?



In this question, it was asked that whether the customer is satisfied with the reliance jio or not or would they switch jio from other brands. 56% of population said NO they don't want to switch jio with any other brand. whereas, 44% of population states that they are willing to switch jio from other brands. since this data is confined to a limited number of people, the survey results are confined to them and to the survey of the entire country.

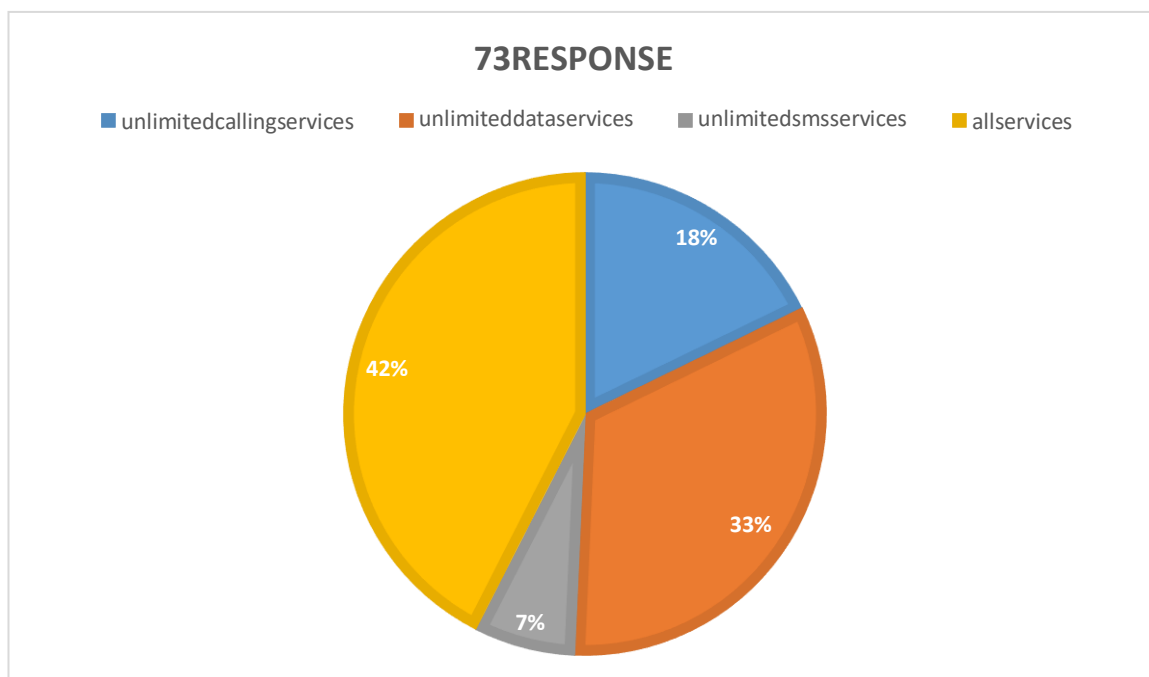
This question was asked to know about the satisfaction of customers regarding whether the customer is satisfied with the service of reliance jio. And since we all know that Jio provides many services to its customers majority of people were satisfied with its services and since connectivity has a major issue people sometimes find its services are average and could be updated to something better in terms of connectivity.

(8) which features of reliance jio convinced you to use this?



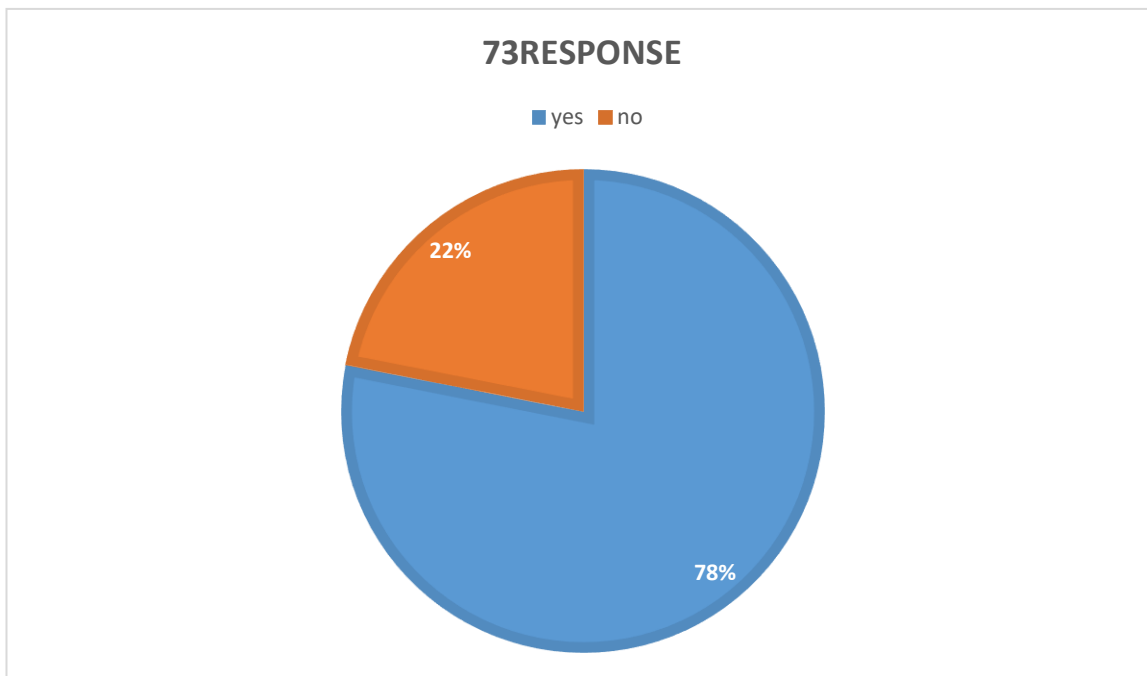
This was one of the most important questions asked in the survey. The main reason for asking this question was to know what are the features of reliance jio convinced the customer so much to use jio. Above given are some of the examples of what people think they are convinced with the services. provided with them then the company can succeed more and can have more loyal and happy customers.

(9) why did you choose this service provider?



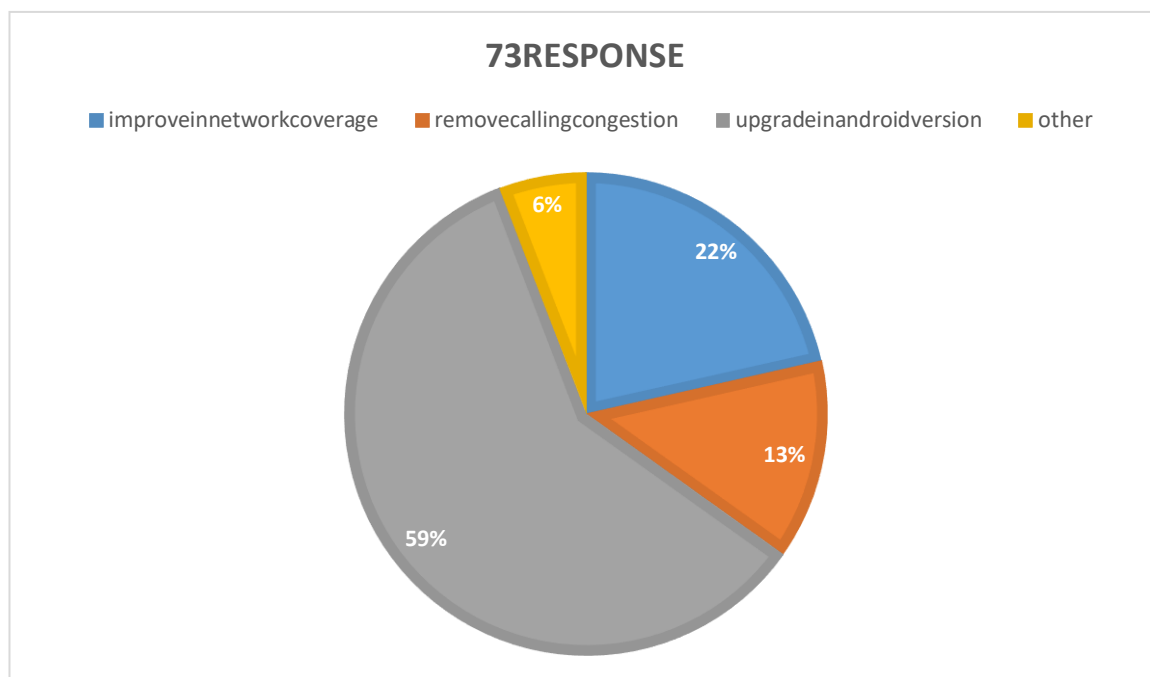
In this question, it was asked that why did customer choose the reliance jio rather than others services of the other brand. In which 18% of population states that the service of unlimited calling services is good. 33% of population states that the service of unlimited data service is satisfied. Only 7% of population states that service of unlimited sms services is better. And majority of the population states that all the services of reliance jio is excellent which covers the 42% of population. Since this data is confined to a limited number of people, the survey results are confined to them and to the survey of the entire country.

(10) What would you like to recommend Reliance Jio to others?



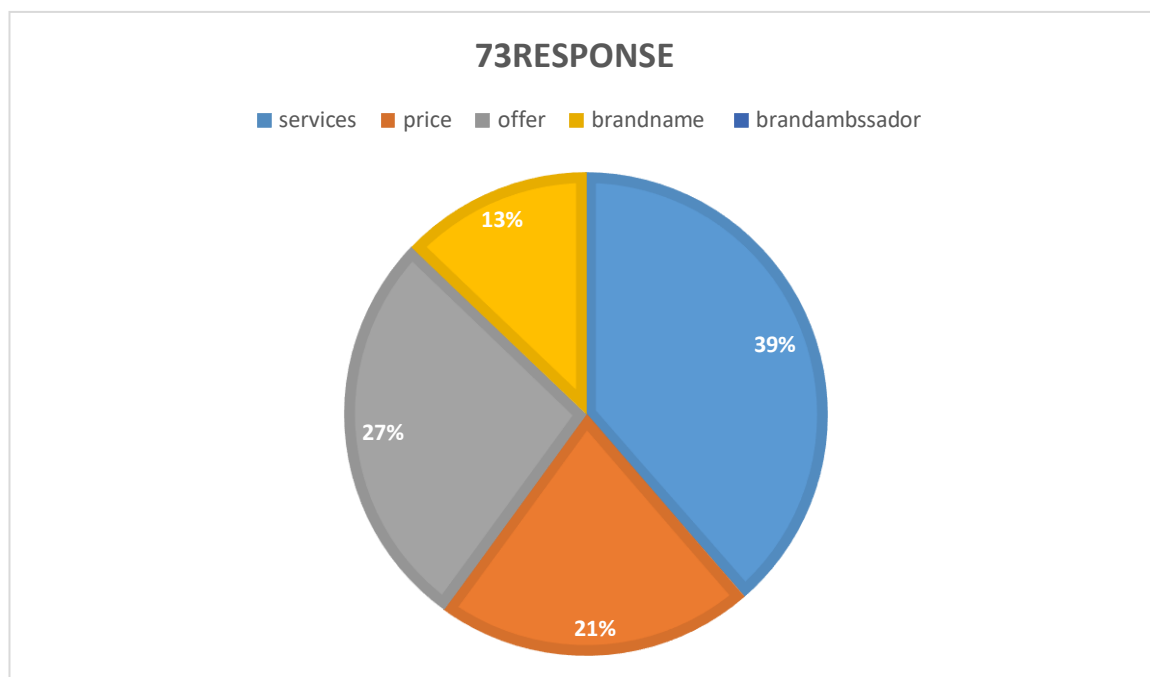
According to the data surveyed and collected, 78% of the population would recommend Jio to others which comprises of 55 people and 22% people wouldn't recommend Jio to others which comprises of 18 people.

(11) what should be improved in reliancejio?



According to the survey, the question was asked that what services should be improved by the reliancejio. 22% of the population states that network coverage should be improved which include 40 of the people. 13% of the population states that they should remove calling congestion. Whereas, 59% of the population states that they should upgrade in the android version. and 6% of population think they should improve the other services. since this data is confined to a limited number of people, the survey results are confined to them and to the survey of the entire country.

(12) what about Reliance jio makes you loyal customers?



In this question, it was asked that what about Reliance Jio makes you feel a loyal customer. In which 39% of the population states that services of the Reliance Jio make you feel a loyal customer, it is the majority of the people. 21% of the population states that the price makes them feel loyal, while 27% of the population states that the offer of the Reliance Jio makes them a loyal customer. Whereas, the 13% of the population states that the brand name itself makes them a loyal customer. Since this data is confined to a limited number of people, the survey results are confined to them and to the survey of the entire country.

Chapter6-Conclusion

6.1 CONCLUSION AND SUGGESTIONS

The growth of a company depends upon consumer perception, regarding product and the consumer perceptions can be studied only through the consumer buying behaviour. The consumer behaviour is the study of those actions directly involved in obtaining, consuming, and disposing of product & services including the decision process that proceeds and follows up the action. The buying behaviour of the consumer is influenced by many variables. The social environment in which he lives, his family, his society, his neighbours, his friends, his job, his colleagues influence the behaviour of the consumer. The personality factors of the consumer also effect his buying decision.

It requires marketers to review their marketing practices. Now companies have to show their concern about consumer's interest. They must take many steps to satisfy the consumers. Now marketers have moved to consumer welfare from consumer satisfaction. Most companies have accepted consumerism in their principles. Based on my observations data and information, I submit certain

useful recommendations to make Communications system of Tata Teleservices
& Reliance

very effective and customer centric. Some of the worthy suggestions are given asunder:

▶ Reliance Communication doesn't have its own network. Since it uses BSNL networks. It should have it on network. It will give strength & wide coverage to Reliance Communication services.

▶ Tata Teleservices network is not up to the mark at providing service to wide area and improving quality of service.

▶ It is suggested that Tata Teleservices & Reliance Communications should develop innovative Communication services with in depth research development and continue improvement in the quality of services.

▶ They should resort to TQM philosophy with good corporate governance and transparency in its policies, programmes and strategies.

▶ It is further suggested that Reliance Communication, which enjoys highest market share, should diversify its services and further diversify the models and the systems as suggested by the respondent.

▶ The research suggests that Reliance Communication & Tata Teleservices should develop their competitive strength to meet the challenges and threats of global corporations in the Communication business.

▶ It is suggested that Reliance Communication & Tata Teleservices should develop relationship marketing to know the real needs of the customers & should incorporate customer's suggestions.

▶ It is further suggested that Reliance Communication and Tata Teleservices should short analysis, which will help them to understand its real strengths and

shortcomings.

► The researcher further suggests that Reliance Communications should develop benchmarks as standards for providing better customer services.

► It is further suggested that there should be continuous revision in the pricing of Communications services.

► It is again suggested that they should take into consideration environmental factors in providing consumer services and determining prices.

► It is again recommended that Reliance Communications should develop quality circles in different functional areas of the organisations so the quality may be improved and suggestion should be obtained from the people.

► Finally, the researcher would like to suggest that Reliance Communication & Tata Teleservices should develop product research, product planning, strategic planning and Research & Development activities, so they would come up to the global culture and should compete with its competitors internally.

► The researcher hopes that marketing people of Tata Teleservices & Reliance Communication will follow the suggestion given above. They would go a long way to improve the Communication services being provided by the organisation. Both Tata Teleservices & Reliance should penetrate the market by entering rural areas & interiors of the country. They should do so by promoting through local advertising areas like mails, hat bazaar, TV projectors etc. Regional proverbs & languages should be used while promoting the service.

► The components & instruments provided by the Reliance are must for every customer rather he likes or dislikes. It is suggested that the instrument may be allowed of his choice & get activated from the company.

- ▶ All collection system of Tata Teleservices should be made customer-oriented. There should be as many collection counters as possible with close proximity of customers.
- ▶ There should be a single window system to satisfy query of customer care systems.
- ▶ The customer care centres should be more effective. So, the customers may have the loyalty with the Tata Teleservices.
- ▶ In order to attract exiting customers, it is suggested that the head given by Tata Teleservices should be more attractive.
- ▶ The Tata Teleservices staff should be more corporative & friendly to the customers so that the customers may feel satisfied with Tata Teleservices' services.
- ▶ Strong R&D infrastructure is very vital for promoting a vibrant and strong telecom hardware sector in the country. Telecom R&D also needs to be strengthened to have indigenous telecom technology and evolve national standards. R&D efforts would have to be diversified besides technology development. It should focus on services systems processes and markets this would ensure user relevant orientation to R&D activities. Applications research also needs to be encouraged so that the research projects become commercially viable and products appropriate for deployment in local conditions are developed. R & D efforts in telecommunications are envisaged to be more effective if these are multi-disciplinary in character. The telecom sector involves some of the most sophisticated concepts in economics social science & and management among other disciplines.
- ▶ Tata Teleservices should give rewards to their franchises according to their revenues. This will fetch more customers.
- ▶ Each franchise of Tata Teleservices should be given much power to handle customer complaints individually on the spot so that they need not

office.

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QUESTIONNAIRE:-

(1) Which operator service do you

use?Airtel

VodafoneR

eliance

Jioother

(2) Are you aware of Reliance

Jio?Yes

No

(3) Fromwhich sourcedidyoucometoknow aboutRelianceJio?

(a) Newspaper

(b) Advertising

(c) Mouth publicity

(d) other

(4) What is your average monthly expenditure on mobile (in Rs)? 200-

300

300-400

400-500

Above 500

(5) Which service do you like the most in Reliance Jio services?

(a) Data services

(b) Call rates

(c) Network coverage

(d) Value added services

(6) Since how long you are using Reliance Jio services?

(a) one month

(b) 2-3 months

(c) 3-4 months

(d) above year

(7) Would you switch Jio from other brand?

(a) yes

(b) no

(8) Which features of Reliance Jio convinced you to use this?

(a) goodwill

(b) advertisement

(c) schemes

(9) why did you choose this service provider?

- (a) unlimited calling services
- (b) unlimited data services
- (c) unlimited sms services
- (d) all services

(10) Would you like to recommend Jio to other?

- (a) Yes
- (b) No

(11) what should be improved in reliance jio?

- (a) improve network coverage
- (b) remove calling congestion
- (c) upgrade in android version
- (d) others

(12) what about reliance jio makes you a loyal customer?

- (a) services
- (b) price
- (c) offer
- (d) brand name
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A FIELD PROJECT REPORT

ON

“Challenges and Opportunities of India’s Micro Small Medium”

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

(Dasari Hari Ganesh, Tanguturi Pranavi ,Dirisinala Ashok Reddy, Cheepu Naga Siva Kumar,Aithanedi Niharika)

(Regd. No.221FC01071,221FC01072,221FC01073,221FC01074,221FC01075)

Under the esteemed guidance of

Dr. Y . Srinivasa Rao

ASSISTANT PROFESSOR



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CERTIFICATE

I hereby certify that, the filed project entitled **Challenges and Opportunities of India's Micro Small Medium** submitted by Dasari Hari Ganesh, Tanguturi Pranavi, Dirisinala Ashok Reddy, Cheepu Naga Siva Kumar, Aithanedi Niharika bearing the Regd. No. 221FC010371, 221FC010372, 221FC01073, 221FC010374, 221FC01075 from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future

Endeavour

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ABSTRACT

This paper examines the possible changes from the new definition of Micro, Small, Medium Enterprises (MSMEs) in the Manufacturing and Services sector using NSS 73rd round data and Annual Survey of Industry (ASI). The paper further analyses the nature of registered/unregistered enterprises in MSMEs. Analysis reveals that 16.1 percent (3.2 million), 38 percent (16.6 million), and 31.2 percent (19.8 million) enterprises are registered in manufacturing, services, and whole economy respectively. It is worthy to note that share of unregistered enterprises in overall loan taken by the enterprises is only 2 percent, the

remaining 98 percent of loan has been provided to registered enterprises. Registered enterprises easily access loan from the formal channels while unregistered enterprises face problems in accessing loan from the formal channels. The regression results show that the number of skilled workers, the firm's registration, modernization, and environmental monitor variables have a positive impact on the MSMEs output value. The large enterprises need to make structural changes with focus on generating employment at a larger scale in order to take advantage of the recent trade war between China and other developing countries. There is a simultaneous scope to promote larger enterprises with MSMEs.

The Micro, Small, and Medium Enterprises (MSMEs) sector plays a critical role in generating employment opportunities and is often called the backbone of the economy which employs a significant number of workers, which is next only to agriculture (Saxena and Jagota; 2015). This sector also creates employment opportunities in rural areas with low capital cost which helps in reducing the regional imbalance in the economy. The MSMEs sector contributes 45% of India's total export, generates more than 14 million jobs and accounts for 33.4% of India's manufacturing output (EPW; 2020). The sector is highly vulnerable to external factors (Ghosh; 2020 and EPW; 2020). COVID-19 pandemic has impacted every sector of the economy and the MSMEs sector has been particularly affected due to supply-side disruption and reduction in demand. The demands for the readymade garment, furniture, tobacco, leather, electronics, and rubber & plastic products have been very low in the economy in the last few months. In order to address sluggishness in the economy and MSMEs sector specifically, Union Government announced a special package of INR 3 lakh crores Collateral free Automatic Loans along with six reforms under the Atmanirbhar Bharat Abhiyaan (Self-Reliant) to revive the MSMEs. Among several reforms, one was related to the change in the definition of Micro Small & Medium Enterprises (MSMEs) firms. Further, on 12th November 2020, Government of India announced Atmanirbhar Bharat Package 3.0 and allocated INR 1.46 lakh crores for Production-Linked Incentives Scheme to boost the manufacturing sector.

In this context, we have tried to address the four following questions; a) what would be possible changes in terms of the number of enterprises from the new definition of MSMEs for both the sectors? b) What is the nature of micro, small and medium enterprises in the registered and unregistered sector? c) What are the key constraints faced by MSMEs? d) What factors determine the value of output in MSMEs? Apart from abstract and introduction, this article is divided into five sections. The second section presents an overview of the data used. The third section analyses the definitional changes in the MSMEs. The fourth section presents the registered and unregistered enterprises of MSMEs. The fifth section discusses the employment nature of MSMEs. Section six presents the problems faced by MSMEs followed by conclusion.

We used unit-level data of the National Sample Survey (NSS) 73rd (2015-16) round on 'Unincorporated Non-

Agriculture Enterprises in India' and Annual Survey of Industries (ASI), 2015-16. ASI covers all factories registered under Sect. 2(m) (i) and 2(m) (ii) of the Factories Act, 1948. ASI covers the organized industries of the country and this survey is conducted every yearly basis. NSS

73rd round survey provides the basic economic and operational characteristics of the manufacturing and services sector enterprises. This survey covers Manufacturing enterprises excluding those registered under Sections 2m(i) and 2m(ii) of the Factories Act, 1948 and includes the Manufacturing enterprises registered under Sect. 85 of Factories Act, 1948, Trading enterprises and Other Services sector enterprises excluding construction firms. NSS 73rd round survey covers all unorganized units which are not covered by the ASI. When we club the figures of ASI and NSS data, we get a complete picture of enterprises in the whole country. NSS 73rd round survey assesses whether enterprises are registered under any act/authority such as; Shops and Establishment Act, Municipal Corporation/Panchayats/Local Body, Vat/Sales Tax Act, Provident Fund Act, Employees State Insurance Corporation Act, Registered with SEBI/Stock Exchange (item no 227 & 228 in the 73rd round questionnaire). If an enterprise is registered under any one of them, it is considered as registered enterprise, otherwise it is listed as an unregistered enterprise. Total registered enterprises include number of

enterprises in ASI along with number of enterprises registered under any act/authority in the NSS 73rd round survey. The manufacturing sector is covered under National Industry Classification (NIC 2008) codes from 10 to 33 and the services sector under NIC-2008 codes from 45 to 99.

Earlier MSMEs were known as small scale industries. Prof. K. T. Shah (2012) defined small scale industries as “a small scale or cottage industry may be defined as an enterprise or series of operations carried on by a workman skilled in the craft on his responsibility, the finished product of which, he markets himself”. The importance of small scale industries is underscored as “Small scale industries are of very special importance in India. If we lack capital, we do not lack manpower, and we must use this manpower both to add to the wealth of the country and to reduce unemployment”. In 1954, Small Industries Development Organization was set up to maintain and sustain growth of small scale industries. Medium enterprise was introduced in Micro Small & Medium Enterprises Development (MSMED) Act, 2006 (Nair & Das; 2019). This act classified the MSMEs for both the manufacturing and service sectors. Manufacturing enterprises are “the enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951 or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use”. While service enterprises are “the enterprises engaged in providing or rendering of services and are defined in terms of investment in equipments”. The act defines MSMEs distinctly for the manufacturing and service sector in terms of investment in plant & machinery. The investment based criteria do not provide enough incentive for the industries to expand and grow up. Industries keep their plants at a small size to retain the benefits associated with MSMEs and exhibit unwillingness to foster the expansion of the industry. Investment criteria itself is a self-declaration that needs physical verification and also incurs transaction costs. The MSMED Amendment Bill, 2018 was introduced in July, 2018 to define MSMEs based on their annual turnover. The turnover criterion is more appropriate than investment criterion to define MSMEs. Enterprises necessarily have to register under framework of Goods and Services Tax (GST) if their turnover exceeds the threshold limit. The criteria have the advantage of being non-discretionary, transparent, and eliminate the need for physical inspections. However, there is a loophole associated with turnover criterion as firms tend to under-report their turnover in order to qualify MSMEs. There is no specific MSMEs definition that may be used as most comprehensive definition in the world (Ardic, Mylenko & Saltane, 2011; Gibson & Vaart, 2008; ILO, 2015 and Berisha & Pula, 2015). Definition of MSMEs for the first time was given in the Bolton Report of 1971. The report suggests that there are two approaches i.e. quantitative and qualitative, to define MSMEs. Generally, the quantitative method is used to define MSMEs. The study of International Labor Organization (ILO) found that there are over 50 definitions of MSMEs in 70 countries with considerable ambiguity in the terminology used (Berisha & Pula; 2015). World Bank defines MSMEs as per composite criteria of the number of employees, total assets, and annual turnover. The number of workers constitutes an easily applicable criterion but it has certain limitations in the sense that the number of required workers varies according to the nature of business (Stokes & Wilson; 2010). For example, the manufacturing sector requires more workers than the services sector. The requirement of workers also varies within the industry, and obviously from industry to industry (Yadav & Kumar, 2017). Similarly, some industries require more investment and produce lower turnover as compared to other industries. Th

Therefore, the government of India introduced new composite criteria based on investment and annual turnover to define enterprises in manufacturing and services as micro, small and medium enterprises in a comprehensive definition on 13th May 2020. Further, the government of India decided on 1st June 2020 to do an upward revision of medium enterprises. After revision, as per new composite criteria, a firm is considered under micro enterprises category having investment less than INR 1 crore and turnover less than INR 5 crore, small enterprises are the ones having investment less than INR 10 crore and turnover less than INR 50 crore, and medium enterprises are the ones with investment and turnover less than INR 50 crore and INR 250 crore respectively, (Table 1). Any firm which exceeds the medium enterprise's criteria both in existing and new definition is considered as large firms.

Post definitional change, number of MSMEs units in the services sector, we have observed that the number of firms increased by 29.22 lakh units under micro-enterprises category, where 22.57 lakh accounted under registered services sector enterprises and 6.64 lakh accounted under unregistered services sector enterprises respectively. In the context of small-enterprise, there was a decline recorded in services sector units by 28.84 lakh, and a decline was recorded in services sector units by 0.25 lakh in the medium category and large enterprises category respectively. Overall, there is an addition of 12655 services sector firms under MSMEs provision (See Appendix-A).

Our analysis reveals that in the services sector distribution shifted towards micro enterprises whereas in manufacturing sector we observed that there was an increase in the number of firms both in micro and medium category. In the manufacturing sector, if we take a look at sector-

wise distribution of 13100 large firms that came under the purview of MSMEs, the top 3 gainers are the food products sector that accounts for 11.53 percent, textiles account for 11.45 percent and fabricated metal products account for 7.65 percent.

Similarly in the services sector, sector-

wise distribution of 12655 large firms come under the purview of MSME. The top three gainers are the education sector that accounts for 33 percent, retail trade accounts for 18 percent, and human health sector accounts for 10 percent (See Appendix-

A). Certainly, the definitional change of MSMEs has given a positive push to many firms across the manufacturing and service sector as these firms are now eligible for availing benefits enjoyed by MSMEs.

Rotenberg (2019) found that supporting small-

scale firms in India via various subsidy in form of lower interest rates, free skill training, exports subsidy, tax exemptions, and providing digital market platform, etc. improve the aggregate productivity by 1 to 2 percent in the economy.

The categorization of the formal/informal sector was defined in the 17th International Conference of Labour Statisticians (ICLS) in 1997. National Commission for Enterprises in the Unorganised Sector (NCEUS; 2008), Government of India defined

the formal/informal sector in the economy based on type of enterprise and the workers' size. This methodology has been widely adopted to define formal/informal sector of Indian economy. This paper defines formal/informal sector among the industry groups based on the firm's registration. Registered and Unregistered enterprises have already been defined in the previous section. Registered and Unregistered enterprises might be used interchangeably to signify formal and informal sector respectively. Our analysis shows the combined figures of NSS 73rd round and ASI (2015-16). Thus, the new classification figures could have diverged from the data reported in NSS 73rd report. The fourth census of MSMEs (2006-07) shows that only 5.95 percent (1.55 million) were registered enterprises in the economy

and 13.89 percent (1.04 million) were registered manufacturing enterprises. NSS 73rd round shows that 15.1 percent and 30.9 percent of enterprises are registered in manufacturing and whole economy respectively. Our analysis reveals that 16.1 percent (3.2 million), 38 percent (16.6 million), and 31.2 percent (19.8 million) enterprises are registered in manufacturing sector, services sector, and whole economy respectively (Figure 1). The percentage of formal enterprises at micro-level in both these sectors is very low, especially in manufacturing. One-third of micro-enterprises in service sectors are formal, and this ratio has rapidly grown up in small and medium enterprises category. Only 14.6 percent (2.9 million) and 35 percent (14.2 million) micro-enterprises are registered in manufacturing and services respectively. Unregistered enterprises account for 18 percent in total industrial gross value added in which 94 percent comes from micro enterprises and rests from small enterprises. Unregistered manufacturing enterprises account for 9 percent in manufacturing GVA and while unregistered services enterprises contribute 32 percent in its GVA. Micro unregistered enterprises shared 96.5 percent and 92.4 percent in unregistered manufacturing and services enterprises respectively [1]. This indicates that unregistered micro-enterprises has a larger number of enterprises and workers but contribute lesser in GVA which is an indication that there is greater scope to make them registered. On the other hand, it has been observed that small, medium, and large enterprises are primarily in the registered sector. The turnover of these enterprises comes under the threshold limit of GST registration so that they are bound to register in GST framework. Formalization of informal/unregistered MSMEs is highly relevant to boost up the MSMEs. Formalization is highly problematic in micro-enterprises where more than 95 million workers work in this sector which is approximately 76 percent of the total industrial workforce (Figure-2). The high rate of informality in micro-enterprises leads to low contribution in gross value added. Formalization helps in breaking the vicious circle of low productivity, enterprise performance, and precariousness of employment (ILO; 2015, Srivastava & Naik; 2016 and Srivastava, Padhai & Ranjan; 2020). Registration of enterprises has been rising after the introduction but it is still far away from desirable level, especially in the manufacturing sector.

The micro-enterprises are Own-account enterprises [2] (OAEs) and tiny establishment enterprises. Own-account enterprises are run without any hired workers, even if workers are hired they are not done on a regular basis. Hence, micro-enterprises have not come under the purview of Employees Provident Fund (EPF) and Employees' State Insurance Scheme (ESIS). The turnover of micro-enterprises is very low which also restricts their registration within Goods and Services Tax (GST) framework. The threshold for

registration within the framework of GST is prohibitory, which means that it limits the formalization of micro enterprises. However, they can be transformed into formalized enterprises through the net of social security. The government of India amalgamated all the existing social security benefit acts passed between 1923 and 2008 and introduced a common social security code. The current code on social security recognizes the importance of social security in OAEs and tiny establishment. But it does not cover contributory workers, who are mainly female, and a large section of front-line nutrition and health workers, who have been described as “voluntary” workers

The major constraints faced by MSMEs are following;

COVID-

19 pandemic has brought an enormous loss of human lives and virtually crippled economies worldwide. This pandemic has adversely impacted enterprises and workers both in the organized and unorganized sectors of the economy. In particular, the COVID-19 lockdown has adversely impacted the MSMEs sector in terms of closure, job losses, revenue losses, and many units have reached the brink of becoming defunct. MSMEs sector has already been reeling under severe distress because of demonetization and poor implementation of GST. Prolonged economic slowdown compounded the problems faced by MSMEs and lockdown induced by

COVID-

19 might prove to be a final nail in the coffin. The study conducted by the All India Manufacturing Organization (AIMO) among 46,525 MSMEs between 24-31 May 2020 showed that 35% of MSMEs and 37% of self-employed respondents said that their enterprises were beyond recovery. 32% said that their recovery would take 6 months and 12% said that it would take less than 3 months. Only 3% of MSMEs, 6% of corporates, and 11% of self-employed said they were unaffected because they were involved in sectors related to essential goods/services. Another study was done by Magma Fin Corp, and business school Bhavan's SPJIMR, it showed that 50 percent of MSMEs out of 14,444 MSMEs have witnessed a 20-50 percent impact on their earnings because of the COVID-19 pandemic. Estupinan et al. 2020 reported in their study that 111.18 million and 78.93 million workers were affected in Lockdown 1.0 & 2.0 respectively. They estimated around 58.85 million own-account workers lost their jobs during Lockdown 1.0 & 2.0. The data of Index of Industrial Production (IIP) which is a proxy of industrial performance showed that a negative growth rate was reported in major industries in the last few months. However, IIP for the month July 2020 reflects the gradual pickup in industrial activity in the economy but it is still below the initial points, and the IIP percentage growth rate between April-October is negative [1].

NSS73rd round data showed that 29 percent of micro, 43 percent of small, and 43 percent of medium manufacturing enterprises were in the phase of expanding while more than 50 percent of manufacturing MSMEs have been in a stagnant phase for last three years. 37 percent of manufacturing and service sector enterprises reported that they had faced a problem of shortage of demand in the last three years. Demand has already been shrinking in the last few months in the economy and effects of COVID-19 pandemic might worsen the performance of MSMEs. The quick revival of the MSME sector would require a special focus on boosting exports and generating domestic demands.

Accessing credit through formal channels is one of the major bottlenecks to the MSMEs (Beck & Demirgüç-Kunt, 2006; Bhattacharya, 2013). Access to finance for MSMEs contributes to economic development and poverty reduction (Kersten et al., 2017).

The government of India has introduced many programs over time in order to bring flexibility in the system which could provide loans to MSMEs. The credit guarantee scheme was launched in August 2000 to ensure better credit flow to the MSMEs. The scheme covers collateral-free loans up to INR 50 lakh per borrowing unit. Pradhan Mantri MUDRA Yojana (PMMY) was launched in 2015 to provide loans up to INR 10 lakh to non-corporate, non-farm small/micro-enterprises. The MUDRA Annual Report 2018-19 shows that MUDRA sanctioned INR 7,558 crore and disbursed INR 7,130 crore in MSMEs during 2018-19. Reserve Bank of India (RBI) data show that credit to the MSME sector grew at an average of 8.5 percent during January-May 2018. Table-3 presents the loans and monthly interest payments by MSMEs. So far, more than INR 2 and INR 1 lakh crore loans have been availed by manufacturing and services MSMEs respectively. INR 3 thousand crore and INR 1.5 thousand crore per month was paid as an interest by manufacturing and service sector MSMEs respectively. The additional loan amount might put an extra burden on MSMEs. NSS73rd round data showed that only 11 and 16 percent of manufacturing and service sector MSMEs respectively had credit problems in the last year respectively.

It is worthy to note that unregistered enterprises only availed 2 percent of overall loan taken by the enterprises, the remaining 98 percent of loan has been availed by registered enterprises. Registered enterprises easily access the loan from formal channel [2] while unregistered enterprises have had a problem in accessing loan from the formal channel (Nikaido et al., 2015; Bakhtiari, 2020 and Banerjee & Duflo, 2014). Figure-3 shows that more than 80 percent of loans have been provided by formal channels in the registered manufacturing and services sector MSMEs. While less than 50 percent of loans have been provided by the formal channel in the unregistered MSMEs. This indicates that unregistered enterprises have had the problem of accessing the credit from the formal channel. The unregistered enterprises could not fulfill the documentary requirements and that restricts access to credit from the formal channel. Recently, the government of India announced the INR 3 lakh crore loan scheme for MSMEs to revive this sector from distress generated by COVID-19 pandemic. It seems that the loan scheme would be helpful just for registered MSMEs unless problems associated with unregistered MSMEs are not sorted out.

Most micro-enterprises are OAEs and tiny establishments. OAEs run the enterprise without any hired workers. The OAEs are unskilled or have a low education level. There is a positive relationship between skill and formal employment. The share of formal employment tends to increase with an increase in skill attainment (Fatima and Sultana, 2009; Mazumdar and Neetha, 2011). A rise in the level of skill opens many opportunities in the labor market. They get the opportunity to move from agricultural sector to other better-off sectors in terms of average earning like manufacturing and services sectors. In other words, skill is positively related to upward mobility.

Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) are the flagship programs of the government. PMKVY aimed to reach 10 million youth for skill enhancement during 2016-20. Under the DDU-GKY, it was estimated that 28 million youth would be trained till March 2022. As on 8th July, 2020, 10 million youth have been trained. The latest Periodic Labour Force Survey (PLFS) 2018-19 shows that only 1.96 percent self-employed workers have any type of technical education and the corresponding percentage is negligible for casual workers (0.50%). The survey also shows that 1.72 percent of self-employed have formal vocational training and 15.50 percent of self-employed have informal vocational training. While 0.50 percent of casual workers have formal vocational training and 11.03 percent of casual workers have informal vocational training.

Infrastructure is the basic building block of the economy and the one of the most important factors of the factor of production. Infrastructure facilities include all railways, waterways, roadways & airways, proper channels of telecommunication, adequate supply of power, tool rooms, testing labs, and design centers, etc. which need to be developed to attain the maximum growth in the MSMEs. NSS 73rd round data show that 42% and 26% manufacturing and services MSMEs respectively have had an input shortage problem in the last three years. The input shortage problem includes the issue related to erratic power supply/power cuts, shortage of raw materials and labour disputes, and related problems. Allcott et al. (2016) have found that a shortage of electricity in India reduces the revenue of firms between the ranges of 5.6 percent to 7.7 percent and decreases the producer surplus by 9.5 percent. Electricity shortage prevents firms from adopting digital modes of operation as well as restricts the use of machineries in plant. Further, it influences the input choices and size of the firms. A study on Ghana small garments firms by Hardy and McCasland (2019) found that electricity blackouts have a higher cost for the micro-enterprise firms with zero and one worker.

It is imperative to reduce industrial waste to foster environmental compliance. The concept of the Common Effluent Treatment Plant (CETP) is a relevant example for MSMEs to manage water waste (FICCI, 2011). NSS 73rd round data show that 35.11 percent of enterprises have provision for solid waste management and 74.87 percent of enterprises do not generate liquid waste. Technology plays an important role in the economy, particularly in its development phase (FICCI, 2011 & Mehrotra; 2020). The use of inadequate technology leads to low productivity in the enterprise and precludes maximizing machinery utility, which in turn limits improvement in technology due to shortage of funds (Saini, 2014). Technology up-gradation has to be done in MSMEs in order to become competitive in the global market (Mukherjee, 2018).

In order to establish an enterprise as a private limited company, the licenses such as TAN (Tax Collection & Deduction Account Number), VAT/GST Registration, Shops & Establishment License, Central Excise License, Service Tax Registration, PAN Card, Provident Fund Registration, and ESIS Registration, Importer Exporter Code, Professional Tax, construction permits from the Municipal Corporation have to be taken from the respective departments. Industry-specific enterprises such as food industries, chemical & medical equipment industries, etc. have to secure clearance from the respective departments. Some of the above licenses are unnecessary and this lengthy documentary work puts an undue burden on the prospective entrepreneur.

In this section, we examine the possible factors which affect the value of output in the MSMEs using NSS 73rd round data. This paper considers the following factors such as; number of skilled workers, firm's registration, modernization, environmental monitor, capital intensity, ownership of the firm, industrial classification, location of the firm, and enterprise type. Semi-log linear function has been employed for estimating these variables simply. We have used the log value of output as a dependent variable.

Modernization: NSS asks the enterprise regarding maintenance of account from books of accounts (item no. 216 & 217) and whether they use computer during the 365 days (item no. 218). The modernization variable is constructed in a way that depends on either usage of computer or maintenance of accounts from books of accounts.

Environmental Monitor: If the enterprises have a provision of solid waste management (item no. 245) or enterprise have provision for liquid waste management (item no. 246) being considered an environmental monitor variable.

Capital Intensity: The total person engaged and fixed capital is used for measuring capital intensity.

Firm's Ownership: NSS gives information regarding the type of ownership such as; male proprietary, female proprietary, transgender proprietary, partnership with members of the same household, partnership between members not belonging to the same household, Self-Help Group, Trust, and Others. This paper classified firm's ownership into three groups i.e. Proprietary (Male, Female and Transgender proprietary), Partnership (partnership with members of the same household and partnership between members not belonging to same household), and Self-Help Group, Trust and Others are combined all three for the third group.

Industry Classification: The whole sector is divided into the manufacturing and service sector. . Manufacturing sector is covered by codes from 10 to 33 in National Industry Classification (NIC-2008) codes and service sector is covered by codes from 45 to 99 NIC-2008 codes.

Location of the Enterprise: NSS provides information about location of enterprises such as; within household premises, outside household premises, with fixed premises, and with a permanent structure, with fixed premises and temporary structure, with fixed premises but without any structure, mobile market, and without fixed premises (street vendors). Further, the location of the enterprise is categorized into three groups i.e. Within Household premises, Outside Household premises with fixed structure (outside household premises, with fixed premises and with permanent structure, with fixed premises and with temporary structure, with fixed premises but without any structure) and Mobile market & Street vendors.

Enterprise Type: There are two types of enterprise Own Account Enterprise and Establishment. Own Account Enterprise means an enterprise which is run by without hiring worker regularly and establishment means an enterprise which is run with at least one hired worker.

The nature of independent variables is represented in table 4. Table 5 gives the summary statistics of the variables and Table 6 shows the regression results.

The above regression analysis establishes the statistical validity of constraints faced by the MSME sector. The number of skilled workers has a positive association with MSME output because skilled workers are more likely to learn about and adapt to changes in the production technology, gather latest market information related to product design and other new development pertaining to business activity. Regression analysis, further reveals that the variable 'the number of skilled workers' is significant at a one percent level of significance. Similarly, the skilled workers and the firm's registration gives several advantages to the firm over unregistered firms such as access to formal credit, eligibility for various government schemes, and more awareness about the changes in the laws regarding business in the economy. It is noted that 98 percent of formal credit goes to registered firms. The regression result also shows that lack of registration of a firm is negatively associated with the firm's output and it is significant at a one percent level of significance. It is important to mention that maintaining a financial account is an essential requirement to avail a loan from banks or any other private entity because it helps the bank to measure the net worth of the firm. Often small firms operate their business activities in informal ways; they don't maintain an account, don't use computer services such as access to internet, don't maintain basic data management of orders and inventory, etc. It was found that firms which don't maintain accounts and do not use

computer services have negative impact on their output compared to modernized firms. The modernization variable is significant at one percent level of significance. Firms that are not environmentally aware in terms of solid or liquid waste management have negative impact on their value of output compared to more aware firms. Environment-friendly firms can cut their cost in long run either due to being eligible for a government subsidy or by making alternative use of waste in form of electricity generation etc. A firm which uses more machinery and technology have higher labor productivity in terms of per capita availability of capital to the labor as compared to firms with low capital intensity. The capital intensity variable is positively associated with firms' output (Table 6). Firm ownership types have clear implication for firms output because entrepreneur of the firm takes several business decisions such as the amount to be invested in the business, pricing of the product, marketing strategy of the firm, location of the firm, hiring & firing workers in the firms, adoption of new technology, etc. The partnership firms have a positive impact on output because it gives advantage to the firm in the form of extra capital brought by the new partner in the firm and division of managerial work among partners improves the supervision of overall business activities.

Self-help group, trust, and other ownership type have a negative relation with firms output due to problem of a free rider, poor coordination regarding the management of the business activity, the problem in decision making due to difference of opinions among several members in the business, difficulty in establishing accountability due to absence of well-defined rules, etc. (Table 6). The variable 'location of a firm' has an important bearing on the firms' output, the firm located outside household premises with fixed structure has a positive relation with the output of firms and firms located within household has a negative relation with the output. It substantiates that infrastructure in terms of fixed structure with electricity is relevant for the firm's performance. In addition, the establishment has a positive relation with the firms' output and it is significant at one percent level of significance. Thus, our analysis empirically reveals the factors which influence the output of both manufacturing and services sector firms.

In the current situation, one of the biggest challenges for MSMEs is the shrinking demands in the economy. The index of industrial production (IIP) shows that the growth of all major manufacturing industries of MSMEs has had negative growth rate in the last few months and continued to be so from April to October 2020. The aftermath of COVID-19 pandemic is likely to persist for some time in the future also. The new definition would lead to reshuffling of existing enterprises and also lead to addition of new enterprises, especially that of registered ones in the micro-enterprise category. The new loan scheme would be beneficial for registered enterprise unless bottlenecks associated with unregistered MSMEs are not sorted out. Our analysis reveals that 16.1 percent (3.2 million), 38 percent (16.6 million), and 31.2 percent (19.8 million) enterprises are registered in manufacturing, services, and whole economy respectively. NSS 73rd round data showed that 29 percent of micro, 43 percent of small, and 43 percent of medium manufacturing enterprises were in the phase of expanding while more than 50 percent of manufacturing MSMEs have been in stagnant phase for last three years. 37 percent of manufacturing and service sector enterprises reported that they had faced problem of shortage of demand in the last three years. Demand has already been shrinking in the last few months in the economy and effects of COVID-19 pandemic might

worsen the performance of MSMEs. The quick revival of the MSME sector would require a special focus on boosting exports and generating domestic demands. The government of India launched 4Es initiative which includes enterprise creation, employment generation, export, and ease of doing business to boost the MSMEs and make them competitive at a global level. This initiative will also help MSMEs export directly to global markets. There is a simultaneous scope to promote larger enterprises with MSMEs. Industrial growth cannot happen in a vacuum unless there is a way to promote the larger enterprises along with MSMEs.

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A FIELD PROJECT REPORT

ON

"A STUDY ON CUSTOMER SATISFACTION ON ZOMATO"

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

(Doddi Sampath Srikar ,Vanukuri sai Prakash ,Kancharla Narendra babu, Neeladri Saikiran,

Mattaparathi Naga Devi)

(Regd. No.221FC01076,221FC01077,221FC01078,221FC01079,221FC01080)

Under the esteemed guidance of

Dr. Y. Srinivasa Rao

ASSISTANT PROFESSOR



VIGNAN'S

Foundation for Science, Technology & Research

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-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignans' Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



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(Deemed to be University)

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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **A STUDY ON CUSTOMER SATISFACTION ON ZOMATO** submitted by Doddi Sampath Srikar ,Vanukuri sai Prakash ,Kancharla Narendra babu, Neeladri Saikiran, Mattaparthi Naga Devi bearing the Regd. No. 221FC01076, 221FC01077, 221FC010378, 221FC01079, 221FC01080 from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

SIGNATURE OF THE GUIDE

HOD/MBA

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CHAPTER–
INTRODUCTION

Introduction

Customer satisfaction is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as 'the number of customers, or percentage of total customers, whose reported experience with a firm, its products, its services exceeds specified satisfaction goals. In researching satisfaction, firms generally ask customer whether their product or service has met or exceeded expectations. Thus expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short they will be disappointed and will likely rate their experience as less than satisfying.

The online ordering system can be defined as a simple and convenient way for customers to purchase food online, without having to go to the restaurant. The system is enabled by the internet that connects the restaurants or the food company on one hand, and the customer on other hand. Therefore as per this system the customer visits the restaurant's app or website, browses through the various food items, combos and cuisines available there and those ahead and selects and purchases the items he or she needs. These items will be then be delivered to the customer at his or her doorstep at the time they choose by a delivery person. Payments for such online orders can be made through debit cards, credit cards, cash or card on delivery or even through digital wallets.

Zomato is an Indian restaurant aggregator and food delivery startup founded by Deepinder Goyal and Pankaj Chaddah in 2008. Zomato was founded as Foodie Bay in 2008, and was renamed Zomato in 2010. In 2011 Zomato expanded across India to Delhi, Mumbai, Bangalore, Chennai, Pune and Kolkata. In 2012 the company expanded operations internationally in several countries, including the

United Arab Emirates, Sri Lanka, Qatar, the United Kingdom, Philippines and South Africa. Zomato provides information, menus and user-reviews of

restaurants as well as food delivery options from partner restaurants in select cities. Zomato also began grocery delivery amid the COVID-19 outbreak. As of 2019, the service is available in 24 countries and in more than 10,000 cities. Zomato online ordering had been a great addition to our delivery channels. Its smooth integration and online payment ability has allowed them to tap new customer segments as well as give an enhanced service to their existing customer base, it has allowed to avoid the issues related to credit card payment of delivery

Statement of problem

In this growing world of technology, online food delivery has become an important element of people's life. The concept of dine out system has changed and made people to order food at any time conveniently just by few clicks. This system is revolutionizing the present restaurant industry. Consumer preference is the main stimulating factor for business owners to indulge in online delivery services. With intensive urbanization large volumes of food move through the systems. With the changes in India's population, more industry in different cities for the purpose of studies and employment, the busy schedules of both husband and wife in the family eats the demand for online food ordering developing and growing up steadily. It is a growing trend especially in urban areas and on college campuses that allows people to order from restaurants. The purpose of this study is to measure the expectation & satisfaction of customers regarding Zomato food delivery application among college students. This study also analyses the factors that attract consumers towards Zomato.

Scope of Study

Scope of the study is limited towards commerce students who have experienced such online food delivery services through Zomato app. The study is basically conducted to know how consumers perceive the online food delivery services. The expectation and satisfaction of consumers may vary under different

circumstances. From this study, we can have a better understanding of the Online Food Delivery Service Market. Therefore, these findings may help the service providers to work upon on these variables to fill up the gaps in the mindset of consumers. The survey was conducted in commerce students of Christ College, Irinjalakuda.

Objectives of Study

- To know about the expectation and satisfaction level of respondents towards Zomato.
- To identify the factors influenced for choosing Zomato.

Research design

Nature of study

The study on customer satisfaction of Zomato among college students is descriptive cum analytical in nature.

Nature of data

The study is based on both primary and secondary data.

Sources of data

Primary data : To study the customer satisfaction on Zomato a questionnaire was prepared and the data was collected from the commerce students who are using Zomato application.

Secondary data : The secondary data was collected with the help of internet search, and online articles.

Sample design

The research was carried out in various phases that constituted an approach of working from whole to part. It included several phases which tried to deeper into users likings and develop a thorough understanding of what the consumer looks forward while ordering food online. For the study a sample of 50 respondents were chosen from commerce students of Christ College, Irinjalakuda.

Nature of population

The population selected for the study is the commerce students of Christ college Irinjalakuda and the nature of population is finite i.e. 900

Sample unit

Sample unit is the commerce students of Christ College, Irinjalakuda.

Method of sampling

Simple random sampling method is adopted for the study with a sample size of 50 respondents among commerce students.

Size of the sample

The sample size for the customer survey is 50 and they will be considered adequate to represent the characteristics of the entire population.

Tools for analysis

Statistical tools used for the analysis are mean average, percentage, table & graph.

Limitations of the study

The research was limited to commerce students of Christ college, Irinjalakuda. Hence the outcome cannot be explored to other areas.

Sample size limited to 50.

Chapter scheme

Chapter 1. Introduction.

This chapter covers the introduction, statement of the problem, scope of the study, significance of the study, objective of the study, research design, sample design.

Chapter 2. Review of literature.

This chapter contains the review of literature of the study which reviews a few studies that have been conducted for similar topics.

Chapter 3. Industry profile and company profile

It includes the profile of online food ordering system and profile of

Zomato. Chapter 4. Data analysis and interpretation

It includes the data used for the research and the analysis and interpretation of data.

Chapter 5 Findings, suggestions and conclusion

It includes the findings made out of the data and the suggestions made out of the analysis and conclusion.

CHAPTER-
2REVIEWOFLITERATUE

2.1. Conceptual

review Customer

Customer is the recipient of a service, or a product, or an idea, obtained from a seller, vendor or supplier via a financial transaction or exchange for money or for some other valuable consideration.

Customer satisfaction–Meaning

Customer satisfaction often abbreviated as CSat, it is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as the percentage of total customer whose reported experience with a firm, its products or services exceeds specified satisfaction goals. Customer Satisfaction is a key indicator of performance and is often part of a balanced scorecard. In a competitive world, market place where business compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element in business strategy.

Many companies are aiming for high satisfaction because customers who are just satisfied still find it easy to switch when a better offer comes along. Those who are highly satisfied are much less ready to switch. High satisfaction creates an emotional affinity with the brand, not just a rational preference. The result is high customer loyalty.

Customer satisfaction is the most common form of market research in business to business (B2B) markets and is often connected to quality and production measurement, rather than as straight marketing based research. Customer satisfaction provides a leading indicator of customer purchase intentions and customer loyalty. Although sales or market share can indicate how well a firm

is performing currently, satisfaction is perhaps the best indicator of how likely it is, that the firm's customers will make further purchases in the future.

Definition

Customer satisfaction is whether the buyer is satisfied after purchase depends on the offer's performance in relation to the buyer's expectations. In general, satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (outcome) in relation to his or her expectations. Satisfaction is a function of perceived performance and expectations. If the performances fall short of expectations, the customer is disappointed. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations the customer is highly satisfied or delighted. (Philip Kotler, 2000).

Importance of customer satisfaction

Customer satisfaction is important because it provides marketers and business owners with a metric that they can use to manage and improve their businesses. Here are the top reasons why customer satisfaction is so important:

It acts as a leading indicator of customer repurchase intention and loyalty:

Customer satisfaction is the best indicator of how likely a customer will make a purchase in the future. Asking customers to rate their satisfaction on a scale is a good way to see if they will become repeat customers.

It is a point of differentiation:

In a competitive market place where businesses compete for customers, customer satisfaction is seen as a key differentiator. Business who succeed in these cutthroat environment are the ones that make customer satisfaction a key element of their business strategy. Companies who offer amazing customer experiences create environments where satisfaction is high and customer advocates are plenty. This is an example of where customer satisfaction goes full circle. Not only can customer satisfaction help you keep a finger on the pulse of your existing customers, it can also act as a point of differentiation for new customers.

It reduces customer churn:

An Accenture global customer satisfaction report (2008) found that price is not the main reasons for customer churn, it is actually due to the overall poor quality of customer service. Customer satisfaction is the metric you can use to reduce customer churn. By measuring and tracking customer satisfaction you can put new processes in place to increase the overall quality of your customer service.

It is cheap to retain customer than acquire new ones:

This is probably the most publicized customer satisfaction statistic out there. It costs six to seven times more to acquire new customers than it does to retain existing customer. Customer costs a lot of money to acquire.

Factors affecting customer satisfaction

Quality of product or service:

Customers give prior importance to quality of the product or service. It is the first and foremost thing that the customers consider. No amount of aggressive marketing can save a product or service which is a poor quality.

E-business:

The age of the internet has made finding products and services a snap. What used to take minutes of flipping through a phone book now takes seconds on the web. E-mailing and searching for products and services on the internet has become such a central reference point, companies have invested millions in making sure access is extremely easy. Customers are satisfied when there are two barriers, or at the very least, limited barriers to access a service.

Timely service:

When the product or services are not delivered or arrived in time, the customer gets dissatisfied. Excuses don't fly when customers are counting on a service. One example is the dreaded time window. In a society that demands instant results for everything from food to foreign policy, a good business has to keep the wait time to a minimum.

Separation from identical products:

In a market, there is usually more than one of the products, perhaps dozens. Word of mouth certainly plays into customer satisfaction. If a product is a best one among several identical products, then it is necessary to separate it from the rest, through marketing, customer service and good-old-fashioned product quality.

Creation of sense of good value:

When a product or service costs more, but it is worth it, its value becomes acceptable to the customer. When a consumer buys high priced products of big brands, the positive features of the products or service should outweigh the cost, creating a strong sense of good value. Good customer service also plays a vital role.

Responsibility:

A company has a commitment to tell the truth. Hiding facts, figures and excessive print doesn't go far when it comes to a customer satisfaction. If a company doesn't stand by its product, or hassles the customer when a refund or exchange is in order that will stick. When something goes wrong with a product or service, if the supplier goes above and beyond the call of duty in taking responsibility, the end result is often that the customer is so impressed with the supplier response, it neglects the original problem.

A nice atmosphere:

Given the same product or service, the customer would rather shop at that place that offers a clean, safe and well-organized environment. When you need a product that's the same brand and the same price, the store that's psychologically more inviting will win out every time.

Purpose of customer satisfaction.

A business ideally is continuously seeking feedback to improve customer satisfaction.

Basic steps in customer satisfaction:-

- Ask customer if they like the product or service
- Fix it, improve and make changes

- Selltheimprovedproducts
- Assesstheprogress

Customersatisfactionprovidesaleadingindicationofconsumerpurchaseintention and loyalty. Customer satisfaction data are among the most frequentlycollectedindicatorsofmarket perception.Their principle is twofold:-

1. Within organization, the collection, analysis and dissemination of these datasend amessage about the importance oftending to customer andensuring thattheyhaveapositiveexperiencewiththecompany’sgoodsandservices.

2. Although sales or market share can indicate how well a firm is performing,currentlly satisfaction are perhaps the best indicators of how likely it is that thefirm’s customer will make further purchase in the future . Much research hasfocused on the relationship between customer satisfaction and retention studiesindicates that the reunification of satisfactions are most strongly realized at theextremes.

Customer satisfaction, is measured at the individual level, but it is almost alwaysreported at an aggregate level. It can be and often is measured along variousdimension. A hotel, for example might ask customers to rate their experience withfront desk and check in service with the room, with the amenities in the room withrestaurants and so on. Additionally in a holistic serve, the hotel might ask aboutoverallsatisfactionwithyourstay.

2.2.Reviewofliterature

1.**Bhavya saini (2016)** ,“Consumer preference and attitude regarding online foodproducts” the study emphasized that using the internet in seeking food serviceinformation wasa common practice amongpeopleliving in india and onlineinterpersonal influence took a fundamental apart. A high percentage of consumerswereunconcernedaboutaccurateevidenceregardingfoodsafetyinselectingf

ood

products on the internet. The conclusion of our findings produces practical pieces of advice to consumers buying online food, to food retailers selling food over

the internet and to the government to find a way to implement appropriate legislation regarding online food product information. Among all these factors, customers usually expect three website merits to assist their online encounters that are system quality, information quality, and service quality.

2. **Hong Lan (2016)**, "Online food delivery market is immature yet, there are some obvious problems that can be seen from consumers" negative comments. In order to solve these problems, we can neither rely merely on the self-discipline of online food delivery restaurants nor the supervision and management of online food delivery platforms. Only by taking laws as the criterion, with the joined efforts of the online food delivery platforms and restaurants, the government departments concerned, consumers and all parties in the society, can these problems be solved and a good online take-away environment can be created.

3. **Sumathy (2017)**, "A study on prospective concernment towards food adjure app" the online food adjure app system will be helpful for the hotels and restaurants to increase the scope of the business by helping users to give orders through online. This study was to find the awareness level and satisfaction derived by the consumer and also to find which factor influences customers to buy food through online from food adjure app. Most of the respondents disagree to the fact that online website charges high delivery fees. Almost all users feel safe paying online. The service rendered by the food adjure app is the major factor behind its success.

4. **Sheryl E. Kimes (2011)**, His study found that perceived control and perceived convenience associated with the online food ordering services were important for both users and non-users. Non-users need more personal interaction and also had high technology anxiety to use the service.

5. **Varsha Chavan, et al, (2015)**, The use of smart device based interface for customers to view, order and navigate has helped the restaurants in managing orders from customers immediately. The capabilities of wireless communication and smart phone technology in fulfilling and improving business management and service delivery. Their analysis states that this system is convenient, effective and easy to use, which is expected to improve the overall restaurant business in coming times.

6. **Leong Wai Hong (2016)**, the technological advancements in many industries have changed the business model to grow. Efficient system can help improve the productivity and profitability of a restaurant. The use of online food delivery system is believed that it can lead the restaurant's business grow from time to time and will help the restaurants to facilitate major business online.

7. **Serhat Murat Alagoz & Haluk Hekimoglu (2012)**. E commerce is rapidly growing worldwide, the food industry is also showing a steady growth. In this research paper they have used the Technology Acceptance Model (TAM) as a ground to study the acceptance of online food ordering system. Their data analysis revealed that the attitude towards online food ordering vary according to ease and usefulness of online food ordering process and also vary according to their innovativeness against information technology, their trust in e-retailers and various external influences.

8. **Ramesh Kumar Bagla, Jasmine Khan**. The purpose of this study was to investigate the factors that are responsible for the growing popularity of online booking and ordering of food in India, expectations of the users, and their satisfaction levels with the popular apps such as food panda, Zomato, Swiggy. Descriptive research was undertaken on the basis of primary data collected from the respondents residing in National Capital Region of Delhi chosen through non-

probabilityconviencesamplingusingstructuredquestionnaire.Findings wasthe

factors contributing to the popularity of online food ordering were found to be :lack of time to prepare food, availability of variety, rewards and cashbacks. There is a scope of improving the user's satisfaction levels by understanding their expectations more precisely and offering more attractive options while ordering food online.

9. **Kumaran. M. (2017)**, has conducted a study on “perception towards online shopping an empirical study with respect to Indian buyers ” . This research deals with E-

marketing researches concerning the factors which affects consumer perception towards online purchasing experiences, this research dealt with the perceived risks, website role, domain specific innovativeness, subjective norms, attitude perceived usefulness, perceived ease of use, attitude, online shopping intention and online shopping behavior. There are many reasons for people preferring online shopping but the major reason for a consumer backing out from online shopping is the security issues but the industry has given little concern to this issue.

10. **Jyotishman Das (2018)**, the doorstep delivery is the most highly ranked factor of influencing the consumers to use the food ordering applications. The consumers are also often influenced by discounts and cashbacks they enjoy. On comparing the factors the most preferred service provider came out to be Zomato followed by Swiggy.

CHAPTER-3

INDUSTRYPROFILE

ANDCOMPA

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Company profile

Zomato is an Indian restaurant aggregator and food delivery start-up founded by Deepinder Singh Goyal and Pankaj Chaddah in 2008. Zomato is a fastest growing restaurant discovery website. Initially it was named as foodie bay but in 2010, it was renamed as Zomato. It provides not only information related to nearby restaurants but also provides facilities such as online ordering, table reservations and management. Zomato currently serves in 10000 cities across 24 countries having 1.2 million popular restaurants with 80 million foodies every month. It is available in 10 different languages and has 10 million reviews with 18 million bookmarks. It gives a platform to the restaurant owners to serve a large number of users a good quality of food.

Headquarters: Gurgaon, Haryana, India

Key people: Founder and chief executive officer- Deepinder Goyal , Chief operating officer- Surobhi Das, Chief technology officer- Gunjan Patidar.

Logo: The logo of Zomato represents simply the name of the company and indicates the love for the good food . As its mission is to ensure that “ Nobody has a bad meal”

Number of employees: 5000 employees

Achievements: The CEO has honored with NDTV Indian of the year

Zomato generated its 95% of revenues, from the commercial advertisement in the financial year 2013.

Zomato is in the 77th position in Top 100 startup in India

Industry profile.

Ordering food online with the swipe of a finger has become nothing less than a cakewalk for most of us. There are a number of applications that are essentially designed to ease people's lives, especially when most of the people live away from home trying to make a living on their own. And no matter how healthy cooking at home meals would be, it is not always possible to do so, given the hectic lives.

The First Pizza Delivery Was Way Back In 1889:

King Umberto I of Italy once asked a renowned chef from Naples to make him and his wife, Queen Margherita of Savoy three different pizzas. The chef delivered the pizzas to them, being little aware of the fact that this would later turn into a billion-dollar industry. There was a time when the online food delivery system would be considered an underdog. However, it has seen monumental growth over the last few years, and its popularity has gone over the roof. The industry has penetrated through every layer of society and has spread its roots all across the globe. It is difficult to think of a country which does not have this highly functional chain of online food delivery system. And as more and more millennials join the phenomenon of ordering food online, the marketplace for online food delivery grows by the minute. With individuals becoming increasingly busy, the service provided by online food delivery Apps allowing them to place their order and receive delivery within a matter of minutes, is a great advantage. In addition to this, the online environment offers an avenue for customers to satisfy their impulsive food cravings. Customers can have easy access to competitive service providers at competitive prices and at the same time they can also receive input from their peers through social media, which helps influence their ultimate purchase decision. With a population of over 1.2 billion, India is undeniably one

of the biggest consumer markets in the world today. 50% of this population fall under the age of 25, making India one of the countries with the youngest population in the world. Furthermore, it has been predicted that by the year 2025 the number of middle-class Indians will touch 550 million. Moreover, e-commerce has been expected to grow from US \$2.9 billion in 2013 to a mammoth US \$100 billion by 2020, thereby making it the fastest growing e-commerce market in the world.

With this backdrop it should be noted that a growing trend has been observed showing that a majority of the fast food demand occurs within the age group of 10 – 40 years. The recent rise in the number of productively employed young Indians in sectors such as IT services has resulted in an increase in the spending capacity of the individuals. According to statistics provided by the World Bank, there has been a 50% increase in the per capita income from 2006 till date. This growing appetite and increased spending capability of young Indians has made the food industry an attractive and lucrative area in which to start a business. With this significant growth in the online food and restaurant service industry, it has been estimated that the Gross Merchandise Value of online food and restaurant industries would reach an estimated \$2.7 billion by the end of 2019, which is a significant leap from the \$300 million in 2016.

In addition to young Indians fueling the growing demand for the services of online food delivery, the increase in dual income families in urban areas of India, where both parents work, is dramatically changing the way people live in subtle yet significant ways. The changes in routines, lifestyle and food habits have resulted in an increase in demand for easily accessible and good quality food. It has been estimated that almost 92% of nuclear families who seek out fast food or take out, as against preparing a meal at home, do so in order to save the time and energy. Also, the increase in the number of working women and the increase in the amount of disposable income has proved to be a key demand

driver. Online food ordering is the process of ordering food from a website or other application. The product can be either ready to eat food or food that has not been specially prepared for direct consumption. Many of these allow customers to keep accounts with them in order to make frequent ordering convenient. A customer will search for a favorite restaurant, usually filtered via type of cuisine and choose from available items and choose delivery or pickup. Payment can be made either by credit card or cash, with the restaurant returning a percentage to the online food company. Online ordering system is a technique that allows customer to order their favorite food online via the internet using a web browser that is installed on their respective computer or smart phone. Implementing this system can help the fast food industry to solve the problem that they face while using the traditional food ordering process. This system greatly simplifies the food ordering process for both customer and restaurant compared to the past. The customer can place an order everywhere and anywhere whenever the internet connection is available for them. Customers access to the website and choose the food that they prefer from the online menu displayed. Online food ordering software designed specifically for food to go retailers, restaurants and takeaway online sustenance requesting is quickly expanding as clients take pleasure in the comfort of requesting online.

Benefits of using online food ordering or restaurant ordering application is reduced labour costs, reduces walk away and long queues. This online ordering system for restaurants is designed for multisite food to go chains and independent likes restaurants, cafes, and coffee shops, fast food, takeaway, other catering services.

Some of the popular applications for food delivery in India-

1. Swiggy

Swiggy is one of the top rated food ordering mobile applications in India. It was aroused by the prospect of giving entire sustenance requesting and conveyance arrangements from the best nearby hotels to the customers. Swiggy is the best food delivery apps for Bangalore and other top clients in India. The service which provides customers offering from any restaurant with no minimum order method and receives an amount from all nearby hotels collaborates with.

2. UberEats.

Uber eats is a popular online food ordering app in India which operates in all major cities including Mumbai, Chennai, Bangalore, Hyderabad, Delhi and more. The mobile app is available for both android and iOS devices. This is a venture of Uber Technologies, Inc. Who is also its own popular taxi service across the globe. Uber eats operating in over 1000+ many major cities around the world in various countries. The app allows users to pick favorite food from nearby restaurants and deliver to the spot in a quick span of time.

3. FoodPanda

Food panda is a mobile food delivery market place owned by Berlin-based company delivery Hero SE and operates in about 50 countries. Food panda is one of the pioneers of the online food delivery industry. The application has all your favorite cuisines. Food panda is user- friendly and quick to order app. The steps to complete your order are convenient and super fast.

CHAPTER –4

DATA

ANALYSIS AND IN

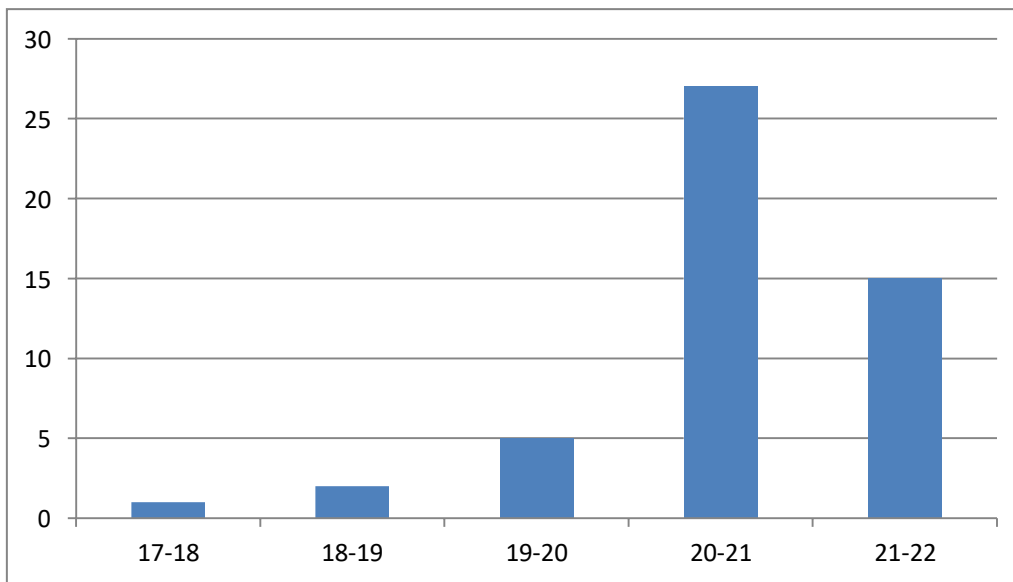
TERPRETATION

Table 4.1 showing the age of the respondents.

Age	Frequency	Percentage
17-18	1	2
19-20	2	4
21-22	5	10
23-24	27	54
25-26	15	30
Total	50	100

(Source: primary data)

Figure 4.1 showing age wise classification of the respondents



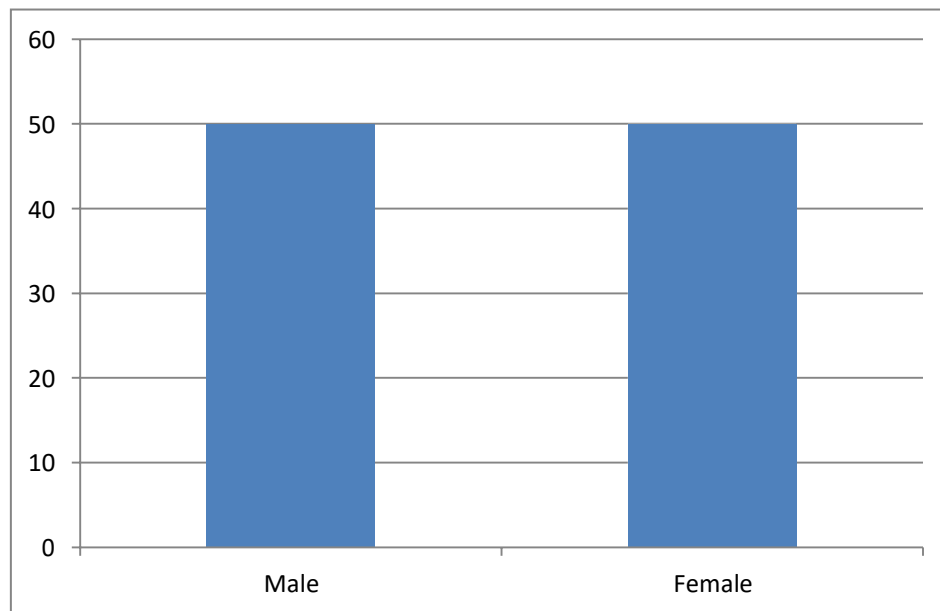
Interpretation : The table 4.1 shows age wise classification of respondents it, reveals that 2% of the total respondents is aged between 17-18 , 4% is aged between 19-20, 10% of the respondents aged between 21-22, 54% belongs to the age group 23-24, and 30% belong to the age group 25-26

Table 4.2 showing the gender of the respondents

Gender	Frequency	Percentage
Male	25	50
Female	25	50
Total	50	100

(Source: Primary data)

Figure 4.2 showing gender wise classification of the respondents



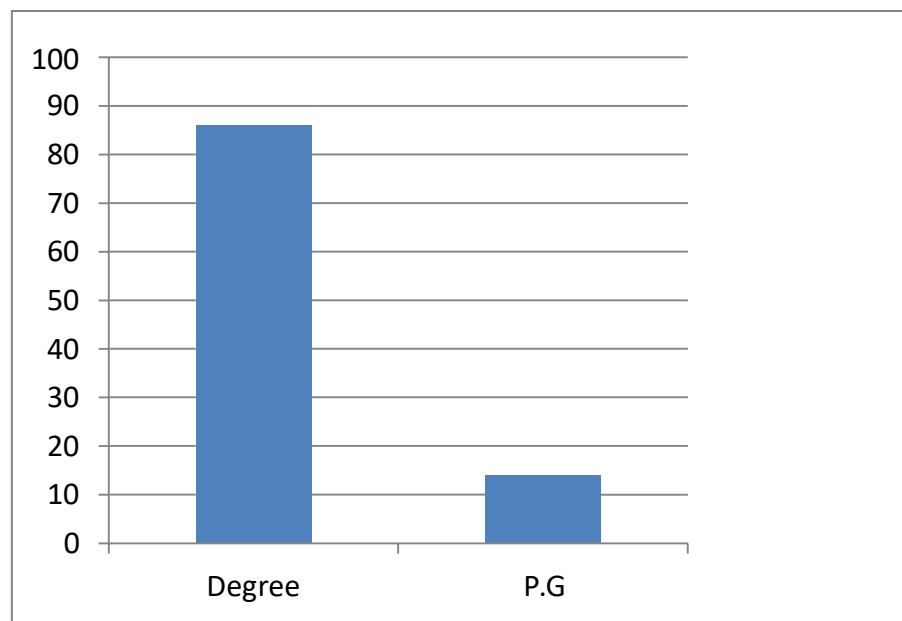
Interpretation: Table 4.2 shows gender wise classification of respondents. It reveals that 50% of the respondents are male and the other 50% of the respondents are female.

Table 4.3 showing the education qualifications of respondents.

Qualification	Frequency	Percentage
Degree	43	86
P.G	7	14
Total	50	100

(Source: Primary data)

Figure 4.3 showing education qualifications of respondents.



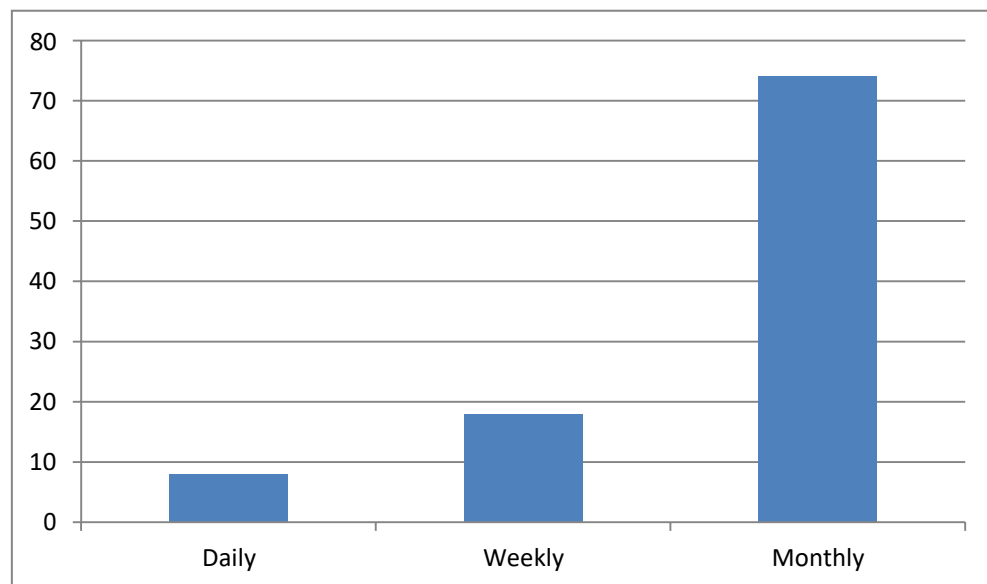
Interpretation: Table 4.3 shows education qualification wise classification, it reveals that 86% of the respondents are degree students and the remaining 14% of the respondents are P.G students.

Table 4.4 showing how often the respondents order food online.

Particulars	Frequency	Percentage
Daily	4	8
Weekly	9	18
Monthly	37	74
Total	50	100

(Source: Primary data)

Figure 4.4 showing how often the respondents order food online.



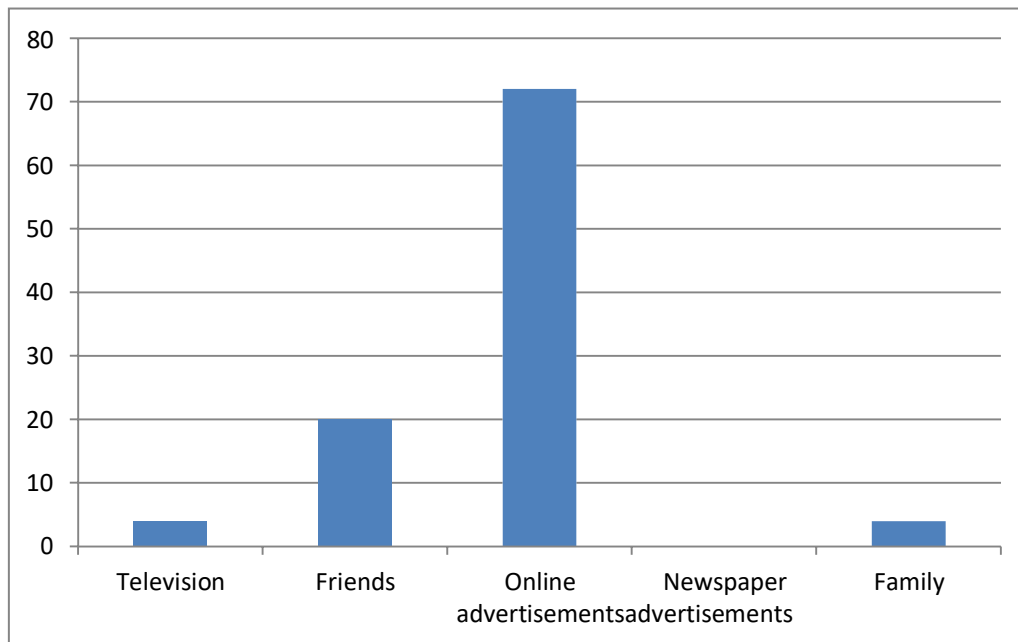
Interpretation: From the above figure 4.4 we can understand that 74% of the whole respondents order food online in monthly basis, 18% of the respondents make orders in weekly basis and 8% order food online on daily basis.

Table 4.5 showing from where did the respondents got to know about Zomato.

Source	Frequency	Percentage
Television	2	4
Friends	10	20
Online advertisements	36	72
Newspaper advertisements	0	0
Family	2	4
Total	50	100

(Source: Primary data)

Figure 4.5 showing information source about Zomato.



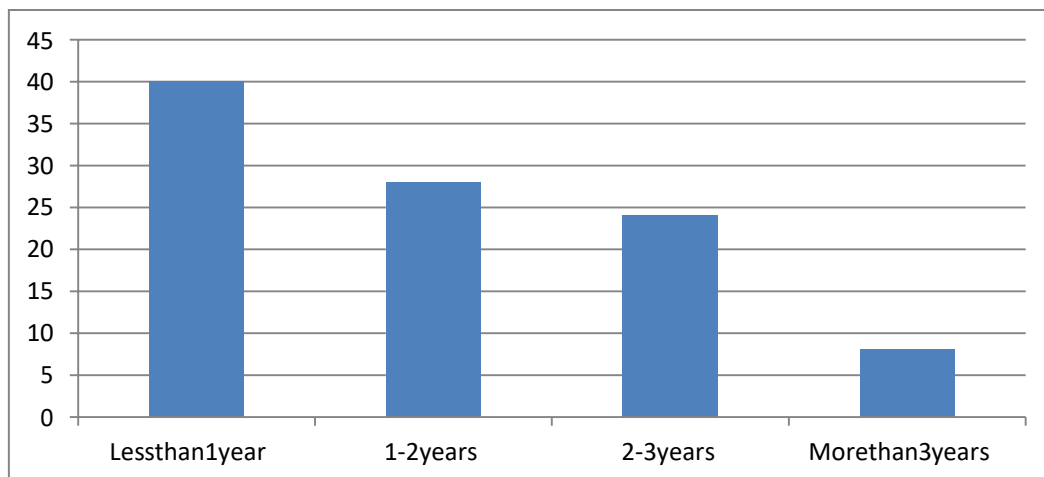
Interpretation: From the above figure it is found that 72% of the respondents came to know about Zomato through online advertisements, 20% respondents through friends, 4% respondents through family, 4% of respondents through television and there are no respondents who got to know about Zomato from newspaper advertisements.

Table 4.6 showing how long the respondents have been using Zomato's services.

Duration	Frequency	Percentage
Lessthan 1year	20	40
1-2years	14	28
2-3years	12	24
Morethan3years	4	8
Total	50	100

(Source:Primarydata)

Figure 4.6 showing how long the respondents have been using Zomato's services.



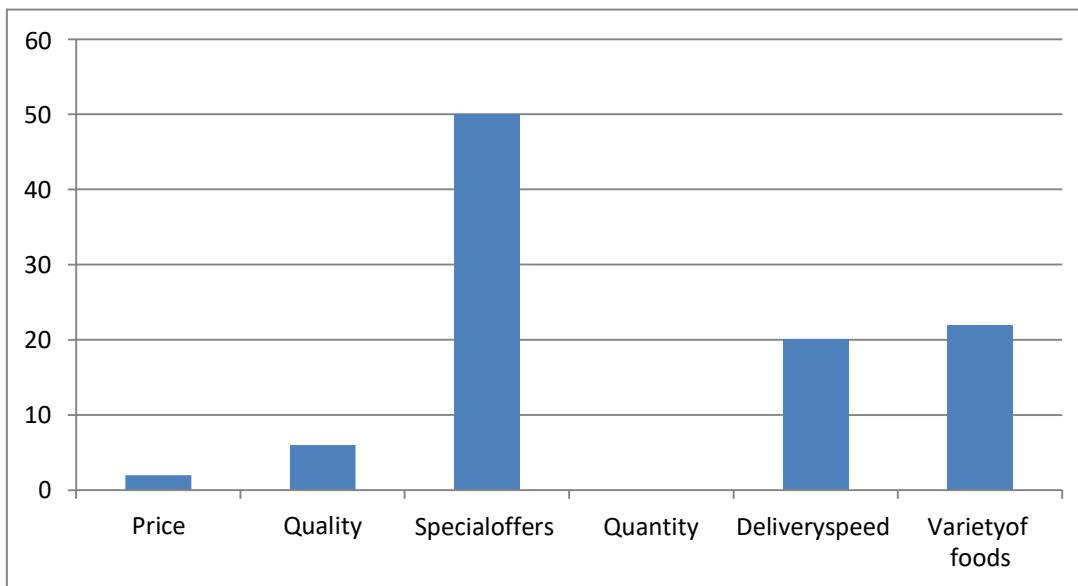
Interpretation: From the above figure it is found that 40% of respondents started using Zomato in less than a year, 28% respondents started using it for 1-2 year, 24% respondents started using it for 2-3 years and 8% respondents have been using it for more than 3 years.

Table 4.7 showing reasons for choosing Zomato.

Particulars	Frequency	Percentage
Price	1	2
Quality	3	6
Special offers	25	50
Quantity	0	0
Delivery speed	10	20
Variety of foods	11	22
Total	50	100

(Source: Primary data)

Figure 4.7 showing reasons for choosing Zomato.



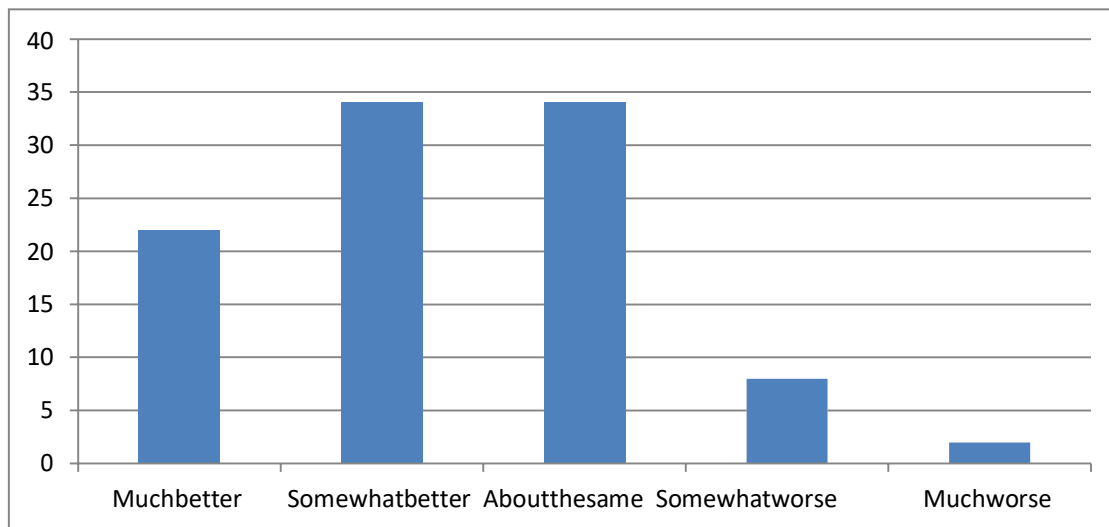
Interpretation: From the above figure it is found that 2% respondents chose Zomato due to its product price, 6% respondents due to its quality, 50% due to special offers, 20% due to its delivery speed, 22% due to variety of foods that they are providing and no respondents considering quantity for choosing Zomato.

Table 4.8 showing comparison of Zomato with other food delivery companies

Particulars	Frequency	Percentage
Much better	11	22
Somewhat better	17	34
About the same	17	34
Somewhat worse	4	8
Much worse	1	2
Total	50	100

(Source: Primary data)

Figure 4.8 showing how would the respondents compare the services offered by Zomato with other companies



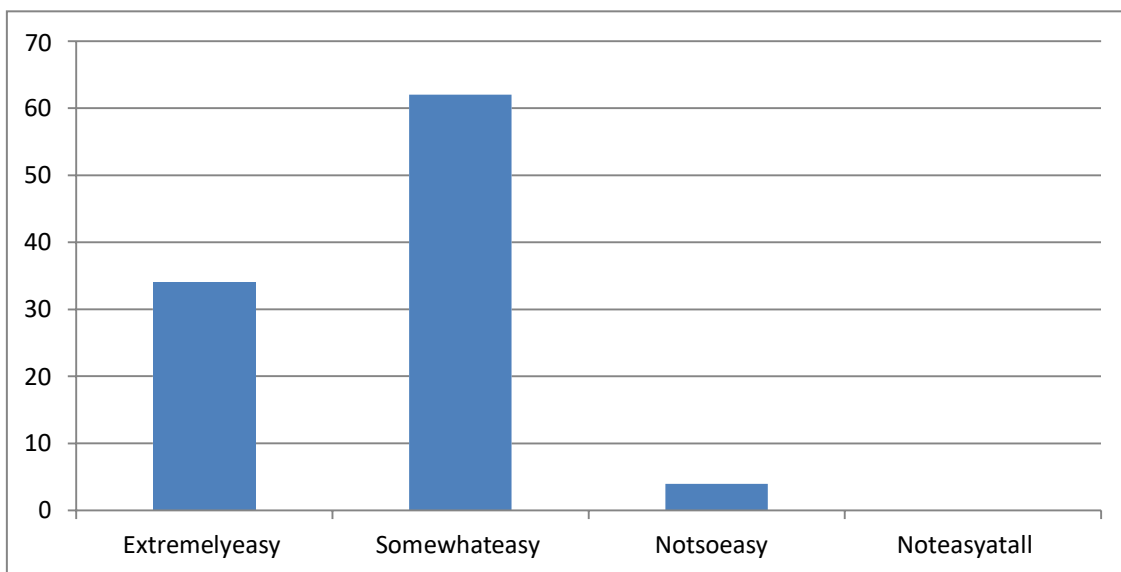
Interpretation: From the above figure we can analyse that 22% respondents found Zomato much better than other food delivery applications, 34% of the respondents found it somewhat better than other food delivery applications, 34% respondents about the same opinion compared to other applications, 8% respondents feels that Zomato somewhat worse than other applications and 2% of people found Zomato much worse than other food delivery applications.

Table 4.9 showing how easy it is to navigate the website www.Zomato.com.

Particulars	Frequency	Percentage
Extremely easy	17	34
Somewhat easy	31	62
Not so easy	2	4
Not easy at all	0	0

(Source: Primary data)

Figure 4.9 showing how easy it is to navigate the website www.Zomato.com.



Interpretation: From the above figure it is found that 34% respondents are of the view that it is extremely easy to navigate the website www.Zomato.com, 62% respondents find it somewhat easy, 4% say that it is not so easy and no respondents find it not easy at all to navigate through www.Zomato.com.

Table 4.10 showing the expectation and satisfaction of the respondentstowards price rangesofZomato

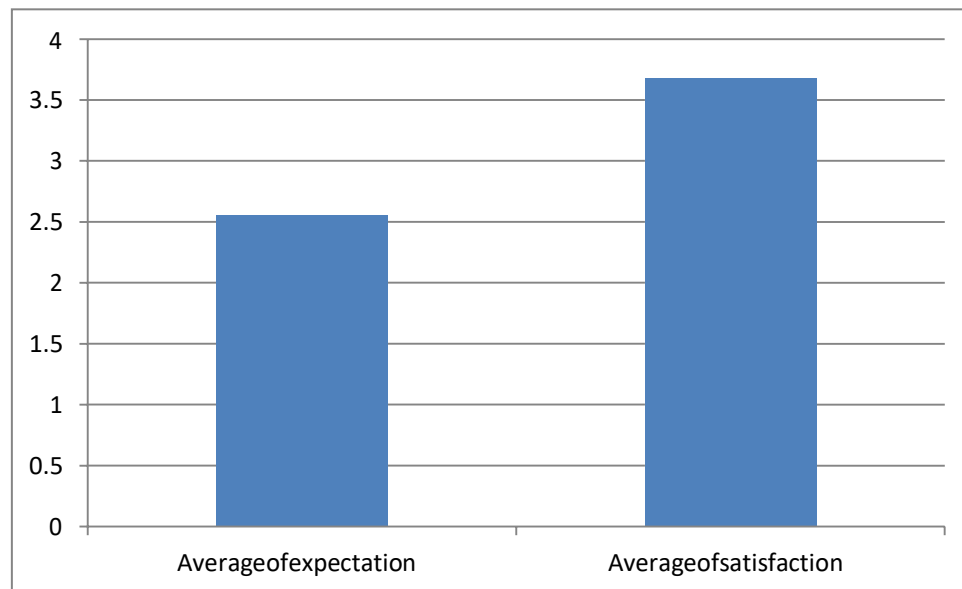
Expectation	Frequency	Weight	Total	Satisfaction	Frequency	Weight	Total
Excellent	2	5	10	Strongly satisfied	2	5	10
Verygood	2	4	8	Satisfied	33	4	132
Good	20	3	60	Neutral	13	3	39
Fair	24	2	48	Dissatisfied	1	2	2
Poor	2	1	2	Strongly dissatisfied	1	1	1
Total	50	15	128	Total	50	15	184

Average expectation is $128/50=2.56$

Average satisfaction is $184/50 =$

3.68(Source:Primarydata)

Figure4.10.Expectationandsatisfactiononprice



Interpretation: Table 4.10 shows the expectation and satisfaction of Zomato customers on product price. From the table it is clear that the average expectation is 2.56 and average satisfaction is 3.68. Therefore satisfaction on price is higher than expectation on price.

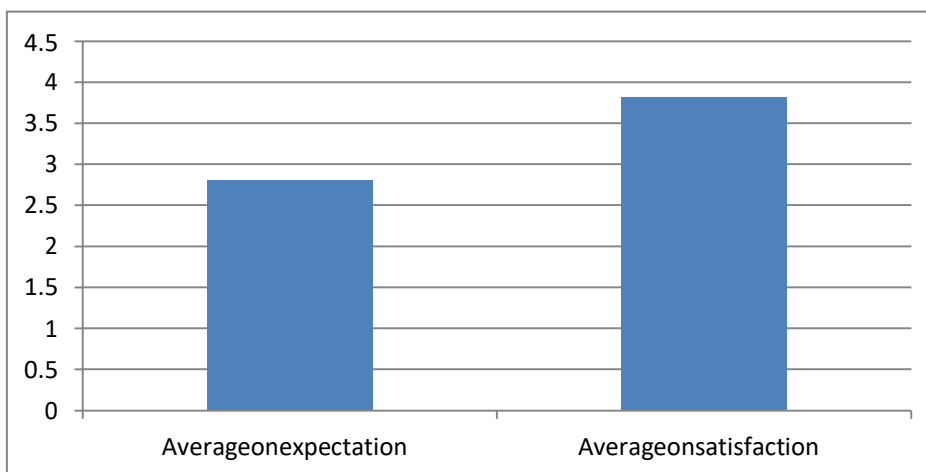
Table 4.11 showing expectation and satisfaction of respondents towards application of Zomato.

Expectation	Frequency	Weight	Total	Satisfaction	Frequency	Weight	Total
Excellent	4	5	20	Strongly satisfied	9	5	45
Very good	6	4	24	Satisfied	26	4	104
Good	23	3	69	Neutral	13	3	39
Fair	13	2	26	Dissatisfied	1	2	2
Poor	1	1	1	Strongly dissatisfied	1	1	1
Total	50	15	140	Total	50	15	191

Average on expectation = $140/50 = 2.8$ Average on satisfaction = $191/50 =$

3.82 (Source: Primary data)

Figure 4.11. Expectation and satisfaction towards application



Interpretation: Table 4.11 shows the expectation and satisfaction of Zomato application. From the table it is clear that the average of expectation is 2.8 and average of satisfaction is 3.82. Therefore the satisfaction on application is higher than the expectation on application.

Table 4.12 showing expectation and satisfaction of customer towards food quality of Zomato.

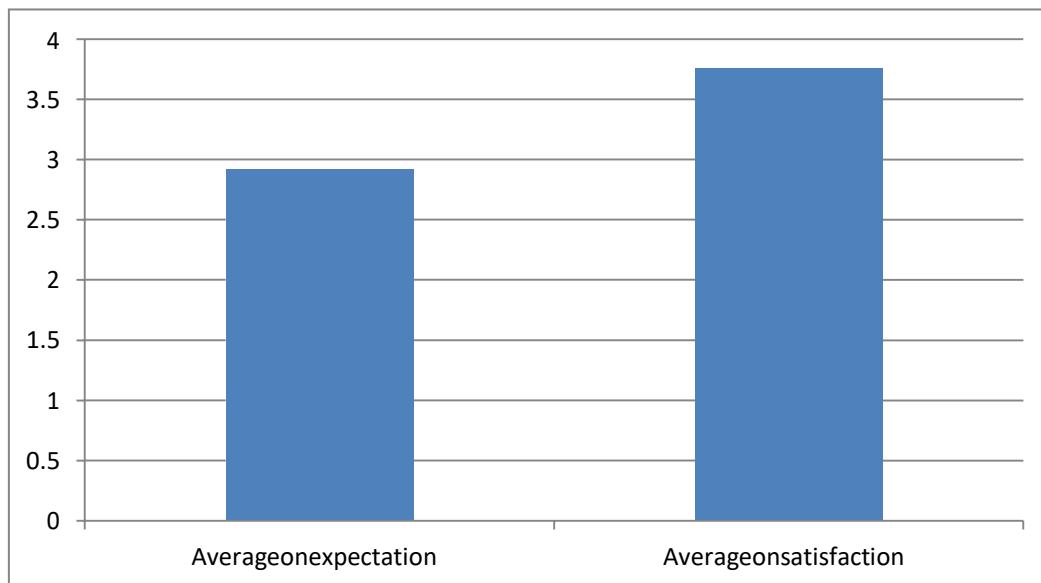
Expectation	Frequency	Weight	Total	Satisfaction	Frequency	Weight	Total
Excellent	5	5	25	Strongly satisfied	5	5	25
Very good	4	4	16	Satisfied	31	4	124
Good	25	3	75	Neutral	12	3	36
Fair	14	2	28	Dissatisfied	1	2	2
Poor	2	1	2	Strongly dissatisfied	1	1	1
Total	50	15	146	Total	50	15	188

Average expectation = $146/50 = 2.92$

Average satisfaction = $188/50 = 3.76$

(Source: Primary data)

Figure 4.12. Expectation and satisfaction towards food quality



Interpretation: Table 4.12 shows the expectation and satisfaction of food quality provided by Zomato. From the above table it is clear that the average expectation on food quality is 2.92 and the average satisfaction on food quality is 3.76. The satisfaction on food quality is higher than expectation on food quality.

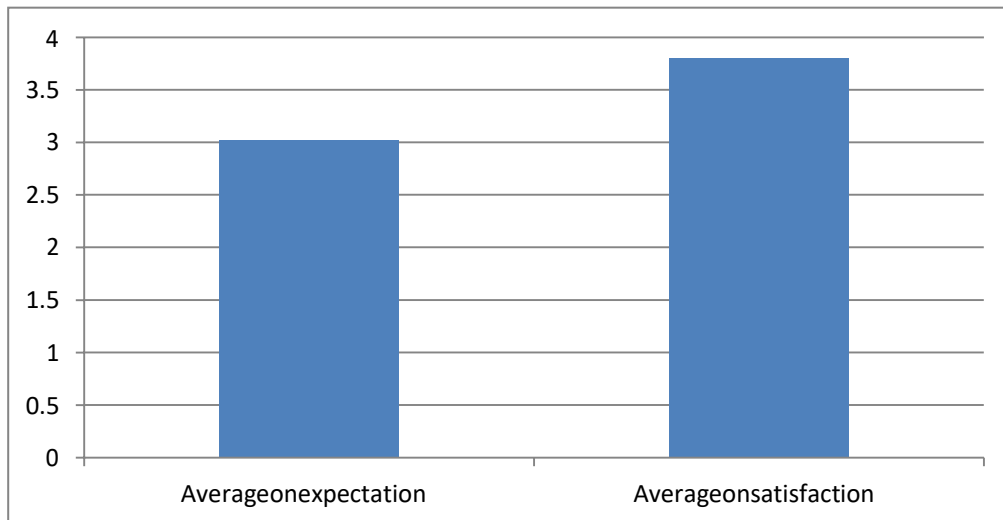
Table 4.13. showing the expectation and satisfaction of respondentstowards packagingof food.

Expectation	Frequency	Weight	Total	Satisfaction	Frequency	Weight	Total
Excellent	4	5	20	Strongly satisfied	10	5	50
Verygood	9	4	36	Satisfied	25	4	100
Good	24	3	72	Neutral	11	3	33
Fair	10	2	20	Dissatisfied	3	2	6
Poor	3	1	3	Strongly dissatisfied	1	1	1
Total	50	15	151	Total	50	15	190

Averageon expectation= $151/50=3.02$ Averageonsatisfaction= $190/50= 3.8$

(Source:Primarydata)

Figure4.13.Expectationandsatisfactiontowardspackagingoffood



Interpretation:Table4.13showstheexpectationandsatisfactionoffoodpackaging.Fro
mthetableitisclearthattheaverageexpectationonpackagingis
3.02andaveragesatisfactionis3.8.Thereforesatisfactiononpackagingoffoodishighert
hanexpectationoftherespondents.

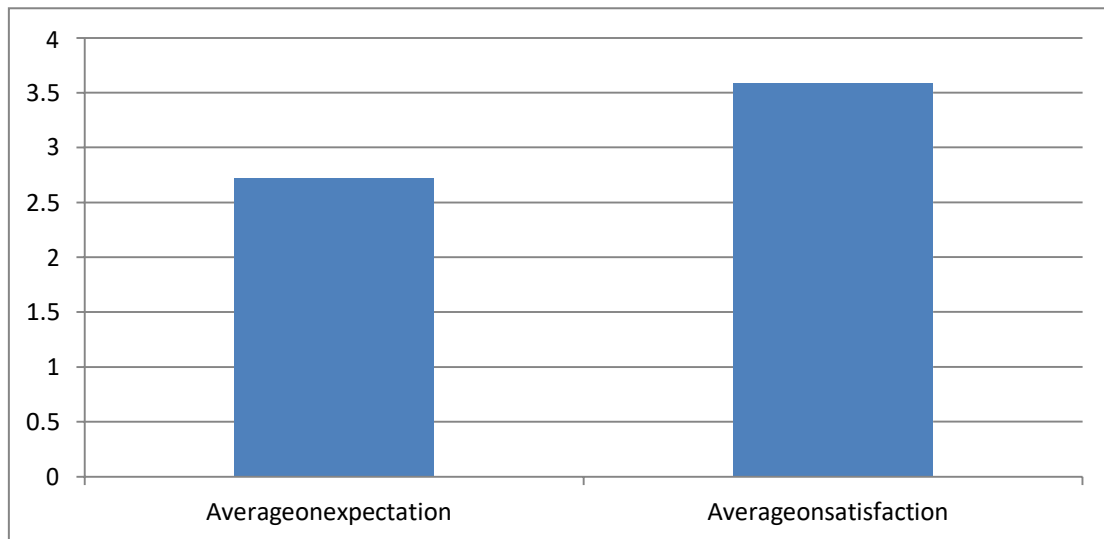
Table 4.14. showing the expectation and satisfaction of respondents towards responsiveness of Zomato.

Expectation	Frequency	Weight	Total	Satisfaction	Frequency	Weight	Total
Excellent	3	5	15	Strongly satisfied	5	5	25
Very good	5	4	20	Satisfied	27	4	108
Good	19	3	57	Neutral	13	3	39
Fair	21	2	42	Dissatisfied	2	2	4
Poor	2	1	2	Strongly dissatisfied	3	1	3
Total	50	15	136	Total	50	15	179

Average on expectation = $136/50 = 2.72$ Average on satisfaction = $179/50 = 3.58$

(Source: Primary data)

Figure 4.14. Expectation and satisfaction towards responsiveness



Interpretation: Table 4.14 shows the expectation and satisfaction of the respondents towards responsiveness of Zomato. From the table we can understand that the average expectation on responsiveness is 2.72 and average satisfaction is 3.58. Therefore, the satisfaction on responsiveness is higher than the

expectations of the respondents.

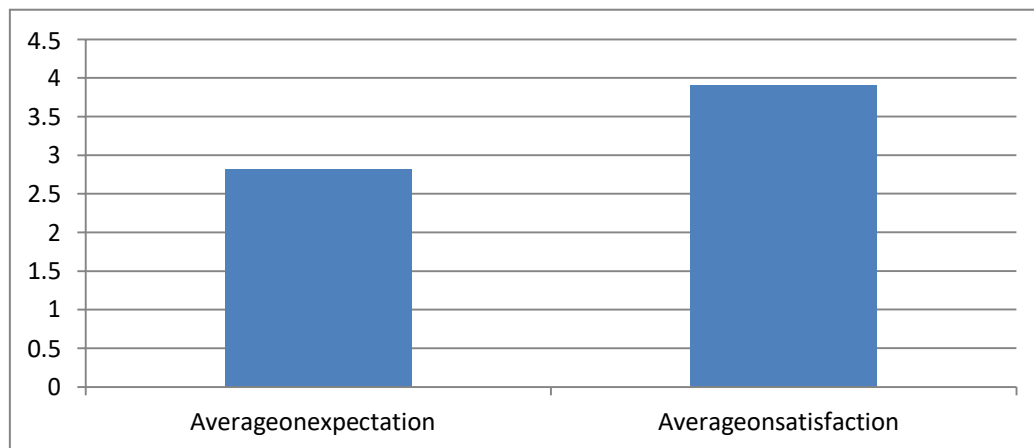
Table 4.15. showing the expectation and satisfaction of respondents towards delivery speed of Zomato.

Expectation	Frequency	Weight	Total	Satisfaction	Frequency	Weight	Total
Excellent	1	5	5	Strongly satisfied	13	5	65
Very good	10	4	40	Satisfied	27	4	108
Good	20	3	60	Neutral	5	3	15
Fair	17	2	34	Dissatisfied	2	2	4
Poor	2	1	2	Strongly dissatisfied	3	1	3
Total	50	15	141	Total	50	15	195

Average on expectation = $141/50 = 2.82$ Average on satisfaction = $195/50 = 3.9$

(Source: Primary data)

Figure 4.15. Expectation and satisfaction towards delivery speed



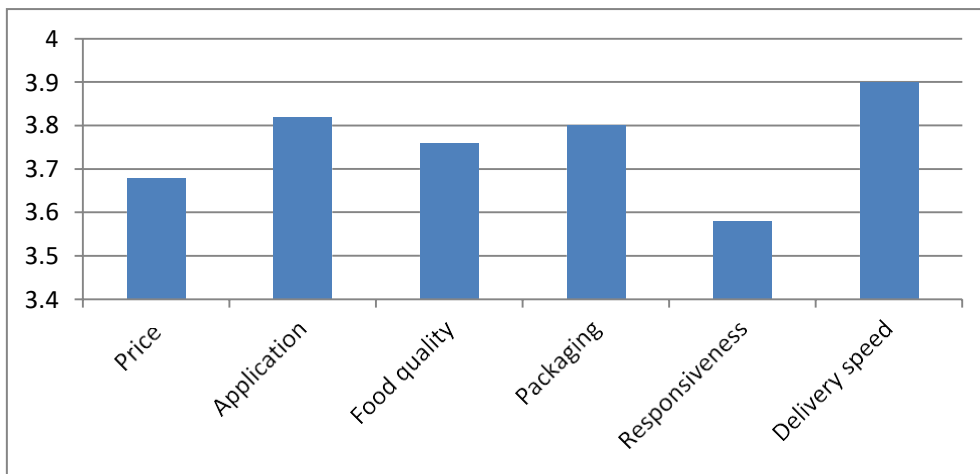
Interpretation: Table 4.15 shows the expectation and satisfaction of the respondents towards delivery speed of Zomato. From the table it is clear that the average expectation on delivery speed is 2.82 and average satisfaction is 3.9. So the satisfaction on delivery speed is more than the expectations of the respondents on the delivery speed.

Table 4.16. showing the overall satisfaction of the respondents

Particulars	Satisfaction(Sum)	Average
Price	184	3.68
Application	191	3.82
Food quality	188	3.76
Packaging	190	3.8
Responsiveness	179	3.58
Delivery speed	195	3.9

(Source: Primary data)

Figure 4.16. Overall satisfaction of respondents



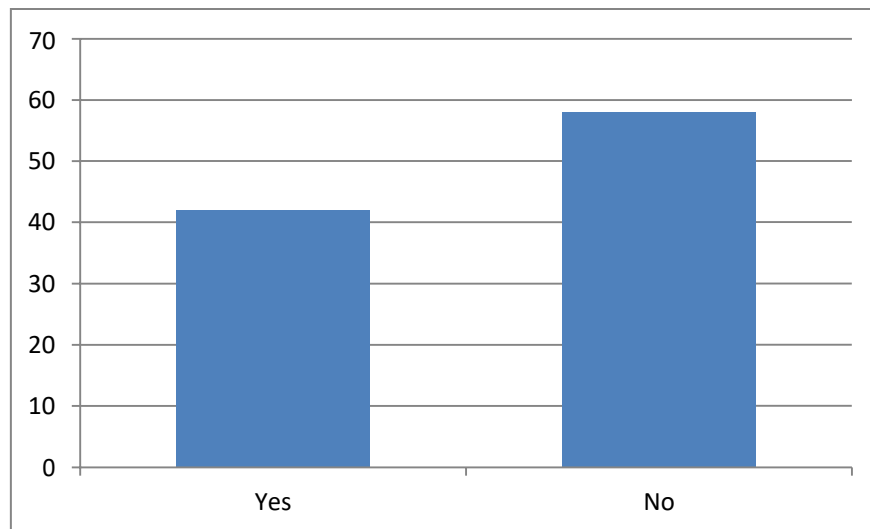
Interpretation: Table 4.16 shows the satisfaction comparison of various factors of Zomato. From the table it is clear that average of satisfaction on delivery speed is 3.9, it is higher than all the other factors. Therefore, respondents are having more satisfaction on the delivery speed of Zomato.

Table 4.17 showing whether respondents have felt any trouble in dealing with Zomato

Particulars	Frequency	Percentage
Yes	21	42
No	29	58
Total	50	100

(Source: Primary data)

Figure 4.17 showing whether respondents have felt any trouble in dealing with Zomato.



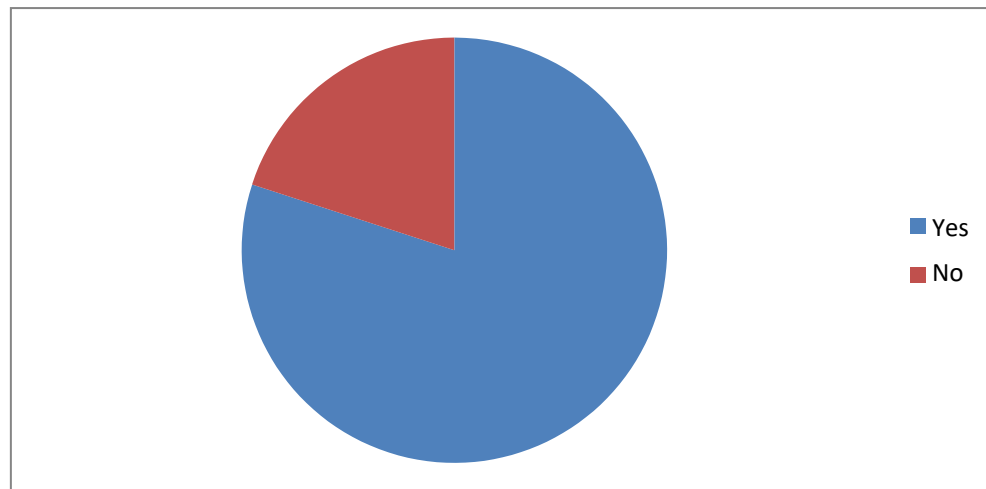
Interpretation: From the above figure it is found that 42% of the total respondents have felt problems in dealing with Zomato, 58% respondents is of the view that they have not felt any trouble in dealing with Zomato.

Table 4.18 showing whether the respondents will recommend Zomato's services to others.

Particulars	Frequency	Percentage
Yes	40	80
No	10	20
Total	50	100

(Source: Primary data)

Figure 4.18 showing whether the respondents will recommend Zomato's services to others



Interpretation: From the above figure it is found that 80% of the respondents said that they will recommend Zomato to others and 20% respondents will not recommend it to others.

CHAPTER –5

FINDINGS,SUGGESTIONS ANDCONCLUSIONS

Findings

Following are the findings that we obtained from the study

- 54% of respondents are aged between 21-22.
- 50% of the respondents are male and 50% of them are female.
- 86% of respondents are degree students.
- Majority of the respondents i.e. 74% order food online on monthly basis.
- 72% respondents got to know about Zomato from online advertisements.
- 40% of respondents have been using Zomato for a period of less than 1 year.
- 50% of the respondents use Zomato considering its special offer.
- When compared with services offered by other companies 34% of respondents feel that Zomato is better than other applications.
- More than half of the respondents i.e. 62% say that it is easy to navigate through the website.
- Average expectation on price is 2.56 and average satisfaction on price is 3.68, respondents are satisfied with the price of product.
- Satisfaction level of respondents towards application i.e. 3.82 of Zomato is more than their expectations on application i.e. 2.8 before using it.
- The average expectation on food quality is 2.92 and average satisfaction is 3.76 therefore the satisfaction of respondents on food quality is higher than their expectation.
- The satisfaction level of respondents on packaging of food i.e. 3.8 provided by Zomato is higher than the expectation i.e. 3.02 they had before using it.
- Average expectation on responsiveness of Zomato is 2.72 and average satisfaction is 3.58, the satisfaction on responsiveness is more than expectations.

- The respondents are satisfied on delivery speed of Zomato. Average expectation of respondents about delivery speed of Zomato is 2.82 and average satisfaction is 3.9, the satisfaction is higher than expectations.
- While considering the overall satisfaction of respondents, average satisfaction on delivery speed of Zomato is higher which is 3.9.
- It is found that 42% of respondents have faced trouble in dealing with Zomato and 58% of respondents have not faced any problem.
- Most of the respondents i.e. 80% will recommend Zomato's services to others.

Suggestions

- Company should try to reach to people of other age groups.
- Company should take necessary steps to stimulate customers in repurchasing on a frequent basis.
- Zomato should focus more on other promotional activities such as television advertisements.
- The company should focus on giving better quality product as most customers were very brand loyal and were generally satisfied with the product.
- The company should try to be competitive than other companies and try to establish a strong position in the market.

Conclusions

Applications for the food supply have now become a major sensation in India. Numerous food delivery applications in India can be downloaded from the ease of homes on smart phones to order food on the go. The study helped in identifying the factors which influenced the customers for choosing Zomato. On analyzing the customer satisfaction on Zomato, it can be concluded that the company has to focus on building positive image regarding the product on customer's mind. Customer's expectation about Zomato was surpassed and most of the customers are satisfied in every means. The customers who had several expectations before using Zomato had more satisfaction after making purchases. Comparing with other variables customers are more satisfied on the delivery speed of Zomato. The company should focus on providing food items in considerable quality and quantity, it should also focus in undertaking more promotional activities through more mediums finally, we can conclude that customers among the commerce students of Christ College Irinjalakuda are satisfied with Zomato.

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<https://asq.org>

[>quality-](#)

[resourceshttps://www.hubspot.com](https://www.hubspot.com)

Annexure

Questionnaire

1. Age

- 17-18
- 19-20
- 21-22
- 23-24
- 25-26

2. Gender

- Male
- Female

3. Education

- Degree
- P.G

4. How often you order food online?

- Daily
- Weekly
- Monthly

5. From where you got to know about Zomato?

- Television
- Friends
- Online Advertisements
- Newspaper Advertisements
- Family

6. How long have you been using Zomato?

- Less than one year
- 1-2 years
- 2-3 years
- More than 3 years

7. What are the reasons for choosing Zomato?

- Price
- Quality
- Special offers
- Quantity
- Delivery speed
- Variety of foods

8. How would you compare the services offered by Zomato with other companies?

- Much better
- Somewhat better
- About the same
- Somewhat worse
- Much worse

9. How easy is it to navigate the website www.Zomato.com?

- Extremely easy
- Somewhat easy
- Not so easy
- Not easy at all

10. Expectations about Zomato before using it

	Excellent	Very good	Good	Fair	Poor
Price Application	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Food	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality Packaging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Responsiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Deliveryspeed

11.SatisfactiononZomato afterusing it.

	Strongly	Satisfied	Neutral	Dissatisfied	
		VerySatisfied			
		dissatisfied			
PriceApp	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
lication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foodquality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Packaging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Responsiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deliveryspeed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12.HaveyoufacedanyproblemindealingwithZomato ?

- Yes
- No

13. Will you recommend Zomato's services to others?

- Yes
- No

A FIELD PROJECT REPORT

ON

**“A Study on Consumer Behaviour and Factors Influencing the Purchase
Decision of Durable Goods”**

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

(MUNGARA JAHNAVI, SANNEBOINA SAGAR PRASANTH, VARAGANI THARUN

KUMAR, VELURU NITHEESH, VUNNAM SAI MEGHANATH)

(Regd. No. 211FC01106, 211FC01107, 211FC01108, 211FC01109, 211FC01110)

Under the esteemed guidance of

Mr. Nagendrakumar Turaga

ASSISTANT PROFESSOR



DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Date: 20-04-2023

PERMISSION LETTER

Following are the students **MUNGARA JAHNAVI, SANNEBOINA SAGAR PRASANTH, VARAGANI THARUN KUMAR, VELURU NITHEESH, VUNNAM SAI MEGHANATH** of IInd MBA bearing roll numbers Regd. No. **211FC01106, 211FC01107, 211FC01108, 211FC01109, 211FC01110** were permitted to do a field project on the topic "**A Study on Consumer Behaviour and Factors Influencing the Purchase Decision of Durable Goods**".

T. Nagendra Kumar

GUIDE

HOD/MBA



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project **A Study on Consumer Behaviour and Factors Influencing the Purchase Decision of Durable Goods** submitted by **MUNGARA JAHNAVI, SANNEBOINA SAGAR PRASANTH, VARAGANI THARUN KUMAR, VELURU NITHEESH, VUNNAM SAI MEGHANATH** bearing the Regd. No. **211FC01106, 211FC01107, 211FC01108, 211FC01109, 211FC01110** from the Department of Management Studies, Vignans & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

T. Nagendra Kumar

GUIDE

HOD/MBA

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ABSTRACT

Consumer behaviour or buyer behaviour has gained increased importance in a consumer oriented marketing planning and management. The study of consumer behaviour is an attempt to understand what the consumer want, why they want. Consumer behaviour reflects the totality of consumer's decisions with respect to acquisition, consumption and disposition of goods, services, time and idea by human decision making. It also includes whether, why, when, where, how, how much and how often and how long consumer will use or dispose of an offering. The buying behaviour of consumer has become a great necessity in modern marketing system, because success or failure ultimately depends upon the buying behaviour of the target customers considered individually or a group.

An understanding of purchase behaviour of consumers towards durable goods is essential as it reflects the influence of brands, price, quality, quantity, mode of purchase, etc. The success of the market or the failure depends on the purchase behaviour of consumers. Consumer is nerve centre of the modern marketing, understanding his behaviour is quite essential for efficient and effective marketing management. Customers may state their needs, wants but act otherwise. They may not be in touch with their deeper motivations. India's consumer market is riding the crest of the country's economic boom. Driven by a young population with access to disposable incomes and easy finance options, the consumer market has been throwing up staggering figures. Marketing problems confronted from the consumers' behaviour has a greater degree of similarity with behavioural problems. The use of durable goods is becoming increasingly popular in recent years in India. The introduction of different types of durables has also brought out many significant changes in the tastes and preferences of ultimate consumers in recent years.

INTRODUCTION

Consumer behaviour or buyer behaviour has gained increased importance in a consumer oriented marketing planning and management. The study of consumer behaviour is an attempt to understand what the consumer want, why they want. Consumer behaviour reflects the totality of consumer's decisions with respect to acquisition, consumption and disposition of goods, services, time and idea by human decision making. It also includes whether, why, when, where, how, how much and how often and how long consumer will use or dispose of an offering. The buying behaviour of consumer has become a great necessity in modern marketing system, because success or failure ultimately depends upon the buying behaviour of the target customers considered individually or a group. Therefore in order to undertake the marketing programmes among different segment

markets, the marketing management must find out the various factors that influences in buying decisions of the consumer. The character, behaviour and attitude of consumer are the important dimensions in the decision making process. The subject of buying behaviour is relatively a new discipline of the study of marketing. It has now become the central topic of modern marketing since the ultimate aim of marketing is consumer satisfaction and profit making.

Consumer behaviour can be defined as “the decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services”. According to Webster, “Buying behaviour is all psychological, social and physical behaviour of potential customer as they become aware of evaluate purchase consume and tell other people about the product and services. In other words of Walter and Paul, “consumer behaviour is the process whereby individual decide what, when, how and from where to purchase goods and service”. Thus the buyer behaviour may be defined as that behaviour exhibited by people in planning, purchasing and using economic goods and service in the satisfaction of their wants.

I. CHARACTERISTICS OF BUYER BEHAVIOUR

- Buyer behaviour comprise mental and physical activates of a buyer when he wants to buy goods and service to satisfy his needs.
- It includes both visible and invisible of buyer. The visible activates refer to physical activity like actually going to the market place, buying the product and consuming them. The invisible activates on the other hand, refer to mental activates like thinking about the product, deciding to buy or not to buy that product, to buy one brand instead of another etc.
- Buyer behavior is very complex and dynamic also. It is constantly changing requiring certain adjustment. The marketing management which fails to make such adjustments, would certainly lose its market.
- An individual buying behaviour is also influenced by internal factors such as needs, habits, instincts, motives, attitudes etc and also by outside or environmental factors such as family, social, groups, culture, status, positions, economic and business conditions. In narrow sense, consumer behaviour is the act of a consumer when he is engaged in buying and consuming a good or a service.

Indian consumer durables industry has witnessed a considerable change over the last few years. Changing lifestyle and higher disposable income coupled with boom in the real estate and housing industry and a surge in advertising have been instrumental in bringing about a sea change in the consumer behaviour pattern. Consumer durables involve any type of product purchased by consumers that is manufactured for long-term use and includes durable goods like TV, Washing Machine, Refrigerator, Mixie, Grinder, Laptop/PC, Mobile Phones, Water Purifier, Microwave Oven, Air conditioner. In the competitive market, the prospective buyer is prepared to choose the right brand based on their needs. All the purchases made by a consumer involves a certain decision making process. A consumer is one who does some physical activities and deliberates to take decisions concerning purchase and to dispose off on to evaluate to products and services. As opposed to many goods that are intended for consumption in short term, consumer durables are intended to endure regular usage for several years or longer before their replacement is required. Every household contains at least a few items that may be considered to be of consumer durable nature. With India being the second fastest growing economy having a huge consumer class, consumer durables have emerged as one of the fastest growing industries in India.

II. STATEMENT OF THE PROBLEM

An understanding of purchase behaviour of consumers towards durable goods is essential as it reflects the influence of brands, price, quality, quantity, mode of purchase, etc. The success of the market or the failure depends on the purchase behaviour of consumers. Consumer is nerve centre of the modern marketing, understanding his behaviour is quite essential for efficient and effective marketing management. Customers may state their needs, wants but act otherwise. They may not be in touch with their deeper motivations. India's consumer market is riding the crest of the country's economic boom. Driven by a young population with access to disposable incomes and easy finance options, the consumer market has been throwing up staggering figures. Marketing problems confronted from the consumers' behaviour has a greater degree of similarity with behavioural problems. The use

of durable goods is becoming increasingly popular in recent years in India. The introduction of different types of durables has also brought out many significant changes in the tastes and preferences of ultimate consumers in recent years. Hence, the present study has been chosen to identify the various factors influencing the consumer behaviour on the purchase of durables in Salem District.

III. REVIEW OF LITERATURE

Venkateswara and Reddy studied about the marketing of television sets among 300 households of Prakasam district of Andhra Pradesh. It was found that, in most of the cases head of a household and his wife acted as a decision maker. Influence of wealth, income, education and savings were found negative. But influence of advertisement was found higher (97%) in the study.¹

Losarwar attempted to examine the influence of socio-economic profile, role of family and reference groups, life style, brand awareness, factors influencing, buying motives, effectiveness of promotional plans on the purchase decision in respect of select five durable products - Television, Washing Machine, Refrigerator, Mixer and Fan. The results of the study revealed that majority of the consumers purchased the television, washing machine and Refrigerator from authorised dealers whereas mixer and fan from retailers. Company's advertisements, reputation, price and quality of the product were some of the factors that influenced the choice of consumer durables. The study concluded that the modern market is highly competitive and transitional. Thus, the role played by consumer is very prominent and the marketer should consider the behaviour and attitude of the consumers before introducing the product into the market.²

Ruche and Harman made a comparative study on urban and rural consumer behaviour. Their study revealed significant difference in considering brand image, guarantee, warranty, credit availability, foreign collaboration, latest technology and after sales service and insignificant difference between the two populations in considering durability and price while making purchase decision. The first three most important factors in the rural market were price, credit availability and durability, where as in the urban market the first three factors were price, latest technology and durability.³

Mubarak Ali attempted to study the influence of family members in the purchase decision of durable goods. The aim of the study was to find out the role played by the husband and wife in the process of need identification and fulfillment with respect to the purchase of consumer durables. The respondents chosen for the study were in the age group of 21 to 51 years and above, their family monthly income ranged from 20,000 to 70,000 and above. The study revealed that all the families owned variety of durables like television, motor car, two-wheeler, washing machine, vacuum cleaner, etc. The study asserted that majority of the respondents gave importance to their friends' opinion and suggestions based on their earlier purchase behaviour. The study concluded that to bring about lasting happiness in „one time purchase“ decision should be a joint decision.⁴

Illias tried to find out the differences in consumer behaviour between urban and rural consumers, with respect to their socio, economic, demographic background, with regard to durable products (TV). His study concluded that basically there was no difference between the urban and rural consumers. However it was asserted beyond doubt that the motivational factors influenced the consumers to a greater extent. Brand patronization existed, particularly with the reputed brands.⁵

Hitesh D. Vyas explored the important factors and sources of information in purchase of consumer durables among households in Bhavnagar city. He opined that the market for consumer durables has become more competitive and the producers of durable products should understand consumers' interest much to find higher sale of their products. His study analysed the important factors and sources of information that influence the purchase of durable goods. The study revealed that company or brand name, guarantee/warranty, price and after sales service were the important factors in purchase of durables. The sources of important information were authorized dealers' shop, technical expert advice, role of TV as media and influence of friends, relatives and neighbours. The study concluded that the competitive market provides opportunity on one hand and threats on the otherhand to both the consumer and the producer. Manufacturers or marketers have improved core products with value addition to enhance customer satisfaction more in the similar price range. Not only quality

improvements but improvement in after sales service can also create replacement demand or demand for second piece in the households.⁶

Sarwade opined that to sell durables products in market, the company image and price were more important than the name of the product. His study revealed that consumers in urban areas preferred costly and quality products but those in rural area preferred low cost durables. It was also observed that, the higher income groups customers from city and rural areas keep changing their attitude towards the purchasing pattern of consumer durable goods. They purchased moderate and technological brands products from the market. The study also revealed that the young generation customers always spent more money on luxurious durable goods and services, and the female customers were more keenly interested in the purchase of consumer durable goods in the market. It was concluded that the price was the main sales appeal for consumer durable goods for middle income group and they bargained over the purchases but sometimes higher income group customers did not worry about the price of the consumer durable goods.⁷

IV. OBJECTIVES OF THE STUDY

1. To study the socio-economic profile of the selected consumers.
2. To identify the factors influencing the consumers in theselection and use of particular products.
3. To summarize the key findings and offer suggestions for thestudy.

V. METHODOLOGY

The data for the purpose of the present study have been collected through primary and secondary data. Primary data has been collected through structured questionnaire. The sources of secondary data include published data such as data from books, journals, periodicals, brouchers, reports, etc.

Area of the Study: The study was undertaken in Salem city.

Sample Size: A total of 50 respondents residing in the Salem city form the sample.

Sampling Procedure: For the purpose of the study the respondents were selected from different places of the Salem city from different occupations, educational level, income and age groups. Convenience sampling technique was followed for collecting response from the respondents.

Tools for Analysis: The statistical tools used for the purpose of this study are simple Percentages, Mean, Standard Deviation and Mean Rank.

VI. RESULTS AND DISCUSSION

Profile of the respondents

VII. TABLE - 1

PROFILE OF THE RESPONDENTS

S.No	Demographic Variables	No. of Respondents	Percentage
1.	Age (Years)	Upto 20	8
		21 – 30	25
		31 – 40	7
		Above 40	10
2.	Sex	Male	26
		Female	24
2.	Educational Qualification	No formal Education	4
		Upto H.Sc.	8
		Graduate	15
		Post Graduate	11
		Diploma	6
			12

		Professional	6	12
3.	Occupation	Agriculture	4	8
		Students	5	10
		Business	9	18
		Home Maker	10	20
		Employees	17	34
		Professionals	5	10
4.	Monthly Income	Below ` 20000	22	44
		` 20000 - ` 40000	15	30
		` 40000 - ` 60000	7	14
		` 60000 - ` 80000	4	8
		Above ` 80000	2	4
5.	Marital Status	Married	27	54
		Unmarried	23	46
6.	Family Size	Small	12	24
		Medium	23	46
		Large	15	30
7.	Residential Area	Rural	25	50
		Semi-Urban	11	22
		Urban	14	28

From Table 1, it is evident that 50% of the respondents belonged to the age group of 21 - 30 years, 52% of the respondents were male, 30% of the respondents were graduates, 34% of the respondents were employees, 44% of the respondents' family monthly income was less than Rs. 20,000, 54% of the respondents were married, 46% of the respondents belong to medium size family. 50% of the respondents belong to rural area for taken for this study.

VIII. TABLE – 2 PRODUCTS POSSESSED BY THE RESPONDENTS IN THEIR HOME

Products	No		Yes	
	N	%	N	%
Mixie	1	2	49	98
Grinder	5	10	45	90
Washing Machines	15	30	35	70
Refrigerator	13	26	37	74
TV	1	2	49	98
Laptop/PC	10	20	40	80
Mobile Phones	1	2	49	98
Water purifier	26	52	24	48
Microwave Oven	39	78	11	22
Air conditioner	37	74	13	26

Table 2 indicates that 98% of the respondents own Mixie, TV and Mobile Phones, 90% of the respondents own Grinder, 80% of the respondents own Laptop/PC, 74% of the respondents own Refrigerator, 70% of the respondents own Washing Machines, 48% of the respondents own Water

purifier, 26% of the respondents own Air conditioner and the remaining 22% of the respondents own Microwave oven.

IX. Advertisements Watched in Different Media

Advertising intends to promote the sales of a product or service and also to inform the masses about its features. It is an effective means of communicating the value of a product or service with people at large. Advertising utilizes different media to reach out to the masses. It uses different types of appeals to connect to consumers spread across the globe. The advertising industry provides a platform for the business entities to spread awareness about the products and services offered by them. Advertising gets to people through different forms of communication. The various types of advertising appeals use different ways to highlight the product features and draw mass attention.

X. TABLE – 3

ADVERTISEMENTS WATCHED IN DIFFERENT MEDIA

Media	1		2		3		4		5		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Print	4	8	11	22	13	26	11	22	11	22	50	100
Radio	5	10	15	30	10	20	9	18	11	22	50	100
Television	35	70	16	32	4	8	3	6	2	4	50	100
Hoardings & Banners	4	8	12	24	10	20	12	24	12	24	50	100
Displays/ Exhibitions	2	4	8	16	12	24	17	34	11	22	50	100

From the above table it is clear that 35 respondents have given first rank to television, 15 respondents have given second rank to radio, 13 respondents have considered print as third rank, 17 respondents have marked four to displays/exhibitions and 12 respondents have given rank five to hoardings and banners.

XI. Respondents Influenced by Others Opinion

People believe another individual to be credible for a variety of reasons, such as perceived experience, attractiveness, knowledge, etc. Those with access to the media may use this access in an attempt to influence the public. An attempt was made to find out if the respondents are influenced by others opinion.

XII. TABLE – 4

RESPONDENTS ACCORDING TO INFLUENCED BY OTHERS OPINION

S. No.	Influenced by others opinion	No. of Respondents	Percentage
1.	Yes	48	96
2.	No	2	4
	Total	50	100

From the above table reveals that 96% of the respondents were influenced by others opinion about durable goods and the remaining 4% of the respondents were not influenced by others opinion.

XIII. Sources of Influence in making Purchase Decision of Durable Goods

People's opinions or behaviours can be changed as a result of social influences from a multitude of resources and individuals. The following table provides that sources of influence in purchase decision of consumer durables.

XIV. TABLE – 5
SOURCES OF INFLUENCE ON RESPONDENTS IN RESPECT
OF PURCHASE DECISION

S. No.	Sources of Influence	No. of Respondents	Percentage
1.	Spouse	5	10.42
2.	Family members	27	56.25
3.	Friends	12	25.00
4.	Relatives	4	8.33
	Total	48	100.00

Table 5 shows that 56.25% of the respondents were influenced by the family members, 25% of the respondents were influenced by the friends, 10.42% of the respondents were influenced by their spouse, 8.33% of the respondents were influenced by the relatives. Hence it is concluded that majority of the respondents were influenced by the family members.

XV. Factors influencing the Purchase Decision of consumer Durable goods

The marketing organization must facilitate the consumers to act on their purchase intention. The organization can use a variety of techniques to achieve this. The relevant internal psychological process that is associated with purchase decision is integration. Once the integration is achieved, the organization can influence the purchase decisions much more easily. The owner of a registered brand personally stands behind the branded product and offers personal guarantee for maintaining the quality and standards of the product. Consumer durable are normally more valued, high priced products and not frequently purchased products. The following table presents the opinion of the respondents about the factors influencing the purchase decision of consumer durable goods.

XVI. TABLE – 6
OPINION ABOUT THE FACTORS INFLUENCING THE PURCHASE DECISION OF
CONSUMER DURABLE GOODS

Factors	SDA		DA		NN		A		SA		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Price	3	6	7	14	8	16	22	44	10	20	50	100
Colour	2	4	4	8	10	20	20	40	14	28	50	100
Brand Preference	3	6	7	14	12	24	18	36	10	20	50	100
Offers / Discounts	1	2	8	16	10	20	21	42	10	20	50	100
Technical Features	2	4	5	10	10	20	20	40	13	26	50	100
Quality	2	4	4	8	14	28	22	44	8	16	50	100

Shape / Size	3	6	6	12	14	28	17	34	10	20	50	100
Brand Image	3	6	7	14	8	16	21	42	10	20	50	100
Model / Design	3	6	5	10	10	20	20	40	12	24	50	100
Celebrity	1	2	3	6	10	20	18	36	18	36	50	100

From the above table it is clear that majority 44% of the respondents are agreed with the factor of “Price” and “Quality”, 42% of the respondents are agreed with the factor of “Offers/Discounts” and “Brand Image”, 40% of the respondents are agreed with the factor of “Colour”, “Technical Features” and “Model / Design”. 36% of the respondents are agreed with the factor of “Brand Preference” and “Celebrity”.

In order to identify the factor which is more influencing the respondent towards opinion the Friedman’s test analysis was used and the results were given in Table 7.

XVII. TABLE – 7

FACTORS INFLUENCING THE PURCHASE DECISION OF CONSUMER DURABLE GOODS

S. No.	Factors	Mean	Std. Deviation	Mean Rank
1.	Price	4.20	0.861	6.90
2.	Colour	3.36	1.195	4.64
3.	Brand Preference	3.57	1.055	5.16
4.	Offers / Discounts	3.65	1.070	5.34
5.	Technical Features	3.87	1.127	4.81
6.	Quality	3.94	0.836	6.08
7.	Shape / Size	3.66	1.039	5.42
8.	Brand Image	3.87	1.127	6.05
9.	Model / Design	3.79	1.026	5.79
10.	Celebrity	3.42	1.190	4.81

From the above table, it is evident that among the 10 features that influence the respondents while they purchase the consumer durable goods, the factor „Price“ ranked first. It was followed by „Quality“. The factor „Brand Image“ got third rank and the factor „Model/Design“ got fourth rank.

XVIII. SUGGESTIONS

1. Demand for consumer durables is more volatile since it moves rapidly or evaporates quickly in relation to business conditions. Marketers separate the current demand for durable goods in terms of replacement old products and expansion of the total stock demand for such goods.
2. Consumers prefer high valued consumer durables of well established brands. The marketers and manufacturers of the consumer durables must try to convert the brand consciousness into brand loyalty for their well established brands. The consumer behaviour in this direction should properly be exploited by the manufacturers and dealers to maximize their sales.

3. The buyers of consumer durables have largely shown their preference to make extensive enquiry from the dealers of different brands of the products. This trait should be emulated by all the buyers in order to avoid post purchase dissatisfaction about the quality and performance of the products.
4. Concessions in the price, price reductions, discounts, gifts, etc., have become common practices. The buyers of consumer durables should try to avail of these benefits, whenever they are available however, the buyers of such goods should not be lured merely by consciousness without considering the quality and performance aspects of these higher value products.
5. The buyers of the consumer durables should insist that all the technical information are revealed on the use of durable products to enable them to use the products without any technical fault leading to frequent repairs, free servicing of the durables by dealers during the guarantee period insisted upon by the buyers.

XIX. CONCLUSION

The market for consumer durables is becoming more competitive now a days. Therefore, the producer of durable products should understand consumer interest much to find higher sale of their products. Marketers communicate with consumers and try to convince through every possible media. To achieve success in the market, it has become highly inevitable to produce goods as preferred by the customer, as he is the kingpin around whom the entire marketing activity revolves. Thus, a marketer who understands the behaviour of the consumers and plan his marketing strategies to suit the needs and aspirations of the target market will definitely have an advantage over his competitors.

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A FIELD PROJECT REPORT

ON

“FACTORS OF INFLUENCE AND CHANGES IN THE TOURISM CONSUMER BEHAVIOUR”

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

**(GOLI JAYA VENKATA SAI KRISHNA, BOMMANABOIEA RAM PAVAN, ALAPATI LASYA CHOWDARY,
YALLAMANDALA SAI DEEPIKA, MATTA BENIBABU)
(REGD. NO. 211FC01088, 211FC01089, 211FC01091, 211FC01092, 211FC01095)**

Under the esteemed guidance of

Mr. Nagendrakumar Turaga

ASSISTANT PROFESSOR



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



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(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Date: 20-04-2023

PERMISSION LETTER

Following are the students **GOLI JAYA VENKATA SAI KRISHNA, BOMMANABOIENA RAM PAVAN, ALAPATI**

LASYA CHOWDARY, YALLAMANDALA SAI DEEPIKA, MATTA BENIBABU of IInd MBA bearing roll numbers Regd. No. **211FC01088, 211FC01089, 211FC01091, 211FC01092, 211FC01095** were permitted to do a field project on the topic “**FACTORS OF INFLUENCE AND CHANGES IN THE TOURISM**

CONSUMER BEHAVIOUR”.

T. Nagendra Kumar

GUIDE

HOD/MBA



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Foundation for Science, Technology & Research

(Deemed to be University)

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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **FACTORS OF INFLUENCE AND CHANGES IN THE TOURISM CONSUMER BEHAVIOUR** submitted by **GOLI JAYA VENKATA SAI KRISHNA, BOMMANABOiena RAM PAVAN, ALAPATI LASYA CHOWDARY, YALLAMANDALA SAI DEEPIKA, MATTA BENIBABU** bearing the Regd. No. **211FC01088, 211FC01089, 211FC01091, 211FC01092, 211FC01095** from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

T. Nagesh Kumar

GUIDE

Alapati Lasya Chowdary

HOD/MBA

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ABSTRACT

Consumer behaviour is a very important aspect to be studied in every marketing activity, therefore in tourism marketing as well. Defining and identifying the factors that influence consumers help in understanding individual needs and buying processes in their whole complexity. Consumers have changed their behaviour over the last two years due to the instability of the economic environment. The author describes in this article the factors which influence consumer behaviour and also presents how it has changed over the past two years.

Key words: tourism services, tourism products, factors of influence, consumer behaviour.

Introduction

Consumer behaviour is a highly important issue for all marketing activities which have the purpose to promote and sell tourism products.

The tourism consumer behaviour can be defined as the ensemble of its acts, attitudes and decisions regarding choosing, buying and consuming tourism products and services, and also its post-consuming reactions.

The discovery of the consumer's needs and decision processes is very important for the marketing activity because it allows the marketing manager to improve his own decision-making process, to forecast future behaviour and to have a real and objective image of the consumer demand.

Understanding consumer behaviour is important for developing new tourism products and services because it offers a clearer view of what consumers are looking for and the manager can reflect them in the development process.

In order to develop effective and efficient advertising campaigns, it is required to comprehend consumer behaviour. Segmentation is used to design advertising campaigns based on the market segment's particular demands.

An understanding of customers' demands can be achieved by answering the following questions:

- Who is important in the buying decision?
- How do consumers buy?
- What are the criteria their choice is based on?
- Where do they buy?
- When do they buy?

These questions define the five key dimensions of buyer behaviour.

Answers to these questions can be provided by personal contact with customers or by the use of marketing research. Also, an important source of consumer information is the internet. Using search engines like Google can provide links to web pages which offer consumer statistics.

Buying processes are complex, sometimes involving many variables. Making false assumptions about these processes can result in an otherwise good product or service not being bought.

1. Factors that Influence Consumer Behaviour

The consumer behaviour is influenced by many factors: psychological factors, social factors, cultural factors and even natural factors. These factors can be grouped in three main categories as follows:

1. The first category consisting of personal factors such as tourists' personality, self image, attitudes, motivations, perceptions, life style, age, family life style, profession;
2. The second category consisting of social factors such as culture, family, social class, reference groups;
3. The third category consisting of situational factors such as time, physical ambience, social ambience, state of mind.

By understanding these factors one can identify an individual's needs.

1. 2.1. Personal Factors

Personal factors are known also as psychological factors or individual explicative variables and regard directly the tourism consumer.

The tourist's personality is formed by all the characteristics, beliefs, convictions, habits which

represent a coherent and stable response of the person at the stimulus from the external environment and which distinguish him from other individuals. The promotional materials of a firm will be edited according to the personality of the clients to which they address, with a view to finding themselves in those materials. Self image represents the image that a person has of himself and it has a very big influence on his behaviour.

Attitude is a person's predisposition to answer in a favourable or unfavourable manner at the offer of a tourism product or service. It has a lot of influence over the market position of tourism products.

Motivations can be grouped in four categories: physical motivations - as the desire to practice a sport; cultural motivations - as the desire to visit a church or a museum; interpersonal motivations - as the desire to socialize, to meet new people; prestige motivations - as the desire of being appreciated.

There are two more types of motivations: conscious motivations, which relate to the individual's previous experience, and unconscious motivations which can be identified by indirect psychological investigation techniques.

Perception is a complex process through which people select, organize and interpret sensory stimulation into a meaningful picture of the world. The perception of a tourism destination results from the interaction of the stimulus specific to it - shape, colour, sound - and the factors that regard the tourist's personality. Therefore, the same tourism destination will be perceived differently by different tourists.

Almost never will an individual perceive reality completely and impartially. Perception improves depending on how many stimuli a person perceives and on the capacity of keeping them in mind. According to its perceptions and some well defined criteria, the tourist can rank the tourism destinations and choose the one that he considers optimal.

Life style is an individual's system regarding his/ her interests, ideas, opinions, actions, consuming habits.

Age is an effective discriminator of consumer behaviour. For example, young people have very different tastes as regards products or services, as compared to old people. Also young people tend to spend more than old people. The age segments which rise interest in tourism marketing from the behaviour point of view are: childhood, teenage, first youth, second youth and old age.

Profession also has a great impact on consumer behaviour. Profession is related to the education level and its impact over an individual is obvious.

2.2. Social Factors

Social factors, such as culture, family or social level have a great influence on behaviour because they define the individual.

Culture refers to traditions, taboos, values and basic attitudes of the whole society within which an individual lives. It is a framework in which individuals and their life-styles develop. Cultural norms can be defined as rules of behaviour. Family, with its moral, religious, political norms, is the social factor with the highest impact on an individual. The preferences, for example for sport or culture, for resting or movement, for risk or safety, all develop in the family. It influences a child's perception of the world, and this influence lasts to adulthood.

In a family, attitudes and opinions regarding different forms of tourism, destinations, tourism agencies etc. are very easily transmitted.

An individual's needs are likely to change as he or she goes through life. For example, an individual moving from a bachelor stage to one with small children makes the individual to reconsider its priorities, reflecting a different set of needs.

An individual's behaviour is influenced by the phases of the family life cycle.

Table 1 presents how the family life cycle is reflected in consumer behaviour.

The influence of life cycle on tourism consumption [1] Table 1

Family life cycle phase	Income	Inclination towards tourism
1. Single	Modest	Strong
2. Young couple without children	Rising	Medium
3. Young couple with children under six years	Decreasing	Very weak
4. Young couple with children at school	Rising	Weak
5. Mature couple with children to support	Stable	Medium
6. Mature couple without children to support	Maximum	Very strong
7. Old couple in activity	Stable	Strong
8. Retired old couple	Modest	Very strong
9. Retired single	Modest	Weak

Recent opinions regarding family life- cycles take into account their increasing complexity, brought about by the breakdown of the traditional family into single-parents families, extended cohabitation before marriage or groups of young people sharing the same house before affording one of their own.

Individuals can identify themselves with a social class, and the values of this class can influence behaviour. Tourists who belong to a superior social layer dedicate a big part of their time to travelling and tourism. Their reason for travelling is most often leisure or business and they generally travel alone or with their family. Their means of transport are exclusively luxurious vehicles such as car, yacht or plane. He owns vacation houses or stays in luxurious hotels and demands a big variety of auxiliary services during this journey.

Tourists who belong to a medium or inferior social layer dedicate only a small part of their time to travel. They usually travel forced by family or medical problems and often travel in a group to benefit from price discounts. They usually use public transport such as bus or train and demands

accommodation and meal at quite low rates. They rarely demand auxiliary services during the journey.

Reference groups can be defined as groups of people that influence an individual's attitude or behaviour. These groups may consist of family members, friends or colleagues. Reference groups influence their members by the roles and norms expected from them and they may be seen as an important determinant of behaviour.

An opinion leader is someone in the reference group from whom other members seek guidance; therefore such persons can have great influence on purchase decisions.

They influence the reference groups as a consequence of:

- their capacities of personifying the group
- their rich experience and knowledge
- their privileged position in the communicational system.

Tourism firms are interested in attracting opinion leaders because of their abilities to influence groups and try to convince them regarding the quality of their services.

2.3. Situational Factors

In addition to an individual's personal and social necessities, his needs are also influenced by the situation in which he currently finds himself.

The time a tourist disposes to decide the purchase during the journey, and also the time gap between the moment of purchase and the moment of payment, influences the purchasing behaviour. For example, the tourist does not pay as much attention to details when the time to decide the purchase is short. Generally speaking, the purchase decision is adopted more easily when the time gap between the purchase and the payment is larger.

Physical environment refers to the place from where the client buys the product, such as light, temperature, sound, and also what defines the tourism product, such as weather, climate, access, the beauty of the scenery. The journey environment influences the tourist's post-consuming reactions.

Situational environment is defined by the presence of relatives, friends, work colleagues or other persons at the moment of the purchase decision or during the journey. For example, a person will react differently in the presence of his boss and in the presence of a colleague; a child will react differently in the presence of his parents or teachers, and in the presence of his friends; during a journey a person acts differently if he/she travels alone.

The state of mind has a direct effect on consumer behaviour. For a tourism agency, it is much easier to satisfy a client in a good mood rather than a nervous client.

Apart from these three categories of factors there is one more with great influence on consumer behaviour, consisting of **economic factors** such as: income per person, income per family, prices of products and services, salary, expenditure, GDP per person, inflation rate etc. The economic factors are the most sensitive to environmental change and, as a result, they have been very affected by the economic situation of the past two years. Between 2008 and 2010 the tourism industry registered a lot of changes which surprised even specialists of the domain.

3. Changes in the European Tourism Consumer Behaviour

Tourism plays an important role in the European economy, totalizing 1.8 million enterprises which operate in this domain and 5.2 percent from the total labour force works in tourism. Also, tourism contributes with over 5 percent at the European gross domestic product.

Therefore, it represents the third largest socioeconomic activity in the EU after the trade, distribution and construction sectors. Taking into account the sectors linked to it, the tourism contribution to GDP is even greater; being estimated to generate over 10 % of the European Union's GDP and provide approximately 12% of all jobs.

The European tourism has recently experienced a difficult economic situation.

In 2010, Europe's travel industry recovered compared to the low level from 2009, but the recovery is not as high as expected.

At the beginning of 2010, many countries reported mixed results regarding the number of visitors. Meanwhile, statistical data registered by airlines and accommodation units show that in the European tourism industry, the trend is ascending, but modest and it is on the track to recovery.

Another factor that contributed to the delay of the European tourism's recovery was the ash cloud from Iceland's volcano, a phenomenon which affected 6 million tourists in Europe in April and May, and which caused airlines 1.7 billion Euros net loss from sales.

The global economy is on track to recovery, being influenced by economies from Asia and America which register continual and considerable increases.

In Europe, many countries implemented austerity measures, delaying the economic recovery perspectives, already weak. The euro and the pound fell in value facing the American dollar, but the possibilities to travel in Europe have increased for tourists from all over the world, with special offers and low price vacations.

The low income, the economic and financial instability reflected in the bankruptcy of prestigious firms and banks; natural disasters such as Iceland's volcano and the crisis from Greece had a negative impact on the European consumer, especially regarding tourism consumption.

In the European Union, tourism operators adapted the offer on demand by decreasing tariffs to attract tourists. For example, hotels in Frankfurt lowered tariffs up to 36 percent, in Brussels tariffs have decreased by 30 percent, while in Athens and Berlin tariffs have decreased by 21 percent.

Tourism agencies promote cheaper tourism packages and special offers. The early-booking concept became very popular because tourists prefer to pay in advance for a trip in order to benefit from a discount. Also e-tourism has developed a lot because tourists can create their own tourism packages on the internet, at the desired costs.

The business segment remains very affected without encouraging perspectives for recovery.

Leisure tourism remains more demanded than business tourism, and this trend will continue. Due to the drastic decrease of business tourism, operators have opted for an aggressive marketing for leisure tourism.

For example, reducing the demand on the corporate and conference sector during the summer season provoked huge decreases regarding the profitability of hotels from all over Europe. Hotels from Paris registered a 66.8 percent occupation rate in August, with nearly 10 percent less than the last twelve month average. In Brussels, the occupancy rate was 52.8 percent in August, with 12 percent less than the last twelve month average.

The difficult background of the tourism industry has highlighted a number of challenges which the European tourism sector must face. It is essential that all operators in the tourism sector combine their efforts and work together in order to increase its competitiveness and to ensure its sustainable growth.

Tourism is an economic activity with an important impact on the economic growth and employment in Europe. Being an activity which affects cultural and natural heritage and traditions and contemporary cultures in the European Union, tourism becomes an example of the need to reconcile economic growth and sustainable development.

Tourism is also an important instrument which can be used to reinforce Europe's image in the world, projecting its values and promoting its attractions, which are the result of centuries of cultural exchanges, linguistic diversity and creativity.

4. Changes in the Romanian Tourism Consumer's Behaviour

According to a recent classification, regarding competitiveness in tourism, made by the World Economic Forum and which includes 139 countries, Romania is situated on the 63rd position, occupying the last position of the European Union countries.

Because of its already weak position on the European market, Romania faces a very difficult situation regarding the tourism industry.

In the context of European Union operators reducing their tariffs, Romania, which is a country lacking both infrastructure and services quality, faces a difficult challenge: to acquire the ability to reinvent itself regarding the infrastructure and also the service offer. The purpose is to achieve a similar European standard infrastructure and to offer quality services at competitive prices.

Romanian tourists reduced the budget allocated for travel. If in 2008 lots of tourists took loans in order to go on vacation, in 2009 and 2010 their behaviour changed considerably. They think twice before taking a decision, regarding the fact that the amount of money used for

Tourism agencies sold, in the first nine months of 2010, 2.5 million vacation packages, achieving a similar level to the same period of 2009, but income decreased by approximately 25 percent due to the fact that most tourists bought cheaper and shorter vacations.

Hotels from Bucharest decreased their tariffs at half the value of 2009. The price per room for an overnight stay decreased below 100 Euros, even at five star units.

The patronages of balneal tourism plan to re-launch programmes with lower tariffs such as: “One week of recovery in balneal

resorts” and “The balneal decade”. These programmes address all social categories.

Hotel operators from mountain resorts and rural areas lowered the tariffs comparing to 2009 and continue to lower them in order to attract tourists even in off-peak season.

The number of Romanian tourists who spent their holiday at the Black seaside has decreased. Romanian tourists who spent holidays at the seaside chose shorter stays.

The Romanian tourism consumer is much more attentive regarding expenses. The low income, the rising prices, the instability of the work place, all these are reasons for which people think twice before deciding to spend money. Given these conditions, travelling becomes for many Romanians a luxury.

The optimistic part is that now it is time for the Romanian tourism to re-invent itself, to offer quality services at competitive tariffs. Also, the limited budget of Romanian tourists can encourage internal tourism. Romania can become a desired destination by foreigners, too, if offering quality services at lower tariffs.

Romania as a tourism destination has a big potential. From the Black seashore and the Danube Delta, to the beauties of the Carpathian Mountains, beautiful Transylvanian cities and villages and the painted monasteries, it is a country worth visiting.

It is a pity that these natural and cultural beauties are not promoted in order to raise interest and attract tourists.

The Romanian tourism should be supported by local authorities in the first place to build a proper infrastructure.

In the second place, tourism operators should be helped in order to overcome difficult situations such as, for example, seasonality and receive support, so as to have the possibility to practice lower prices. Romania's image has suffered a lot of damage. Beside the economic collapse in which it is nowadays, the international mass-media overreacted and exaggerated all the negative aspects, because good news is not news.

Romania's image has to regain strength. Actions like building a positive reputation, finding an up-to-date identity for the country and developing and promoting a strong image brand should be prioritised. One of the beauties of imagining Romania is that one can endlessly rediscover it. It is almost chameleonic in the international imagination and it can be anything.

For the Romanian tourism, 2010 was as difficult as 2009, maybe even more difficult, being the second year of crisis.

Romania needs a serious introspection, which should result in a clear, strong and exciting image.

The hope for 2011 is that it will be a year of recovery for internal, incoming and outgoing tourism.

For the internal tourism, the special offer campaigns are expected to attract more tourists and for incoming tourism the new country brand is expected to have a high impact. For the outgoing tourism, it is expected that the present economic situation will be overcome and more people will afford to travel.

5. Conclusions

Consumer behaviour is a very important aspect to analyze in every marketing activity, especially in the tourism sector.

Consumer behaviour is influenced by many factors which can be grouped in categories such as personal factors, social factors, situational factors and economic factors. By understanding these factors, one can identify an individual's needs.

The tourism industry finds itself in times of uncertainty. In the period 2008-2010, the tourism industry faced difficulties,

triggered by the world-wide economic crisis.

Facing conditions of economic instability, the European tourism consumer has changed his behaviour looking for shorter trips, special offers, discounts and short distance trips.

European tourists became very careful when spending money for travels. They are willing to assign a smaller amount of money to travel than in previous years, and they want to be sure that they benefit from maximum of services.

Romanian tourists have reduced the budget allocated for travel and their behaviour has changed considerably. They think twice before taking a decision, regarding the fact that the amount of money used for the vacation can be used in other purposes.

Romanian tourism operators adapted to the new conditions, by considerably decreasing tariffs.

Although 2011 is expected to be a year of recovery for the Romanian tourism, Romania needs a serious introspection and support in order to develop competitive tourism.

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A FIELD PROJECT REPORT

ON

**“E-COMMERCE FACTORS INFLUENCING CONSUMERS ‘ONLINE SHOPPING
DECISION”**

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

(CHANDALURI JAYANTH BHARADHWAJ GUPTHA, KOPPARAPATI NEELESH SAI CHAND, ANNAM

TARUN KUMAR, SHAIK HUZAYFA, SHAIK NAZIYA)

(Regd. No. 211FC01101, 211FC01102, 211FC01103, 211FC01104, 211FC01105)

Under the esteemed guidance of

Mr. Nagendrakumar Turaga

ASSISTANT PROFESSOR



VIGNAN'S

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DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



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DEPARTMENT OF MANAGEMENT STUDIES

Date: 20-04-2022

PERMISSION LETTER

Following are the students **CHANDALURI JAYANTH BHARADHWAJ GUPTHA,**
KOPPARAPATI NEELESH SAI CHAND, ANNAM TARUN KUMAR, SHAIK HUZAYFA,
SHAIK NAZIYA of IInd MBA bearing roll numbers Regd. No. . **211FC01101, 211FC01102,**
211FC01103, 211FC01104, 211FC01105 were permitted to do a field project on the topic “**E-**
COMMERCE FACTORS INFLUENCING CONSUMERS ‘ONLINE
SHOPPING DECISION’.

T. Nagesh Kumar

GUIDE

HOD/MBA



VIGNAN'S

Foundation for Science, Technology & Research

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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **E-COMMERCE FACTORS INFLUENCING CONSUMERS 'ONLINE SHOPPING DECISION** submitted by **CHANDALURI JAYANTH BHARADHWAJ GUPTHA, KOPPARAPATI NEELESH SAI CHAND, ANNAM TARUN KUMAR, SHAIK HUZAYFA, SHAIK NAZIYA** bearing the Regd. No. **211FC01101, 211FC01102, 211FC01103, 211FC01104, 211FC01105** from the Department of Management Studies, Vignans & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

T. Nagendra Kumar

GUIDE

HOD/MBA

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ABSTRACT

Purpose – The purpose of this paper is to look at the factors driving online shopping and to develop an understanding of the factors influencing the online shopping by the consumers. This is done by exploring the factors that encourage consumers to shop on-line through analysis of such advantages as security, fast delivery, comparable price, convenience, cheaper prices and a wider choice. At the same time, the research project reveals the factors that are discouraging for consumers and the benefits received by buyers making purchases online. Specifically, the research explores how online shopping can be affected by such factors as age, gender or occupation.

Design/methodology/approach – The factors that affect the consumer online shopping have been disclosed through quantitative research by analysing data collected via a web-based questionnaire survey. The sample consisted of 183 Lithuanian consumers who were purchasing online.

Findings –The empirical findings of this study indicate that the main factors influencing consumers to shop online are convenience, simplicity and better price. Analysis of socio-demographical characteristics such as gender has shown that men shop more often online because of the lower price. Respondents of the 25–35 year age group more often choose shopping online for such reasons as lack of time and a wide range of products. The most beneficial factor of shopping online was identified as a possibility to compare prices and buy at a lower price.

Research limitations/implications – This study was done regarding only general conditions and the findings may not necessarily be applicable to a particular e-business. Therefore, in

the future it would be highly encouraged to examine consumers' attitudes towards specialized online shopping websites to look for differences by kind of products or services.

Practical implications – Attributes identified by this study could help e-business developers to form their marketing strategy, identify and remove the main obstacles to creating a highly convenient online shopping service to customers. Online stores can devote valuable corporate resources to better mapping of the online consumers' behaviour, future technologies and developments.

Originality/Value – This paper may be valuable for online retailers, as it will help them to attract consumers and enable to better form their e-marketing strategies allowing to understand the consumers' changing needs and lifestyles as well as to attract them with regard to their online shopping experience.

Keywords (3-5): Online shopping, Consumer behaviour, Internet, B2C e-commerce, Online shopping factors.

I. Introduction

The research problem is the lack of research in the field of e-commerce and consumer decision to purchase online. Without knowing the factors encouraging online shopping it is difficult to develop e-commerce, as well as to identify what is needed to achieve and what criteria the e-commerce should be consistent with.

The main goal of the study is to explore the factors that encourage online shopping, analyzing such e-commercial advantages as security, fast delivery, comparable prices, convenience, cheaper prices, wide choice, etc. A special attention for distinguishing factors contributing to shopping online is given to such factors as age, gender or occupation.

The subject of investigation - factors encouraging online shopping.

Objectives:

1. To analyze the scientific literature that focuses on the scientific approach to online shopping and factors that encourage such shopping.
2. To perform the survey with people who shop online to distinguish the factors that encourage online shopping.
3. To make proposals and recommendations on using the main factors contributing to shopping online.

II. Factors of shopping online

Before analysing the factors of shopping online it's important to clarify the scientific approach to shopping online. Verma, Jain (2015) understand online shopping as individual's actions which are determined by the intention to shop online. Panda, Swar (2014) focus on aspects that influence the individual's buying behaviour. Malik, Gupta (2013) investigate the relationship between the decision/intention to shop online and the factors affecting such decision. They have pointed out that online shopping behaviour refers to the process of purchasing products or services through internet and this process consists of five steps: identification of a problem, information search, evaluation of product options, purchase decision, and post-purchase support. Pavlou, Fygenon (2006) equate online shopping to e-commerce and suggest the definition that e-commerce is the activity where consumers get information and purchase products using Internet technology. It can be stated that the scientific approach to shopping online is associated with a particular customer behavior and their decision/intention of buying online.

While analysing the most important factors of shopping online Verma, Jain (2015) conducted a research on defined population and sought to identify certain features of people making purchases online. The specific term - "need for cognition" (NFC) - has been analysed, which reflects the tendency of individuals to be engaged in thinking and enjoy it. The NFC has been described as a need to structure the current situation as a meaningful one and to understand the experiential world. After a research there were distinguished six factors operating in NFC positive segment: preference for being an advanced user, a confident user of latest in information technology, using it as tool for knowledge exploration, the ability to assess behaviour of a programme, an efficient end user and knowledge of hardware.

Another important research of shopping online factors was conducted using a meta-analysis in order to integrate the findings of previous researches and to provide a more detailed framework of online shopping behaviour, based on the patterns of personality traits, perceived risk, and technology acceptance. The research showed that important factors of online shopping were an attitude to online shopping and a change of customers' attitudes toward making online

purchases (Wu, Ching Ke, 2015).

Exploratory factor analysis identified four factors, namely anxiety, ease of use, usefulness and price, as the determinants of shopper buying behaviour online. Anxiety is the most important factor in online shopping. The next important factor is ease of use. Price, though an important factor, does not influence shoppers as the other variables (Panda, Swar 2014). The theory of planned behaviour identified that the combination of education and income may have some effect on the purchase intention. Gender, occupation, sector of employment are not very important factors of online shopping (Malik, Guptha, 2013).

Yeoh et al. (2015) investigate the impact of consumers' embedded cultural models on post-recovery satisfaction, loyalty and word-of-mouth. The results revealed significant relationships between relational and utilitarian cultural types and post recovery loyalty and word-of-mouth, so these could also be called as important factors of online shopping.

As an important factor of shopping online can be defined price and recommendations of other consumers. Kang Lo et al. (2013) analyse the phenomenon in which the consumer expects the prices of products and services on the Internet to be lower than in traditional shops. Empirical results have shown that consumers expect the similar prices in all online shops but do not compare prices in online and traditional stores. It can be assumed that another important factor of shopping online is similar prices in online shops. Price as an important phenomenon of online shopping also has been analysed by Lo et al. (2014), whose findings show that consumers perceive online retailers' overhead costs as lower than store-based retailers' overhead costs. Sam, Sharma (2015) explores the factors affecting consumers' decision to shop online, and how the decision can be affected by product type. The results showed that an important factor influencing the consumer's decision to buy online is an availability of product information on websites. Ease of use is another encouraging factor to buy online. It was also found that products such as movies, music and videogames are more acceptable items for online shopping. Benlian et al. (2012) analyse the differential effects of provider recommendations and consumer reviews in the process of shopping online. Results of an experimental study show that provider recommendations express significantly higher usefulness and perceived ease of use than reviews of other consumers in the perspective of users. But users of consumer reviews express higher trusting beliefs and perceived affective quality than users of provider recommendations.

Mohammed (2014) intended to explore the factors that affected the online shopping intention among young consumers. The tested results confirmed that the effect for perceived usefulness, perceived risk and trust influences an online shopping intention. Surprisingly, the results could not reveal any statistically significant effect for perceived ease of use and online experience, and it can be assumed that those factors are not very important in shopping online. The findings of another research reveal that young women prefer social e-shopping sites. However, although many research participants found the social e-shopping site more difficult to use, this was

outweighed by their enjoyment of the site and its usefulness (Dennis et al., 2015). Wan et al. (2012) also explore how age and consumers' web shopping experience influence the search, experience, and trust ratings in online shopping. The ANOVA results show that age and the web consumers' shopping experience are significant factors.

The most important factors in shopping online can be seen in Table 1.

Table 1. **Important factors in shopping online**

Authors, which defined important factors of shopping online	Important shopping online factors
Verma, Jain (2015)	Technological factors: preference for being an advanced user, confident user of latest in information technology, using it as a tool for knowledge exploration, ability to assess behaviour of a program, an efficient end user and knowledge of hardware.
Wu, Ching Ke (2015), Yeoh et al. (2015), Panda, Swar (2014), Malik, Guptha (2013), Mohammed (2014), Benlian et al. (2012), Dennis et al. (2015), Wan et al. (2012)	Consumer related factors: attitude to shopping online formation and a change of customers' attitudes; cultural types, post recovery loyalty and word-of-mouth; consumer anxiety, ease of use; consumer education and income; usefulness, perceived risk, trust; provider recommendations and consumer reviews; social e-shopping; age and consumers' shopping experience.
Kang Lo et al. (2013), Lo et al. (2014)	Factors of pricing in online shopping.
Sam, Sharma (2015)	Factors of product/service: availability of product information on websites, product type.

III. Research of shopping online

Methodology. The study was carried out on the basis of quantitative research methodology. There were interviewed 183 people who shopped online. The required sample size was calculated based on the site <http://www.surveysystem.com/sscalc.htm>. For calculation of the sample size the confidence interval of 95%, confidence width of 6% and population as all the people who have bought online in Lithuania were selected. The calculations showed that 183 people is a sufficient sample size for conducting a credible investigation.

Research results. The survey covered 44% of men and 56% of women.

In the theoretical part of the paper the lower price, ability to find a different product, lack of time, wider choice, as well as easier and more convenient shopping were distinguished as the most important factors for shopping online. These factors were also included in the survey questionnaire to distinguish which of them were the most important for people who shopped online. The most important results of the study appear in Table 2.

In most cases the shopping in online stores is selected for its convenience and simplicity (72%). It is influenced by convenient payment, the ability to obtain a required service or product without leaving one's home, a rational assessment of the price when you can compare the price of the same product or service in different stores, as well as prompt acquisition of a product-related information. An attractive price takes the second place (59%).

The analysis of the socio-demographic characteristics shows the statistically significant effect in women more often indicating that their online shopping is determined by a lower price of products/services. It is observed that 25-34 year old people often choose online stores because of lower prices and a greater variety of products, and the 18-34 year age group of respondents in statistically significant terms more frequently prefer online stores due to a greater variety of products. It may be assumed that online shopping by the persons belonging to the age group of 25-34 years is induced by their career advancement and building up of the marital partnership, that result in increased occupational activity.

Table 2. Important factors in shopping online according to age, gender and occupation

		Smaller price	I can find a different product	Lack of time	Greater variety of products	Easier and more convenient	Other
Overall	183	59.3	33.	42.9	39.	72.	4.4
Gender							
Man	102	51.	29.4	47.1	33.3	73.5	2.
Woman	80	70.	37.5	37.5	46.3	70.	7.5
Age							
18-24	22	54.5	40.9	36.4	54.5	68.2	4.5
25-34	86	59.3	36.	53.5	47.7	79.1	3.5
35 and more	74	60.8	27.	32.4	24.3	64.9	5.4
You are							
Entrepreneur	61	63.9	45.9	41.	52.5	70.5	6.6
Employee	100	57.	29.	46.	32.	74.	2.
Student	5	60.	0	20.	20.	60.	0
Unemployed	2	0	0	50.	0	50.	0
Other	14	64.3	21.4	35.7	42.9	71.4	14.3

All factors related to consumer characteristics have the greatest influence on online shopping. Table 2 shows that there are some differences between choices of men and women. Women are more affected by the price while men are influenced by faster and more convenient shopping. In order to assess whether this is true, the Pearson correlation coefficient (the Pearson Chi-square criteria of compatibility) has been calculated.

According to Pearson Chi-square criteria of compatibility it was estimated, if there is an association between the selected statement (shopping online customers are more affected by the price) and whether the consumer is a man or a woman.

The Pearson Chi-Square Test helps to evaluate the compatibility of the statistical relationship between the investigated indications. This criterion is based on the calculation of the probability of frequency (Bilevičienė, Jonušauskas, 2011).

The calculation of relationship brings two hypotheses:

- H_0 (null hypothesis) is an assumption that there is no relationship between indications;
- H_1 (alternative hypothesis) is a hypothesis, which is the opposite of the null hypothesis;
- α – significance level.

Statistical relationship is evaluated between the selected statement (shopping online customers are more affected by the price) and whether the consumer is a man or a woman.

Selected $\alpha = 0.05$.

H_0 – selected assumption that shopping online customers are more affected by the price does not depend on whether the consumer is a man or a woman.

H_1 – selected assumption that shopping online customers are more affected by the price depends on whether the consumer is a man or a woman.

Table 3. Pearson Chi-Square Test

Chi-Square Test					
	Value	df	p-level	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.053 ^a	1	.635		
Continuity Correction ^b	.000	1	1.000		
Likelihood Ratio	.053	1	.635		
Fisher's Exact Test				1.000	.550
Linear-by-Linear Association	.051	1	.699		

From the Table 3 we can see that the observational significance level (p-level) = 0.635. $0.635 > 0.05$. Therefore we accept the hypothesis H_0 - selected assumption that shopping online customers are more affected by the price does not depend on whether the consumer is a man or a woman.

From the Pearson Chi-Square Test results we can interpret that the statement “women are more affected by the price, while men are affected by faster and more convenient shopping factors”, which was seen from the questionnaire results, does not have any statistical proves.

The survey has revealed that usually people choose online shopping for its convenience and simplicity. The analysis of the socio-demographic characteristics shows that women more frequently choose online shopping for lower prices of products while the men more value the faster and more convenient shopping.

IV. Conclusions

1. The scientific approach to online shopping is related to the characteristics of consumers, their decision to buy and affecting factors for shopping online. Based on the analysis of scientific literature, the affecting factors for online shopping are divided into the following 4 groups:
 - Technological factors: good knowledge of information technologies and their use for obtaining the knowledge, capabilities for the use of applications and systems.
 - Consumer-related factors: an attitude to online shopping, cultural types, loyalty, ease of use, consumer education and income, usability, risk and trust, provider recommendations and customer reviews, age and previous online shopping experience.
 - Price factor while shopping online.
 - Product/service factors: the availability of product information on the website, product type.
2. The study of consumers who shop online was focused on the most important factors of shopping online, which in the theoretical part of the paper were identified as the lower price, ability to find a different product, lack of time, wider choice, as well as easier and more convenient shopping. The study has showed that in most cases shopping in e-stores is preferred for its convenience and simplicity. The analysis of the socio-demographic characteristics of the respondents has showed that women prefer to shop online because of lower prices of products offered, and men more value faster and more convenient shopping. The most important factors of online shopping were analyzed based on age groups and it was found that 25–34 year old people more often chose online shops because of lower prices and greater variety of products.
3. Recommendations on how to use the important factors in online shopping could be aimed at developers of websites and owners of e-stores. They should change their marketing strategies giving priority to customer orientation and they should be particularly focused on the ease of use of online shopping services. E-stores should devote resources to better understand consumer behavior, technologies of the future and their development.

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A FIELD PROJECT REPORT

ON

“Factors Influencing Consumers’ Behavioural Intentions Towards Restaurant Patronage”

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

(PASALA GIRIJA RUCHITHA, ARAVAPALLI SAI PHANINDRA, SEGU VAMSI KRISHNA, BOMMINENI YESWANTH VEERTHINENI KISHORE, SHAIK VASEEM, CHITTIMADA PAVAN KUMAR, PUPPALA BHARGAV) (Regd. No211FC01111, 211FC01112, 211FC01113, 211FC01114, 211FC01115, 211FC01116, 211FC01121, 211FC01123)

Under the esteemed guidance of

Mr. Nagendrakumar Turaga

ASSISTANT PROFESSOR



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DEPARTMENT OF MANAGEMENT STUDIES

Vignans' Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



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DEPARTMENT OF MANAGEMENT STUDIES

Date: 20-04-2023

PERMISSION LETTER

Following are the students **PASALA GIRIJA RUCHITHA, ARAVAPALLI SAI PHANINDRA, SEGU VAMSI KRISHNA, BOMMINENI YESWANTH VEERTHINENI KISHORE, SHAIK VASEEM, CHITTIMADA PAVAN KUMAR, PUPPALA BHARGAV** of IInd MBA bearing roll numbers Regd. No. **201FC01121, 201FC01122, 201FC01123, 201FC01124, 201FC01125, 201FC01126** were permitted to do a field project on the topic **“Factors Influencing Consumers’ Behavioural Intentions Towards Restaurant Patronage”**.

T. Nagendra Kumar

GUIDE

HOD/MBA



VIGNAN'S

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(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **Factors Influencing Consumers' Behavioural Intentions Towards Restaurant Patronage** submitted by **PASALA GIRIJA RUCHITHA, ARAVAPALLI SAI PHANINDRA, SEGU VAMSI KRISHNA, BOMMINENI YESWANTH VEERTHINENI KISHORE, SHAIK VASEEM, CHITTIMADA PAVAN KUMAR, PUPPALA BHARGAV** bearing the Regd. No. **201FC01121, 201FC01122, 201FC01123, 201FC01124, 201FC01125, 201FC01126** from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

T. Nagesh Kumar

GUIDE

HOD/MBA

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ABSTRACT

We investigated the effect of service quality on customers satisfaction as well as assessed the effects of restaurant image and customer satisfaction on behavioural intention of restaurant patrons in China. Data for the study was obtained from 329 sample restaurant patrons in the Jiangsu Province of china using structured questionnaires. The data for the study was analysed by the help of SPSS and SmartPLS software for the structural equation modeling analysis. Findings from this study found a direct and positive relationship between service quality and customer satisfaction, perceived value and restaurant image. Also, service quality had an indirect effect on customer satisfaction through perceived value and restaurant image. Additionally, the findings of this study revealed that, service quality, customer satisfaction and brand or restaurant image all have a positive impact on the behavioural intention of restaurant patrons. The study concludes that patronage or re-patronage intention of restaurant customers depends largely on the quality of service, customer satisfaction and restaurant image. As such, firms that need to carve niche for themselves in the hospitality industry must focus on building a strong and positive brand image that resonates with customers. The study proffered some recommendations for management of restaurants.

Keywords: Service quality; Customer satisfaction; Restaurant image; Behavioural intention; Restaurant;

Introduction

A look at the Chinese restaurant sector indicates proliferation of restaurants in cities, towns and regions all across China. This proliferation might be connected to the overall rise in general economic and social wellbeing of the people. China has been on the rise economically for over two decades now and the economic outlook of the country looks phenomenal. This has resulted in the creation of economic freedom and the citizens seem to be living lavish life styles. There is an upsurge in the patronage of restaurants services for the Chinese as they prefer to eat out especially the working class. The increase patronage of restaurant services in every developing city of the world might be influenced by globalization (Tabassum & Rahman, 2012). According to Ahmed, Hossain, Malek, and Begum (2008), there is an increase in the trend of restaurant patronage in the upper class in society, especially among teenagers and the youth. Also, Park (2004) explained the reasons for eating out at fast food restaurants includes satisfying hunger, convenience, pleasure, entertainment, time saving, social interaction and the mood transformation (Olise, Okoli, & Ekeke, 2015)

Most customers are accustomed to the European or American type of restaurant that provides fast food option for customers. Notable among these fast food restaurants include the Kentucky Fried Chicken (KFC), McDonalds, Pizza Hut, Subway, Marry Brown, and so on. Coincidentally, a number of these fast food restaurants are also available in most Chinese cities and towns. However, there are other competing Chinese brands that offer similar menus to customers across the different customer segments. Majority of these restaurants provide various Chinese cuisine and targeted at both natives and foreigners alike.

According to the data from the McKinsey Global Institute analysis, by the year 2025, the urban households of China will make up one of the largest consumer markets in the world, spending about 20 trillion yuan per year (Farrell, Gersch, & Stephenson, 2006). Economic growth and development in China can be clearly influenced by the expanding of the middle class and increase in their purchasing power is an attraction to both local and international companies. This study targets the middle class in China to determine factors that influence their choice and patronage of restaurants services. The reasons for targeting middle-class consumers include the fact that middle class spending growth has been primarily driven by consumers in the upper-middle income band, which have a significant amount of disposable income.

A review of the extant literature shows that reasons customers patronize restaurants include “food quality, service quality, environment, price, and quick service” (Akbar & Alaudeen, 2012; Tabassum & Rahman, 2012; Tat, Sook-Min, Ai-Chin, Rasli, & Hamid, 2011), “restaurant image” (Ling, Mun, & Ling, 2011) “and fast food store image factors, customers' values of eating-out, customers' opinions about the globalization” (Ibrahim & Vignali, 2005).

The research on the customer loyalty in China has gained much attention in the popular press but there is a scarcity in the research literature and its scope is very limited. The research on the pivotal determinants of consumers' shopping behavior and choice of products to consume, such as the perceived value, quality and price, has provide few conclusive findings (Parasuraman, Zeithaml, & Berry, 1988). The effects of quality, value and customer satisfaction have been examined by (Brady, Cronin, & Brand, 2002). These researchers claim that, available literature on the above shows conflicting research findings and the importance of these constructs are yet to be investigated. This gap in the literature has brought about the need for research, regarding the effects of service quality, value and customer satisfaction on the purchase intentions of the consumers as well as the customer loyalty to particular service

environment.

Additionally, the service literature has been dominated by the study of service value, service quality and consumer satisfaction. There is both, operative and conceptual focus on the discussion, with the intention to identify the relationships between these concepts. Customer satisfaction and service quality have been studied in great length due to their overlapping effects and interrelationships, and the integration of the factors to reflect the consumer loyalty under several cultural backgrounds. This study thus, aims at assessing the effect of service quality on customer satisfaction as well as the effect of customer satisfaction on the patronage behavior of restaurant customers in China.

Accordingly, the following specific objectives are explored;

- Assess the effect of perceived service quality on customer satisfaction, restaurant image and perceived value
- Examine the effect of customer satisfaction and restaurant image on behavioural intention of customers.

1. Literature review

1.1 *Perceived Service quality and customer satisfaction*

Perceived quality can be explained as how customers view the services of a firm relative to other competing service offerings. Perceived quality is, thus the perception held by customers and might not be the reality. Quality is explained by matching with the consumer's preferences (Parasuraman, Zeithamal, & Berry, 1998). Perceived service quality has a critical role in the consumers' evaluation and decision-making process; thus, the perceived service quality is a critical concept in business and service marketing (Kim & Han, 2008).

Service quality has been examined severally by a number of researchers, and, Lee, Lee, and Yoo (2000) noted that service managers should emphasize on the performance perceived by the customers rather than the difference between perceived performance and prior expectations. Hwang and Ok (2013) examined the interrelationships between three primary dimensions of service quality i.e. physical environment, interaction and outcome in casual and full-service restaurants (Clemes, Mohi, Li, & Hu, 2018). Despite the importance of service quality, it is reported that, there is no conclusive evidence regarding which service quality dimension is important to consumer loyalty in the restaurant sector. However, in their study, Clemes et al. (2018) found service quality as one of the determinants of customer satisfaction in a restaurant setting. Also, Carranza, Díaz, and Martín-Consuegra (2018) report that several studies have found positive relationship between service quality and consumer satisfaction (Bufquin, DiPietro, & Partlow, 2017; Wu & Mohi, 2015). We propose therefore that:

H1: Perceived service quality is expected to have a positive effect on Customer satisfaction
H2: Perceived service quality is expected influence positively on Restaurant Image

H3: Perceived service quality is expected to have positive influence Perceived value of restaurant

1.2 Perceived Value

Perceived value as a concept has had an importance in marketing research for a long time (Chang & Wang, 2010). Identifying customer needs and providing value for the customer has long been seen as a cornerstone of marketing and competitive strategy (Lindgreen & Wynstra, 2005). Customer perceived value often has little to do with actual price. Instead, it deals with abstract costs. The perceived value is important because it determines the extent of willingness shown by the customers to purchase the product or service offered, such that, the greater the perceived value the greater the intent to purchase the product or service is shown by the customers (Dodds, Monroe, & Grewal, 1991). Researchers agree that perceived value is a major influence on consumer loyalty (Fornell, Johnson, Anderson, Cha, & Bryant, 1996; Oh, 2000; Yang & Peterson, 2004).

Perceived value has been explained as “the benefits received relative to costs however, the construct may have a different meaning among individuals” (Clemes et al., 2018). Also, perceived value “may be a low price for some consumers, or the quality the consumer receives for the price they pay (Jang & Jooyeon, 2015; Yüksel & Yüksel, 2002) and the construct may positively influence customers’ perceptions of service quality” (Gallarza & Gil Saura, 2006; Hu, Kandampully, & Juwaheer, 2009). Perceived value has been argued to have positive relationship with customer satisfaction (Chen, 2008). Therefore, the following hypotheses are proposed:

H4: Perceived value has a positive and direct effect on customer satisfaction
Restaurant image

Brand image has been explained as “the sum of beliefs, ideas and impressions that a person or a group has of an object” which might be “a company, product, brand, place or person” (Clemes et al., 2018). Dobni and Zinkhan (1990) also defined brand image as “customer’s emotional attitudes regarding a specific brand”. Customers rely heavily on brand image in making purchasing decisions when they have little brand knowledge (Dodds et al., 1991). Brand image provides a product identity to customers. The image of a brand might be a determining factor in customer’s brand evaluation and decision-making process of a choice of a restaurant. It might also serve as a guide for customers in assessing whether or not a restaurant can fulfil their needs (Eliwa, 2006). Restaurant image has been argued to positively influence both customer satisfaction (Eliwa, 2006; Ryu, Han, & Kim, 2008) and behavioural intentions (Nguyen, 2006; Ryu, Han, & Pearlman, 1989). As such, we propose these hypotheses that: *H5. Restaurant image would positively influence consumers satisfaction*

H6: Restaurant image is expected to have a positive influence of customer’s behavioural intentions

1.3 Customer Satisfaction and Behavioural intention

Satisfaction has been thought of customer’s evaluation of whether or not a product or service has met their expectations or not. Customer satisfaction is explained by the percentage of total customers or the total number of customers who reported that their experience with a firm, its products, or its services exceeds their specified satisfaction expectations. It is considered that customers judge products on a limited set of norms and attributes. Customer

satisfaction has been defined to mean assessments made by customers with regards to product or service features that provides a positive result derived from consumption (Ali, 2016; Oliver, 2009). This concept has been examined in the restaurant sector to assess whether or not its outcome is dependent on service quality (Carranza et al., 2018)

High-standard customer service can win customers' hearts and make the product or service recognizable within a target group. In recent times, due to the proliferation of social media activities, it is important to keep an eye on a quality of customer service provided to consumers because consumer satisfaction can be an important marketing tool to companies' business growth. Hyun (2010) and Abdelhamied (2011) argue that positive perceptions of service quality has the tendency to elicit positive response from restaurant patrons and might engage in re-patronage and providing positive word-of-mouth. We therefore propose the hypothesis that:

H7: Customer Satisfaction is expected to have positive and direct influence behavioural intention of customers The model structure of this paper is shown in Figure 1. The model shows the various relationships among the

study's variables. It shows the direct relationship between the independent variable SQ and dependent variables Customer satisfaction, Perceived value, Restaurant image and Behavioural intention. There is also a direct relationship between the second order variables CS, RI and Behavioural intention. It also portrays the indirect relationships among the constructs.

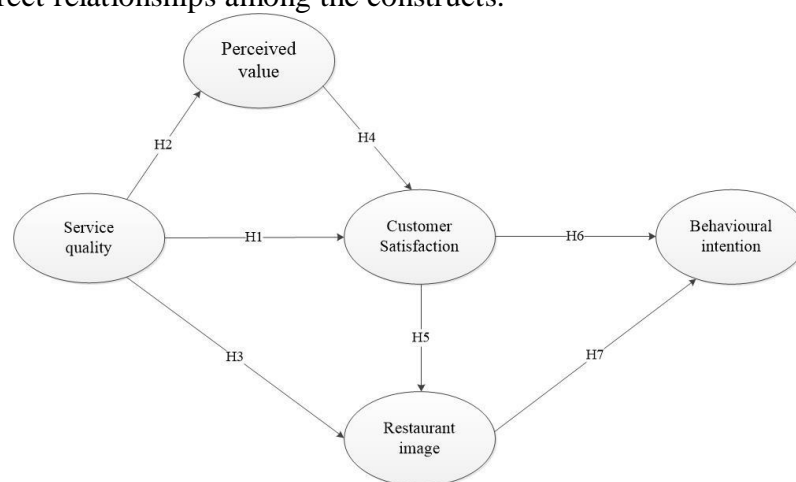


Figure 1. Conceptual model of the study

I. 3.0 Methodology

The survey method was employed in this study to assess the effect of service quality on customers satisfaction and customer behavioural intentions in Chinese restaurants. The choice of the survey technique is based on its ability to accommodate large samples sizes and also due to its generalizability of results findings. The survey technique in this study is the self-administered technique which requires the author of the study to directly drop-off the surveys to the target restaurants.

This study considers the use of the Non-probability and convenience sampling because without a list of restaurant users it is not possible to identify the population of the study, nor estimate the sample size. To ensure that sample characteristics represents the population of the targeted restaurants' customers overall, attention is paid to the combined age of the people and their sex, the minimum age of attitude research is usually 18.

Adopting a convenience sampling technique, the study sampled 329

restaurant customers in the Jiangsu province in China. A self-administered, structured questionnaire was developed, pre-tested and finally administered to the respondents through personal contact by researcher. The researchers used informed consent form to seek permission from the respondents and assured the respondents of anonymity and confidentiality of their responses.

A five-point Likert scale was used to measure variables for the research constructs as recommended in previous works. The Likert scale ranged from strongly disagree (1) to strongly agree (5). The items measuring the five multi-item constructs had 24 items that were adopted from previous studies and adapted to fit in our current study.

To analyse our study's findings, we first performed data cleaning and recording of the data to remove outlier through the Statistical Package for Social Sciences (SPSS V.22). Next, we performed an exploratory factor analysis (EFA) to determine number of factors to extract for our study using the direct varimax rotation. This enabled us to test the proposed relationships among the study variables. Drawing on the view of Pallant (2011), three main steps were followed in carrying out the EFA: "(1) Assessment of the suitability of the data for factor analysis, (2) Factor extraction, and (3) Factor rotation and interpretation."

After EFA, we also performed a confirmatory factor analysis (CFA) and then transferred the data SmartPLS3 for further analysis. Our proposed model was, therefore, assessed for model fitness using the structural equation modeling (SEM) via SmartPLS 3.

4.0 Results of the Study

4.1 Confirmatory Factor Analysis (CFA)

Our study performed the Harman's Single-Factor test to check the common method variance. This test was conducted using exploratory factor analysis (EFA) and loading 6 items on one factor. Twenty-six items were initially entered but 6 of the items were later removed leaving 20 items. The remaining items or components explained about 95% of the variance in our sample (see table 1).

Table 1. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.952
Bartlett's Test of Sphericity	Approx. Chi-Square
	Df
	Sig
	.
	9278.068
	820
	.000

4.1.2 Reliability and validity of Scales

To check the reliability of our scales, we first tested for convergent and discriminant validity. Bartlett's Test of Sphericity was adopted for the measurement of construct validity whiles the Kaiser-Meyer-Olkin (KMO) was employed for the measurement of Sampling Adequacy of individual variables. To perform factor analysis, it is expected that the KMO overall score should be 0.6 or higher (Özdamar, 2017). Accordingly, the results of the Bartlett's test of Sphericity and KMO revealed that both are significant and suitable for the factor analysis (Table 1).

The result of the cumulative variance shows 95%, which exceeds the minimum acceptance level of 60% (Özdamar, 2017), The Bartlett's Test of Sphericity from the table above shows that the correlation between the variables is 9278.068 which is sufficient, and significant ($P > 0.000$). Whiles

the factor loadings of all the construct exceeded 0.5 (Hair Jr, Sarstedt, Ringle, & Gudergan, 2017; Ringle, Wende, & Becker, 2015). The figures in the table shows that, there is convergent and discriminant validity (See Table 1).

4.1.3 Measurement model reliability and validity

To assess the internal consistency of our result, we tested the reliability of our constructs. We assessed this through the item factor loadings which exceeded 0.70 and also through the Cronbach's alpha which were all higher than the required level of 0.7 (Hair, Ringle, & Sarstedt, 2011; Ringle et al., 2015).

Table 2: Item loading and construct reliability

	F L	CA	rho_A	CR	AVE	
BI1	0.845		0.910	0.911	0.933	0.735
BI2	0.846					
BI3	0.877					
BI4	0.868					
BI5	0.850					
CSAT1	0.869	0.803	0.803	0.871		0.629
CSAT2	0.904					
CSAT3	0.835					
CSAT4	0.791					
IM1	0.761	0.872	0.873	0.913		0.724
IM2	0.820					
IM3	0.795					
IM4	0.794					
Pv1	0.807	0.746	0.761	0.852		0.658
Pv2	0.842					
Pv3	0.783					
SQ1	0.845	0.846	0.853	0.896		0.683
SQ2	0.816					
SQ3	0.807					
SQ4	0.837					

Notes: FL – Item Loadings, BI – Behavioural intentions, CSAT – Customer satisfaction, IM – Image, Pv – Perceived value, SQ – Service quality, AVE- Average variance extracted, CR- Composite reliability, CA – Cronbach's alpha

Again, we also ensured convergent validity using the average variance extracted (Larsen, Attkisson, Hargreaves, & Nguyen) and composite reliability (Brady et al.). From table 2 the convergent validity was also achieved since the AVE and CR satisfied the minimum requirement of 0.50 and 0.70 respectively (Fornell & Larcker, 1981; Ringle et al., 2015)

Table 3. Discriminant Validity

	BI	Bimage	CSAT	Pvalue	ServQuality
BI	0.857				
Bimage	0.431	0.793			
CSAT	0.734	0.468	0.851		
Pvalue	0.432	0.577	0.571	0.811	
ServQuality	0.798	0.423	0.700	0.420	0.826

The table 3 show the discriminant analysis which requires a factor to correlate higher than with any other construct on its scale (Messick, 1988). All

the variables in the Table xxx loaded higher than any other factor on their scales. Behavioural intention had a value (0.85) which was higher than all the other values on that scale. Restaurant image had a value of (0.79), CSAT (0.85), Pvalue (0.8), and Service quality (0.8).

4.2 Results of Structural Model

We assessed the structural model using the regression weights, t-values, and p-values for significance of t-statistics (Chin, 2010; Ringle et al., 2015). The results of structural model for testing the research hypotheses are presented in Figure 2 and Table 4.

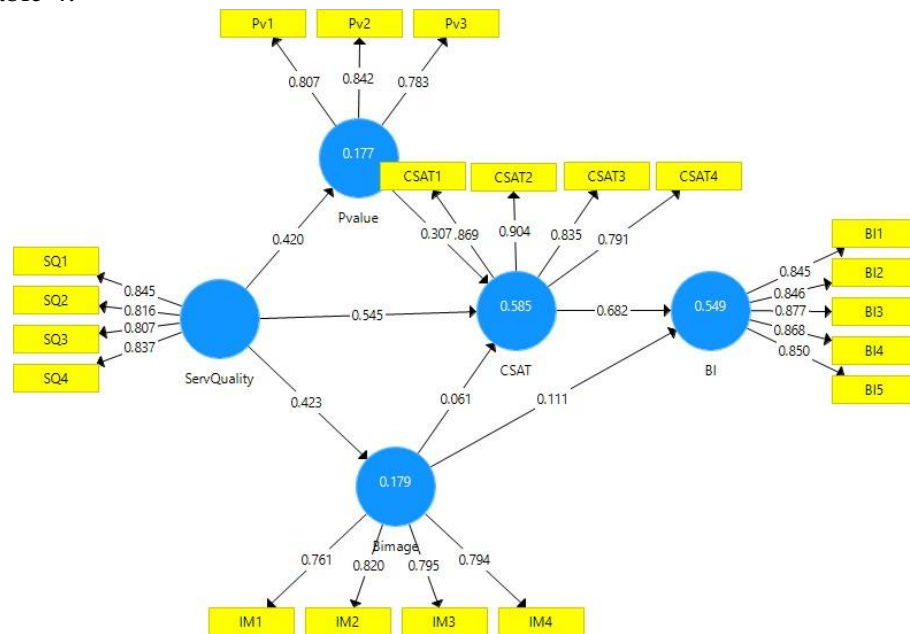


Figure 2. Structural model showing relationship among the variables

Figure 2 shows the structural model's assessment regarding the relationship between the variables. The assessment includes the path coefficients that estimate the relationship between the variables. From Figure 2, service quality related positively with perceived value and restaurant image (0.420) and (0.423) respectively. Also, perceived value and restaurant image both related positively with customer satisfaction 0.307 and 0.061 respectively. This means that image as well as perceived value shapes satisfaction of customers. Again, customer satisfaction and restaurant image both related positively with behavioural intention 0.0682 and 0.111 respectively. This also means that customer satisfaction and brand image influence behavioural intention of customers positively.

4.2.1 Hypothesis test

We tested the hypotheses using bootstrapping method with 5000 samples to assess the effect of service quality and customer satisfaction on consumers' behavioral intention in restaurant setting in China. Six out of the 7 hypotheses tested showed a positive and significant relationship among the hypothesized relationships (H1, H2, H3, H4, H6 and H7; $p < 0.05$). Service quality had a positive and significant relationship with CSAT, Pvalue and RI. This led to the acceptance of H1, H2 and H3 respectively. The first hypothesis shows a positive and significant relationship between SQ and CSAT ($\beta = 0.545$; $t =$

12.03; $p < 0.001$) and this led to the acceptance of H1. This means that would be satisfied with their restaurant service once they perceive quality of service from the service providers. The Beta score here means that when service quality improved by 1% customer satisfaction increases by about 54%.

The second hypothesis H2 also shows a positive and significant effect of SQ on perceived value ($\beta = 0.420$; $t = 8.19$; $p < 0.001$) and this led to the acceptance of H2. This finding also means that, once customers perceive quality of service from the service providers, they place high value on the service provider which might influence their future intention of visiting the same restaurant. Hypothesis 3 also found a positive and significant relationship between SQ and restaurant image ($\beta = 0.423$; $t = 7.54$; $p < 0.001$); this led to the acceptance of H3. The Beta score here means that when service quality improves by 1%, brand image of the restaurant also increases by about 42.3%. In the second model, two hypotheses were tested H4 and H5. The fourth hypothesis also shows a positive and significant relationship between perceived value and customer satisfaction ($\beta = 0.307$; $t = 6.98$; $p < 0.001$); this led to the acceptance of hypothesis H4. This means that, perceived value of the restaurant would have a positive effect on the satisfaction customers receive from the service provider. However, the fifth hypothesis showed a positive but insignificant relationship between Image and Customer satisfaction ($\beta = 0.061$; $t = 0.99$; $p > 0.05$). Image of the restaurant although has a positive effect on the satisfaction of customers, the effect is however not significant.

Table 4. Path Coefficients

Path	Beta	STDEV	t-value	p-value
H1 ServQuality -> CSAT	0.545	0.045	12.032	0.000
H2 ServQuality -> Pvalue	0.420	0.051	8.187	0.000
H3 ServQuality -> Bimage	0.423	0.056	7.541	0.000
H4 Pvalue -> CSAT	0.307	0.044	6.987	0.000
H5 Bimage -> CSAT	0.061	0.061	0.992	0.321
H6 CSAT -> BI	0.682	0.045	15.238	0.000
H7 Bimage -> BI	0.111	0.048	2.303	0.021

The third model also shows a positive and significant relationship between customer satisfaction, restaurant image and BI ($p < 0.05$). hypothesis 6 showed a positive and significant relationship between customer satisfaction and behavioural intention ($\beta = 0.682$; $t = 15.24$; $p < 0.001$); this led to the acceptance of hypothesis H6. This finding means that, customer satisfaction has a strong influence on customer's intention to re-patronize a particular restaurant or service provider. The seventh hypothesis also had a positive and significant relationship with BI (β

$= 0.111$; $t = 2.3$; $p < 0.05$) and this led to the acceptance of hypothesis H7. This finding also means that customer's perception of brand image of the restaurant would influence their re-patronage behavior of their service provider (see Table 4). 7

Table 5. Indirect effect

	Beta	Mean	SD	t-value	p-value
ServQuality -> Bimage -> BI	0.047	0.049	0.025	1.923	0.055
ServQuality -> Bimage -> CSAT -	0.018	0.01	0.018	0.967	0.333

> BI						8
ServQuality -> Pvalue -> CSAT	0.088	0.08	0.017	5.331	0.000	
> BI						8
ServQuality -> CSAT -> BI	0.372	0.37	0.048	7.787	0.000	
ServQuality -> Bimage -> CSAT	0.026	0.02	0.027	0.954	0.340	
						7
ServQuality -> Pvalue -> CSAT	0.129	0.12	0.024	5.461	0.000	
						9

Aside the direct relationship with regards to the hypothesized relationships, we also tested the indirect relationships the endogenous variables had on the exogenous variables. Service quality influenced BI indirectly through four paths which were all positive. The first path ServQuality -> Bimage -> BI shows a positive and significant indirect effect between SQ and BI ($\beta = 0.047$; $t = 1.92$; $p < 0.05$). The second path, ServQuality -> Bimage -> CSAT -> BI shows a positive but insignificant indirect effect between SQ and BI ($\beta = 0.047$; $t = 1.92$; $p < 0.05$). the third path ServQuality -> Pvalue -> CSAT -> BI also shows a positive and significant indirect effect between SQ and BI ($\beta = 0.088$; $t = 5.33$; $p < 0.001$). The fourth path ServQuality -> CSAT -> BI also shows a positive and significant indirect effect between SQ and BI ($\beta = 0.372$; $t = 7.788$; $p < 0.001$).

Again, there was an indirect relationship established between SQ and CSAT in two different paths. The first path, ServQuality -> Bimage -> CSAT shows a positive and significant indirect effect between SQ and CSAT ($\beta = 0.026$; $t = 0.95$; $p < 0.5$). This finding means that that service quality influences CSAT indirectly through brand image and also through Perceived value. Thus, this finding further suggests that, brand image mediates the relationship between service quality and customer satisfaction. The second path, ServQuality -> Pvalue -> CSAT also shows a positive and significant indirect effect between SQ and CSAT ($\beta = 0.129$; $t = 5.46$; $p < 0.001$). The finding here also means that brand image mediates the relationship between service quality and customer satisfaction. Firms that want to ensure the satisfaction of customers must therefore also pay attention to the value they offer customers. Restaurant owners and service providers must ensure to provide value for money services for their customers at all times.

II. 5. Conclusion and Implication

This study sought to assess the effect of service quality on customers satisfaction as well as the effect of customer satisfaction and restaurant image on the behavioural intention of restaurant patrons in China. The finding from this study suggest that, service quality greatly influence customer satisfaction directly and indirectly through perceived value and brand image. To ensure satisfaction of customers, restaurant owners and other service providers must pay particular attention to their brand image. Also, the patronage or re-patronage intention of restaurant customers depends largely on the quality of service, customer satisfaction and restaurant image.

Firms that need to carve niche for themselves in the hospitality industry must therefore focus on building a strong and positive brand image that resonates with customers. This is because, image of the brand sends a strong message to customers and potential customers about the kind of service they would receive from the service providers.

Again, care must be taken to provide better services to customers the first

time to create first impression about the level of quality service delivery. When done, this might help the restaurant achieve customer satisfaction and build long-term profitable relationship with customers. Management should therefore ensure that they maintain good hygiene, neat and tidy eating space, well ventilated and environmentally friendly dining area. This would create a kind of place customers would feel safe and secure to dine at.

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A FIELD PROJECT REPORT
ON
**“A STUDY ON CUSTOMER SATISFCATION OF GOOGLEPAY UPI
PAYMENT APPLICATION”**

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted by

**(CHILLARA SUBRAHMANYA SAI GANESH, SHAIK SOHAIL AHMED, GUNTUPALLI
VYSHNAVI, PADAVALA BHARGAV, KALEPALLI SAI AKHIL)**

(Regd. No. 211FC01060, 211FC01062, 211FC01063, 211FC01064, 211FC01065)

Under the esteemed guidance of

Mr. M. Ramu

Assistant Professor



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Foundation for Science, Technology & Research

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Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

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PERMISSION LETTER

Following are the students **CHILLARA SUBRAHMANYA SAI GANESH, SHAIK SOHAIL AHMED, GUNTUPALLI VYSHNAVI, PADAVALA BHARGAV, KALEPALLI SAI AKHIL** of II MBA bearing Regd. No. **211FC01060, 211FC01062, 211FC01063, 211FC01064, 211FC01065** were permitted to do a field project on the topic **“A STUDY ON CUSTOMER SATISFCATION OF GOOGLEPAY UPI PAYMENT APPLICATION”**.



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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **A STUDY ON CUSTOMER SATISFCATION OF GOOGLEPAY UPI PAYMENT APPLICATION** submitted by **CHILLARA SUBRAHMANYA SAI GANESH, SHAIK SOHAIL AHMED, GUNTUPALLI VYSHNAVI, PADAVALA BHARGAV, KALEPALLI SAI AKHIL** bearing the Regd. No. **211FC01060, 211FC01062, 211FC01063, 211FC01064, 211FC01065** from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.



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CHAPTER-1

INTRODUCTION

INTRODUCTION

Advancement in technology has changed the system of payments in India. Post Demonetization period (After 08 November 2016), has played an important role in the growth of digital payments in India. Also, cashless transaction has been extensively pushed by Prime Minister Mr. Narendra Modi as part of government reforms. The number of digital transactions stood at about 11.8 billion for the first six months of this financial year, according to calculations based on data from the Reserve Bank of India and the National Payments Corporation of India.

This market of digital payments highly effected by a smart tool known as smart phones, this has become a key component of people's personal, professional and financial online life. Smart phone ecosystem made it very easy to inculcate the use of various application/technology in our day today life. Easy availability of internet connection, one touch access, secures financial transaction influence the adoption of one touch payment. Thus, to optimize this benefit of smart phone and technology and to develop a platform for cashless and transparent financial transactions the Government of India developed one significant product, the "UPI" (Unified Payment Interface).

UPI is a simple payment tool created by NPCI that is based on IMPS system. UPI can operate on a smart phone and it works as an email ID for money. It facilitates virtual Payment address (VPA: A VPA is an ID, which a user creates by linking their accounts to a bank's mobile application) as a payment identifier for sending and collecting money and works on single click.

INDUSTRY PROFILE

Google Pay is a digital wallet and payment platform from Google. It enables users to pay for transactions with Android devices in-store and on supported websites, mobile apps and Google services, like the Google Play Store.

Users link credit or debit cards to their Google Pay account, which is used for making the transactions for in-store or online purchases. On Android devices, Google Pay uses near field communication (NFC) to interact with payment terminals. When signed in to one's Google account in the Chrome browser, users can conduct transactions with Google Pay on sites that support the service.

Google Wallet was the company's first mobile payment system, developed for Android devices in 2011. In 2015, it was renamed Android Pay, with Google Wallet refocused to strictly peer-to-peer (P2P) payments.

In 2018, Google announced that Google Wallet would join the other payment offerings under the Google Pay branding. Google Wallet was then renamed Google Pay Send.

Google Pay is available for contactless payments on Android devices. The peer-to-peer functions and account access are available on iOS. However, when using an iPhone or Apple Watch for NFC payments, only Apple Pay is eligible for this use case.

The Google Pay service works with hundreds of banks and payment providers. Specifically, cards from Visa, MasterCard, Discover and American Express are called out for support. Users should check with their individual bank if they are unsure about its compatibility with Google Pay. Additionally, the Google Pay user website maintains a list of supported banks by country.

There is also a Google support site list of featured stores and transit agencies that support Google Pay. Users should look for the Google Pay symbol or contactless

payment symbol on a terminal. To pay, users must have the Google Pay app installed on their device and have linked a card to their account.

After using Google Pay, the list of previous transactions are saved to one's Google account for later retrieval and record keeping.

Google Pay generates a unique, encrypted number instead of your actual credit card number when registering the transaction. Additionally, this virtual account number is removed if screen lock is disabled on the user's device.

If a device is lost, Google's Find My Device service can be used to remotely wipe sensitive information, if necessary. Users can also sign into their Google Pay account from another device and remove any cards or bank accounts they have attached.

Google Pay Send is the peer-to-peer payment function of Google Pay. Individuals can use the service to send money to friends or other contacts by inputting their email address or phone number into the application.

Whoever receives the money must link the phone number or email address to a bank account. Or if they have an existing Google Pay account, funds will post directly to that account. Payments can be sent without fees through the app for Android, iOS or through one's Google Pay account on the web.

HOW DOES GOOGLE PAY WORK?

Google Pay enables sending and receiving money, but unlike other digital wallets, the payments can be received directly into the bank accounts. So the entire concern of receiving money in wallets and then transferring into the bank account has been eliminated.

Interestingly, a person doesn't have to be on the Google Pay app to receive payments. Google Pay simplifies the process of money transfer even through their website.

Though the primary function of the app is to allow simple money transfer transactions, it also allows the users to make payments in stores that accept UPI-

based transactions.

The user has to do the following:

1. Link the bank account with Google Pay.
2. Set the UPI pin.

COMPANY PROFILE

India growing fast in the usage of Digital Payments options. With the increase in Internet usage, Digital payment is also come into existence. The payment firstly shifted from the traditional payment into Electronic Payment through Debit and Credit cards, E-Payments options through E- Banking and then further shifted to Mobile Payment through the usage of M –Payment technologies.

Digital payment is also coming in growing stage by the support of Government. After demonetization Indian Government work on Cashless Transaction Through their Campaign known as “Digital India- Power to Empower”. The Expansion of Cashless India or Digital India is majorly based on four factors:

1. **Advancement in technology:** Technology has been advancing at a rapid pace to deliver robust, secure and convenient payments solutions. This enables rapid delivery of payment services to large sections of the population.
2. **Economical:** Digital payments allow services to be delivered at lower costs, afford greater scalability and greater ease of access. This in turn, helps in fostering economic growth and financial inclusion.
3. **No more unlimited cash transactions:** Though there are several perceived benefits of transacting in cash (such as instantaneous settlement, relative anonymity, and the notion of security), government of India has put embargo on unlimited cash transactions.

4. Government initiatives: Initiatives taken by the government have created a catalytic environment for the greater proliferation and growth of digital payments.

UPI is one of the best examples of it, the advancement in technology and adoption of smart phones has motivated Indian customers to accept the virtual payment system.

NEED FOR THE STUDY

UPI is an abstraction over standard payment transfer mechanism like IMPS. It helps to hide sensitive account information along with consumer convenience. Also, UPI is fast and does not involve the costs like debit card or net banking. By using statistics government and other bodies the study will approach to understand, discuss and bring out the issue relevant to the title.

CHALLENGES FACED BY INDIA IN E-BANKING SECTOR

Over the ten years, India has made little slow but steady progress in E-Payments. Till now many methods are invented in E Payments to digitalize the current Banking system. So, UPI (Unified payment Interface) is one of them. India is a large scale country and so many are unbanked or don't know how to avail the banking services which are easy and secure. But due to less literacy rate and unknown factors, people do not use or face difficulties in using Banking services. So, we need to overcome these difficulties and to make the payment process easy.

Some of the challenges currently India is facing in the E Banking sector are:

1. According to the data provided by RBI, the number of E payments or non-cash transactions stands at 6 per person per year

2. About 1 crore plus stores have card acceptance infrastructure but currently 6lakh stores using this facility

3. According to the data provided by RBI, out of 6 lakh villages in India, only less than 1 lakh villages are using banking services

To make E Banking sector more easy, convenient, secure Government started NPCI (National Payments Corporation of India) in 2009, which controls all E Payments in India and it is setup with guidance and support of Reserve bank of India (RBI) and Indian bank association (IBA). After the starting NPCI, it has taken many steps to simply and provides single interface payment system across all the systems. Some of the key drivers are

1. Simplicity: Paying and receiving money should be easy as making calls or operating a basic mobile phone. When you want to send money to any person, the recipient should be easily found with less details means if you have his phone number or Aadhaar number or virtual address, then you don't have to enter multiple details like Account number, IFSC code and other details.

2. Adoption: When you are sending money to any person, there should not be like sender should have same mobile as receiver or vice versa. So system should be universal. User can send their money to anyone who have Bank account with easy process. Similarly, it should allow full interoperability between multiple identifiers such as Aadhaar number, mobile number, and new virtual payment addresses.

3. Security: The main and most needed thing is the security. The end to end protection between sender and receiver should be more. Data reading from smartphone to server should be strongly encrypted. Similarly the process of sending

money or receiving should not be complicated because of security reason. It should be simple, convenient with all securities.

4. Cost - Considering the fact that about 150 million smartphone users exist today and that number is expected to grow to 500 million in the next 5 years, solution should offer a mechanism to take full advantage of that. Use of mobile phone as the authentication (credential capture) device, use of virtual payment addresses, and use of 3rd party portable authentication schemes such as Aadhaar should allow both acquiring side and issuing side cost to be driven down. This allows banks and other payment players to focus on core business and allow half a billion phones to be the primary payment device in conjunction with other 3rd party authentication.

OBJECTIVES OF UPI

1. Providing instant payments via mobile, web and other applications.
2. Providing more secure, convenient payment service to both sender and receiver channels.
3. It allows banks and other players to innovate and offer a superior customer experience to make electronic payments convenient and secure.
4. Supports the growth of e-commerce, while simultaneously meeting the target of financial inclusion.
5. Virtual payment addresses, 1-click 2-factor authentication, Aadhaar integration, use of payer's smartphone for secure credential capture, etc. are some of the core features.

COMMON FEATURES OF UPI SYSTEMS

1. Ability to use personal mobile as the primary device for all payments.
2. Ability to use Aadhaar number, mobile number, card number, and account number in a unified way. In addition, ability to pay and collect using "virtual payment addresses".
3. Make payments only by providing an address with others without having ever provide account details or credentials on 3rd party applications or websites.
4. Ability for sending collect requests to others.
5. Ability to make payments using 1-click 2-factor authentication all using just a personal phone without having any acquiring devices or having any physical tokens.

CHAPTER-2

REVIEW OF LITERATURE

Babita Singla, Manish Bansal (2015) in their research found that the shoppers are happy with plastic use, and the non-platinum card clients are fascinated to utilize the card for buys and mean to utilize the card in not so distant future. However, the banks and other financial institutions are motivating the use of plastic card.

Khuram Shafiq and Khalil Ahmad (2015) Is plastic Money Matter for Consumer Buying Behavior? This examination gives the affirming data since buyers feel good in spending through plastic cash as easy access of money, no cash carrying risks and reward shopping are the major factors that plays important role behind it.

Rouibah (2015) showed that poor security, lack of trust, fear of failure, high charges and poor familiarity were the major constraints that affected payments. Besides, security features of internet, banking facilities, privacy and quality of services were also affecting adoption of e-payments.

Rathore (2016) stated that digital payment using wallet was highly convenient for consumers in purchasing products through online without physical movements across places.

Dr. Stitch Shewta Rathore (2016) "Appropriation of Cashless transactions By Consumers" her investigations disclose to us computerized wallets are rapidly getting to be standard method of online installment. Customers are embracing advanced wallets at end unfathomably quick pace, to a great extent because of comfort and convenience.

RoopaliBatra , NehaKalra (2016) "Are Digital wallets The Newcurrency?" her investigations let us know in a period of digitalization, the examination intends to contemplate the client recognition, utilization design inclinations and fulfillment level with respect to advanced wallets in view of an investigation of 52 respondents. It additionally recognizes the hindrances and difficulties to the selection of the same. The outcomes demonstrate that there exists a tremendous undiscovered market for computerized wallets both regarding expanding mindfulness and also its use.

K. C. Balaji and K. Balaji (2016)"A Study on Demonetization and Its Impact on Cashless Transactions" considered that the development of the cashless exchange framework is achieving new statures. Individuals tend to move to cashless exchanges. It is on the right track to state that the cashless framework is a prerequisite as well as a requirement for the general public.

KunalTaheam, Rahul Sharma and saurabhGoswami (2016) "Drivers Of Digital Wallet Usage: Implications For Leveraging Digital Marketing" The outcomes from this investigation highlighted on various elements that inspired individuals to utilize computerized wallets for making installments. Individuals in Punjab have been found have been discovered utilizing advanced wallets because of the intentions of controllability and security, societal impact and helpfulness and requirement for execution improvement.

Singh (2017) concluded that there was significant difference between education of consumers and adoption of digital payment. The perception of consumers for digital payment had positive and significant effect on adoption of digital payment among consumers.

Bappaditya Mukhopadhyay (2016) studied cashless payments in India. He developed a theoretical model of payment decisions made by consumers and

sellers. He found that the convenience of cashless transactions weighed against the temptation to evade taxes.

Rahul Gochhwal(2017) has done research on the advancement in payment systems through Unified Payment Interface and found that UPI is the most advanced payment system in the world as it includes low transaction cost and instant settlement as there are no intermediaries involved. UPI has allowed different banks to communicate with each other and has enabled interoperability between disparate bank payment systems.

Suma Vally and Hema Divya(2018) studied consumer adoption of digital payments in India. The results indicate that the deployment of technology for digital payments have improved the performance of banking sector and able to achieve the motive cash less country. The study gives emphasis to the percentage of awareness on maximum utilization of technology. Banks should take effective measures in creating awareness towards the effective usage of technology and security.

Somanjoli Mohapatra (2017) analysed e-transaction process through UPI where he defines the various features of UPI and its app BHIM-UPI. The full payment mechanism and security features are described in this paper and comparison has been done between different online payment apps. The UPI seeks to make money transfers easy, quick and hassle free.

Roshna Thomas & Dr. Abhijeet Chatterjee (2017) assumes UPI as the catalyst tool supporting digitalization and through his research he found the utility, prospects and issues of UPI payments. According to him, major challenge for UPI adoption is financial inclusion where most of the rural population don't have access to the banking sector and other challenge is mobile services as services provided by the service operators are still out of the reach of lot many people. In order to overcome these situations wallets were not allowed to provide the UPI

services as it is in communication with the banks with whom the customer can link their UPI.

(Surabhi Agarwal,2018), The government feels that incentives through the merchants could drive the usage higher than just peer to peer payments. Incentives offered in the scheme include ₹51 cashback on a minimum transaction value of just ₹1 for the first time users and ₹25 cashback per transactions for 20 unique transactions in a month, for consumers, while merchants could receive cashback of up to 10% of a transaction and upto ₹1000 per month.

(Salil Panchal and Manu Balachandran, 2018),UPI's success is a proof that India is moving mountains to usher in a less-cash economy. But the scope of BHIM must be widened. BHIM should add more categories to the payment application for user engagement. UPI is the —Refined and Finished product of IMPS and it is forecasted that at some stage, it could get merged with the NEFT system, operated under RBI guidelines.

(Sasi Desai, Nipun Jasuja and Piyush Khandekar,2017), UPI leads to a unified, secure, —form independent, and inexpensive user interface for payments. Before UPI, the only payments system that exhibited this behavior was cold, hard cash. And in a society where 95% of transaction are still based on cash, digital cash will be adopted only if it provides the same level of comfort. UPI takes status quo rails, status quo infrastructure and binds them all together. Such an interoperable system lays the foundation for the conversion of physical cash to digital cash at will, making the need for physical cash obsolete. UPI has the potential to completely transform the face of the nation.

(Roshna Thomas and Dr. Abhijeet Chatterjee,2017), UPI is indeed a revolution in the Indian economy. However, its success depends on various factors. Financial inclusion or access to banking services is a prerequisite for growth of UPI which is

being facilitated by PMJDY and the increasing smartphone penetration. The ability of banks to capitalize on customer faith, effectively promoting UPI and facing competition from mobile wallets will also be the deciding factors. If the banks fail to develop an effective front-end platform then UPI could fail.

(Shruti Arcot Kesavan, 2018), With the coming up of UPI 2.0 on August 16, 2018 more number of merchant transactions will happen which were hitherto restricted mainly to peer-to-peer (P2P). UPI transactions are expected to account for 50% of digital transactions by March, 2023. It is expected to grow at 90% per annum over the next 5 years to \$400-450 Billion a year.

Somanjoli Mohapatra (2017) analysed e-transaction process through UPI where he defines the various features of UPI and its app BHIM-UPI. The full payment mechanism and security features are described in this paper and comparison has been done between different online payment apps. The UPI seeks to make money transfers easy, quick and hassle free.

CHAPTER-3

RESEARCH METHODOLOGY

NEED FOR THE STUDY

Google Pay enables sending and receiving money, but unlike other digital wallets, the payments can be received directly into the bank accounts. So, the entire concern of receiving money in wallets and then transferring into the bank account has been eliminated. Interestingly, a person doesn't have to be on the Google Pay app to receive payments. Google Pay simplifies the process of money transfer even through their website. Though the primary function of the app is to allow simple money.

Google Pay boasts of many unique features in comparison to all the other options available in the market. Some of them are:

1. The transactions are instant
2. Money can be sent to and received directly from bank accounts
3. Tez Shield -- multi-layered security with 24*7 protection from frauds -- facilitates highly secure transactions
4. Because the money is transferred from bank accounts, all transactions whether small or big can be done through the app.
5. The app is available in eight Indian languages, making it more acceptable.
6. The app also provides multiple payment options which means the users can transact through their mobile numbers or even Virtual Payment Address (VPAs).
7. Scratch cards are another attraction as Google Pay provides lucrative cashbacks and offers on varying transactions. These cashbacks are directly credited to a linked bank account.

8. The compatibility of the app with all the banks is further proof of its security, network-reach and service quality.

Google Pay is more customised and hugely eases the entire process of money transfer and payments market in India.

It has introduced Google Pay for businesses, a special app that allows entrepreneurs to connect directly with customers and provide amazing deals. Companies that have their current accounts linked with the app can even receive payments up to Rs. 50,000 from the customers for free.

Cash mode is another Google Pay feature that is unique. It allows users to transfer money to other Google Pay users in proximity without entering the bank details or mobile number.

Apart from these, Google Pay is all set to ace the feature of pre-approved loans by providing approvals to users through the app in a matter of minutes. It also aims at facilitating payments at retail stores such as Big Bazaar and FBB.

OBJECTIVES OF THE STUDY

In this paper I have discussed the working and the functioning of different entities in

M-Payment systems. The objectives of my research are:

- a) To analyse and enhance payments done with the help of mobile devices at POS terminals and the success and trustworthiness of mobile wallets used. The usability and enhancement of the mobile wallets designed and developed.
- b) To design and develop the technological solutions with reference to NFC, Bluetooth and RFID tags.
- c) To utilise and integrate the above mentioned objectives with p2p models and Bank centric models.

RESEARCH DESIGN

1. Onboarding & Setup:

I don't expect much from a payment app but it's by Google. So, let's start with my mood level at 10 points.

The Onboarding is simple. Enter the phone number and you get logged in via OTP. Even there's an option of language selection and use of separate google pin which is good.

Adding your bank account is also super easy. It's seamless with contextual permission being asked. Go on, I allow you to view my messages and calls.

Good, you showed which account is linked along with the UPI ID. And... it's Activated.

I like the simplicity.

2. First Impressions:

The first impression could blow you out. It looks beautiful and uncluttered. My experience with other payment apps is everything but beautiful.

Good work GPay Team!

3. Make a payment:

Let's start making a payment. There's a floating action button above the Businesses for a new payment. I had to search through the screen to find it. I believe there could be a better way.

Case 1 — Send money to a friend (first time)

Contacts should be saved as per my Contact List, not the other way. It's a really bad experience if I can't even find my contact.

Okay, let me send him money. But why is this asking me for the location! Maybe they are tagging location with my transaction. Let's just do it. The confirmation screen provides a clear message about the successful transaction. I like that.

And... I got a reward as a scratch card.

Oops, "Better Luck Next Time".

Case 2 — Send money to a friend (previously transacted)

I want to send money to my buddy Suvasish for the amazing lunch at Roots (Btw, it's my favorite restaurant in Bengaluru). We have made transactions in the past. So, it's easy to find, right on my home screen.

That's so simple.

4. Make a payment to a business:

Generally, all the brick and mortar stores have this QR Code at their cash counter. So, there should be a QR Scanner on the home page. But, where is it? Don't tell me it's on the new payment page. Yes, it is. I later got to know the google lens look-alike icon on the top left corner is the QR Code scanner which is almost inaccessible with one hand, especially with a tall device.

Businesses play an important role in revenue for such an app. Putting a QR Code in a prominent place could have made it easier to pay.

And the Businesses section for previously transacted ones could be used for stores and businesses I frequently pay like a particular tea shop or dosa joint which currently appears in the 'People' section.

5. Paying Bills:

It's convenient to pay bills and mobile recharge. You could see the plans. A search bar in bill categories like electricity could have been great. Going through a long list like this is a pain. Also, Overall, it's good.

6. Checking Balance:

Lastly, I want to check my balance. It's an important feature if you consider people who are concerned about their financial status, that's almost all the Indians. But, where to find the check balance. Maybe it's on my profile page. No... It's not there. It takes 4 taps and a Sherlock to find where it is.

It's this way — Home>Profile>Payment Methods>Bank Details>View Balance

Or you could find it when you scroll the full home page which was undiscovered till today (I have been using it since 2017).

CHAPTER 4

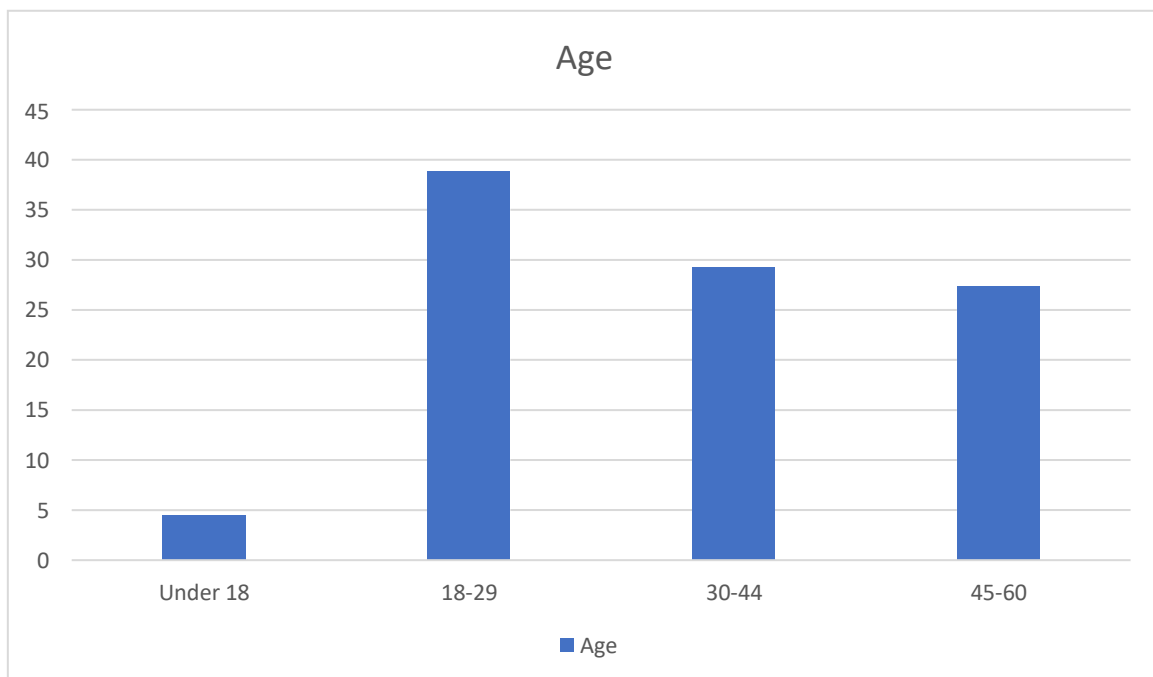
DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS

Table 4.1.1: Age of the respondents

S NO	Particulars	No. of Respondents	Percentage
1	Under 18	7	4.46
2	18-29	61	38.85
3	30-44	46	29.30
4	45-60	43	27.39
TOTAL		157	100.00

Source: Primary data



Inference

Majority (38.85%) of the respondents are age between 18 to 29 years.

Chart 4.1.1: Age of the respondents

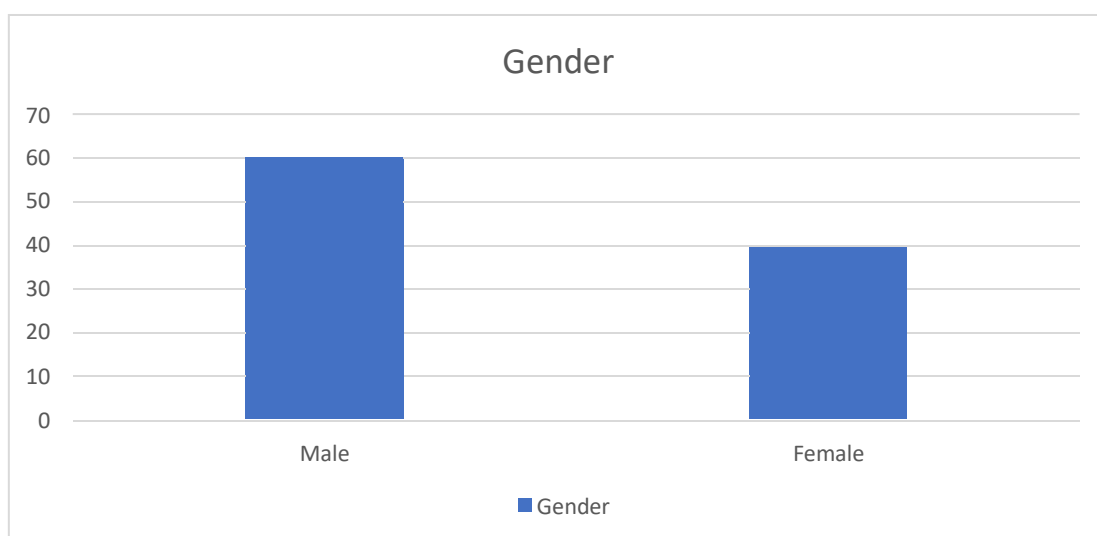
Interpretation

From the above table, it is interpreted that the number of respondents under 18 age of respondents are 4.46%, between 18 to 29 age of respondents are 38.85%, between 30 to 44 age of respondents are 29.30%, between 45 to 60 age of respondents are 27.39%.

Table 4.1.2: Gender of the respondents

S.NO	Particulars	No. of Respondents	Percentage
1	Male	96	61.15
2	Female	61	38.85
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (61.15%) of the respondents are Male.

Chart 4.1.2: Gender of the respondents

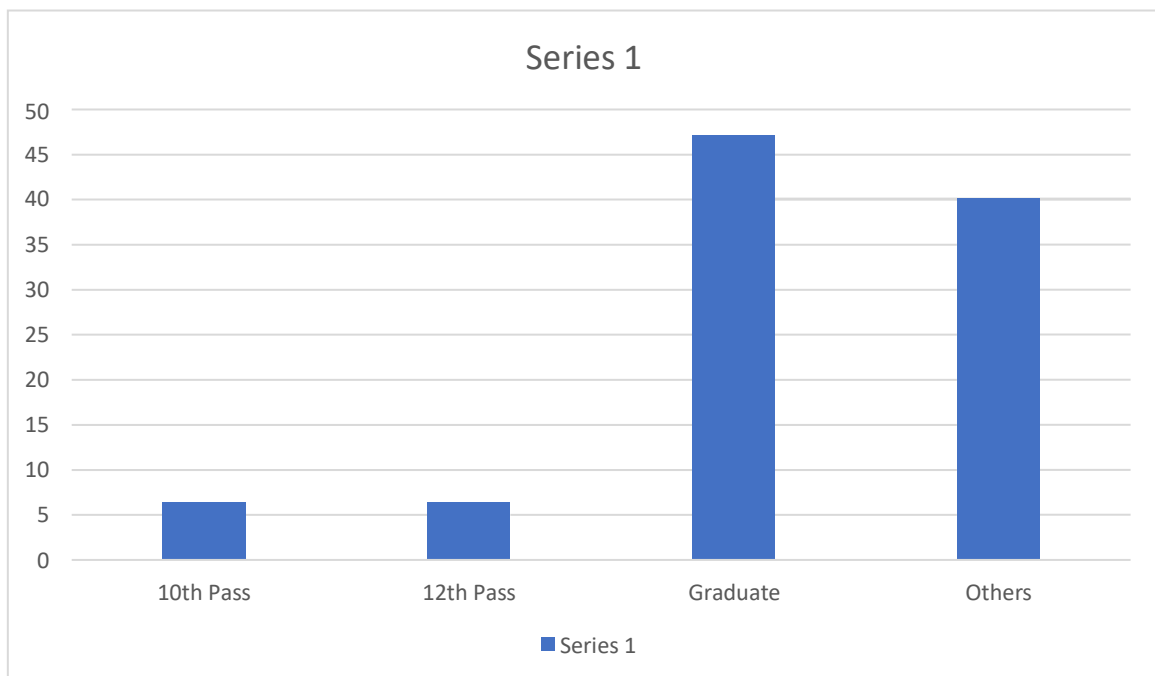
Interpretation

From the above table, it is interpreted that the number of male respondents is 61.15% and female respondents is 38.85%

Table 4.1.3: Qualification of the respondents

S.NO	Particulars	No. of respondents	Percentage
1	10 th Pass	10	6.37
2	12 th Pass	10	6.37
3	Graduate	74	47.13
4	Others	63	40.13
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (47.13%) of the respondents are Graduate. **Chart**

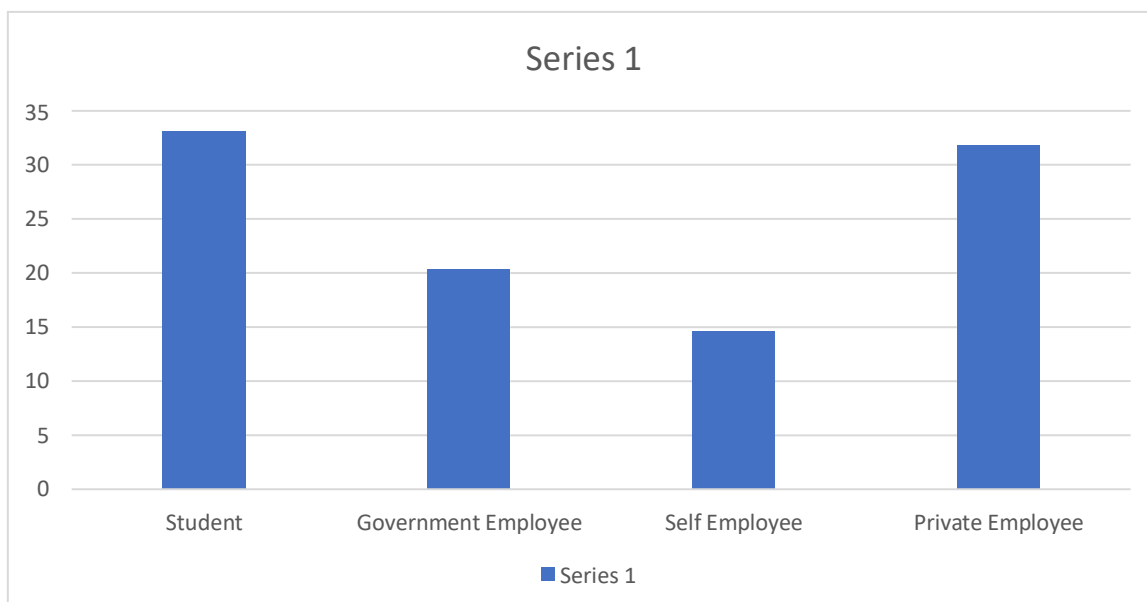
4.1.3: Qualification of the respondents Interpretation

From the above table, it is interpreted that the number of respondents 10th Pass is 6.37%, 12th Pass is 6.37%, Graduate is 47.13%, Others is 40.13%.

Table 4.1.4: Occupation of the respondents

S.NO	Particulars	No. of respondents	Percentage
1	Student	52	33.12
2	Government Employee	32	20.38
3	Self Employee	23	14.65
4	Private Employee	50	31.85
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (33.12%) of the respondents are Student. **Chart**

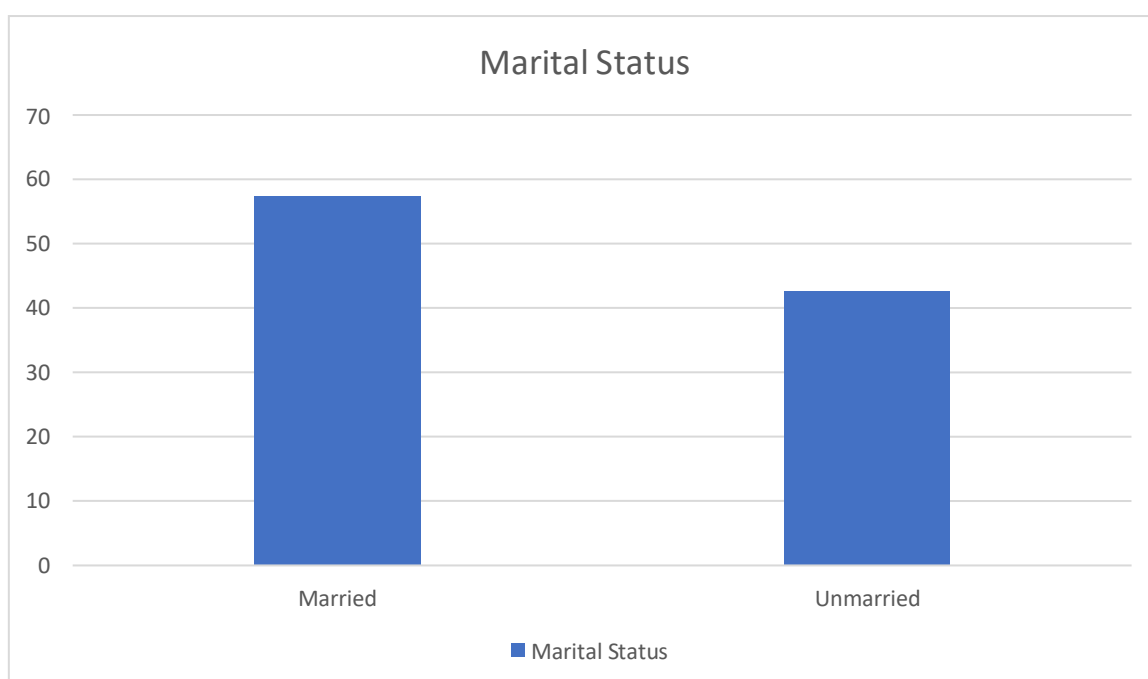
4.1.4: Occupation of the respondents Interpretation

From the above table, it is interpreted that the number of respondents were 33.12% is Student, 20.38% is Government Employee, 14.65% is Self Employee, 31.85% is Private Employee.

Table 4.1.5: Marital status of the respondents

S.NO	Particulars	No. of respondents	Percentage
1	Married	90	57.32
2	Unmarried	67	42.68
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (57.32%) of the respondents are married.**Chart**

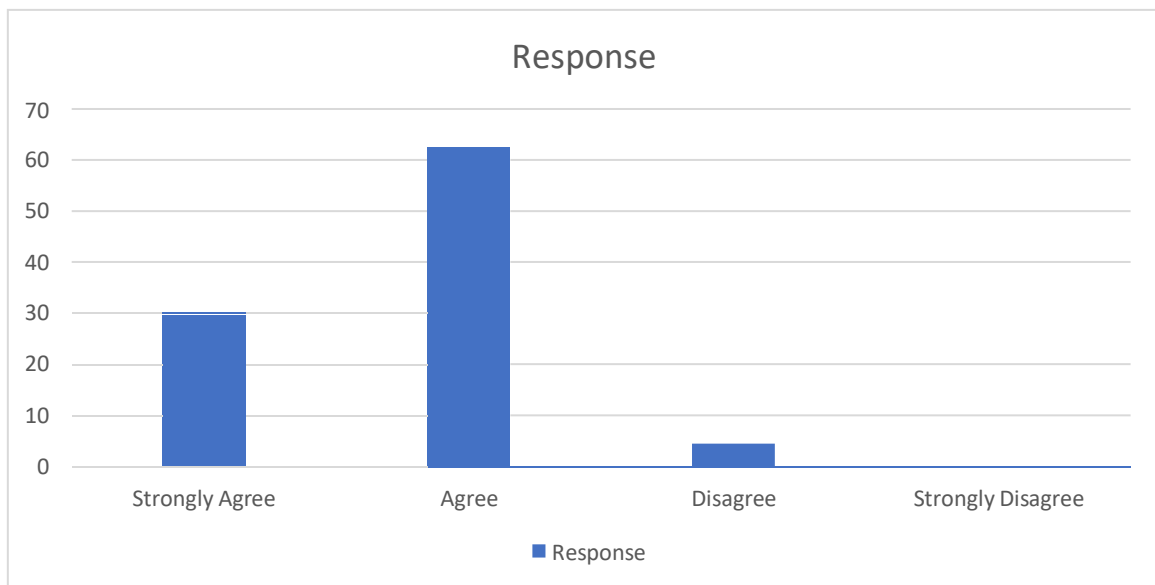
4.1.5: Marital status of the respondents Interpretation

From the above table, it is interpreted that the number of respondents were 57.32% in married and 42.68% in unmarried.

Table 4.1.6: Response for the company’s act towards the complaints lodged by the customers

S.NO	Particulars	No. of respondents	Percentage
1	Strongly Agree	49	31.21
2	Agree	98	61.21
3	Disagree	7	4.46
4	Strongly Disagree	3	1.91
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (62.42%) of the respondents are agree.

Chart 4.1.6: Response for the company’s act towards the complaints lodged by the customers

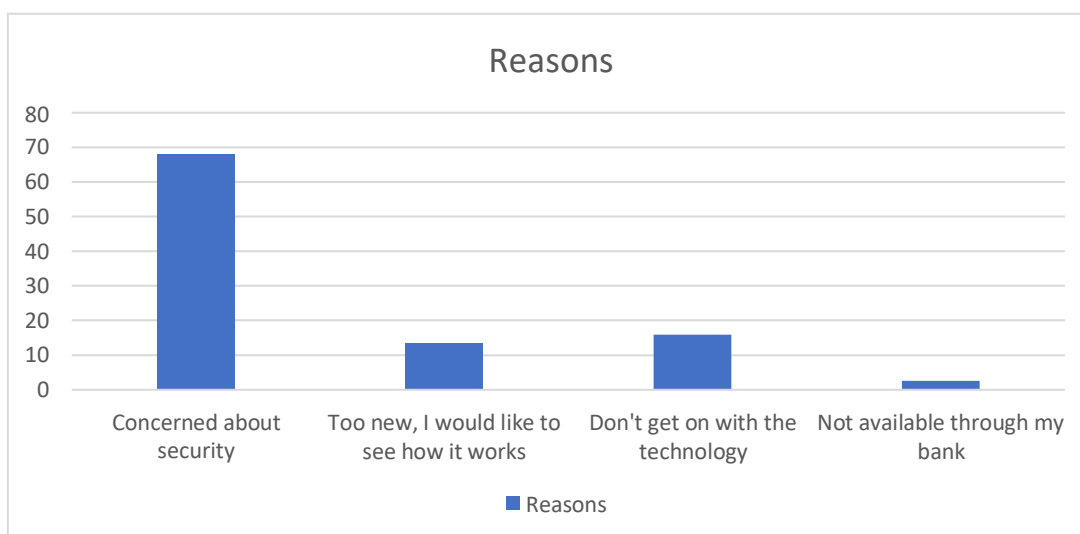
Interpretation

From the above table, it is interpreted that the number of respondents were 31.21% strongly agree, 62.42% agree, 4.46% disagree, 1.91% strongly disagree.

Table 4.1.7: Reasons behind not using internet banking.

S.NO	Particulars	No. of respondents	Percentage
1	Concerned about security	107	68.15
2	Too new, I would like to see how it works	21	13.38
3	Don't get on with the technology	25	15.92
4	Not available through my bank	4	2.55
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (68.15%) of the respondents concerned about security.

Chart 4.1.7: Reasons behind not using internet banking.

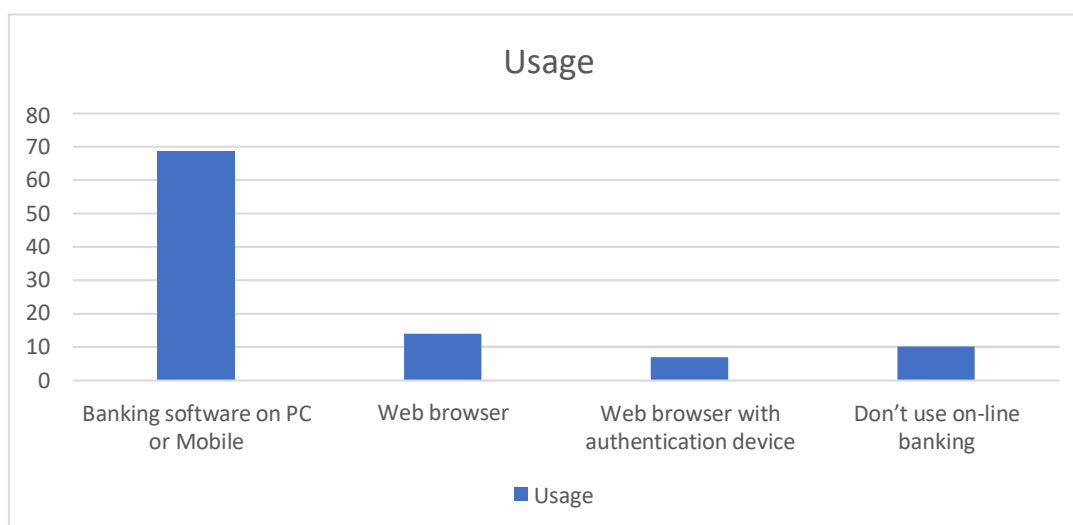
Interpretation

From the above table, it is interpreted that the number of respondents were 68.15% concerned about security, 13.38% too new, would like to see how it works, 15.92% don't get on with the technology, 2.55% not available through my bank.

Table 4.1.8: Usage of on-line banking

S.NO	Particulars	No. of respondents	Percentage
1	Banking software on PC or mobile	108	68.79
2	Web browser	22	14.01
3	Web browser with authentication device	11	7.01
4	Don't use on-line banking	16	10.19
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (68.79%) of the respondents are Banking software on PC or mobile.

Chart 4.1.8: Usage of on-line banking

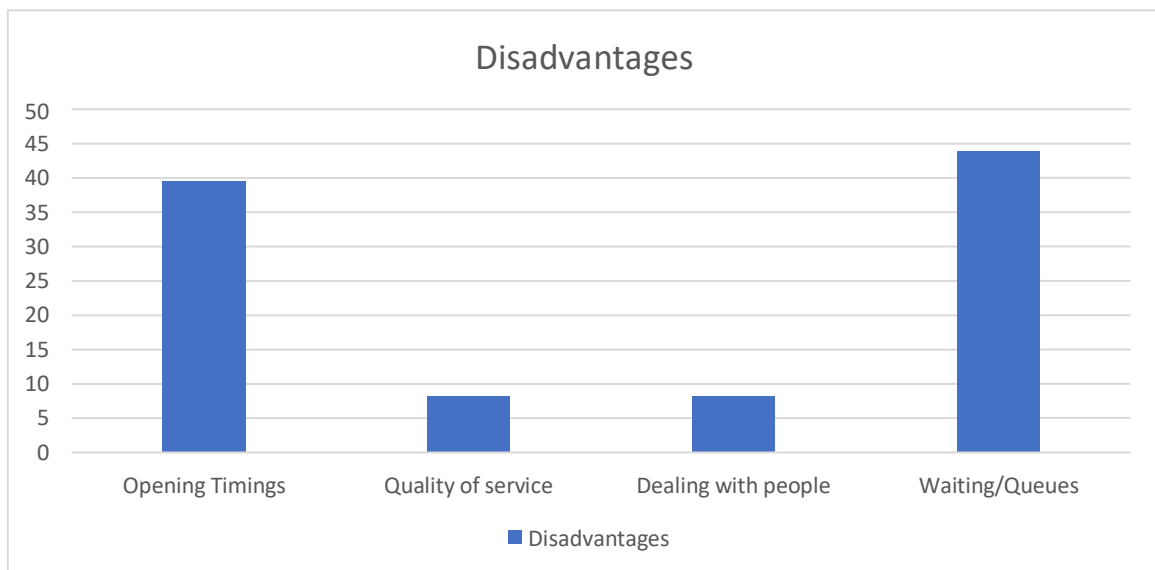
Interpretation

From the above table, it is interpreted that the number of respondents were 68.79% Banking software on PC or mobile, 14.01% Web browser, 7.01% Web browser with an authentication device, 10.19% don't use on-line banking.

Table 4.1.9: Disadvantages of visiting a bank branch

S NO	Particulars	No of respondents	Percentage
1	Opening Timings	62	39.49
2	Quality of service	13	8.28
3	Dealing with people	13	8.28
4	Waiting/Queues	69	43.95
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (43.95%) of the respondents are waiting/queues. **Chart**

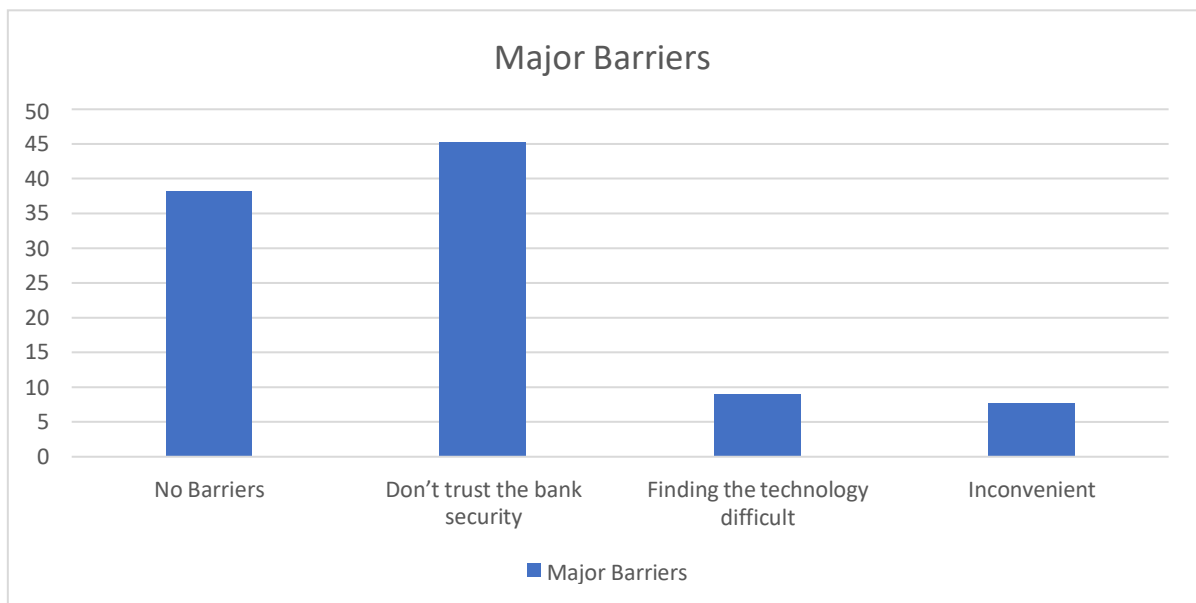
4.1.9: Disadvantages of visiting a bank branch Interpretation

From the above table, it is interpreted that the number of respondents were 39.49% Opening Timings, 8.28% Quality of service, 8.28% Dealing with people, 43.95% Waiting/Queues.

Table 4.1.10: Major Barriers of online banking

S NO	Particulars	No of respondents	Percentage
1	No barriers	60	38.22
2	Don't trust the bank security	71	45.22
3	Finding the Technology difficult	14	8.92
4	Inconvenient	12	7.64
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (45.22%) of the respondents don't trust the bank security.

Chart 4.1.10: Major Barriers of online banking

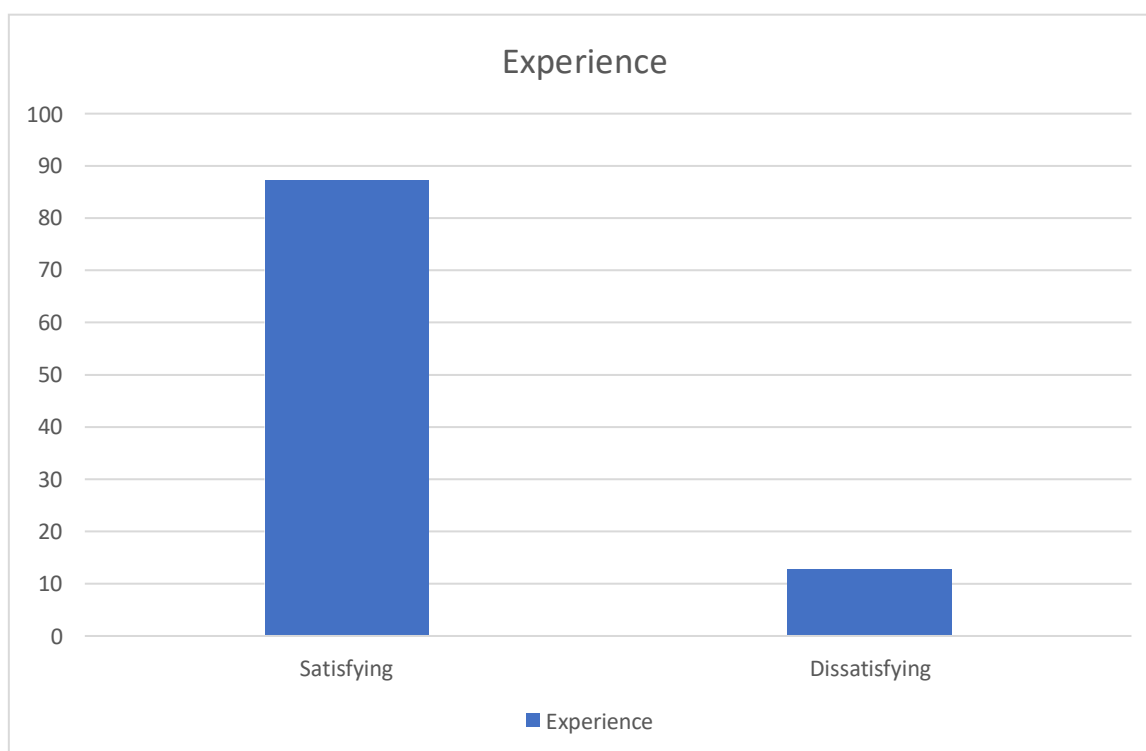
Interpretation

From the above table, it is interpreted that the number of respondents were 38.22% No barriers, 45.22% don't trust the bank security, 8.92% finding the technology difficult, 7.64% inconvenient.

Table 4.1.11: Experience

S NO	Particulars	No of respondents	Percentage
1	Satisfying	137	87.26
2	Dissatisfying	20	12.74
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (87.26%) of the respondents are satisfying.

Chart 4.1.11: Experience

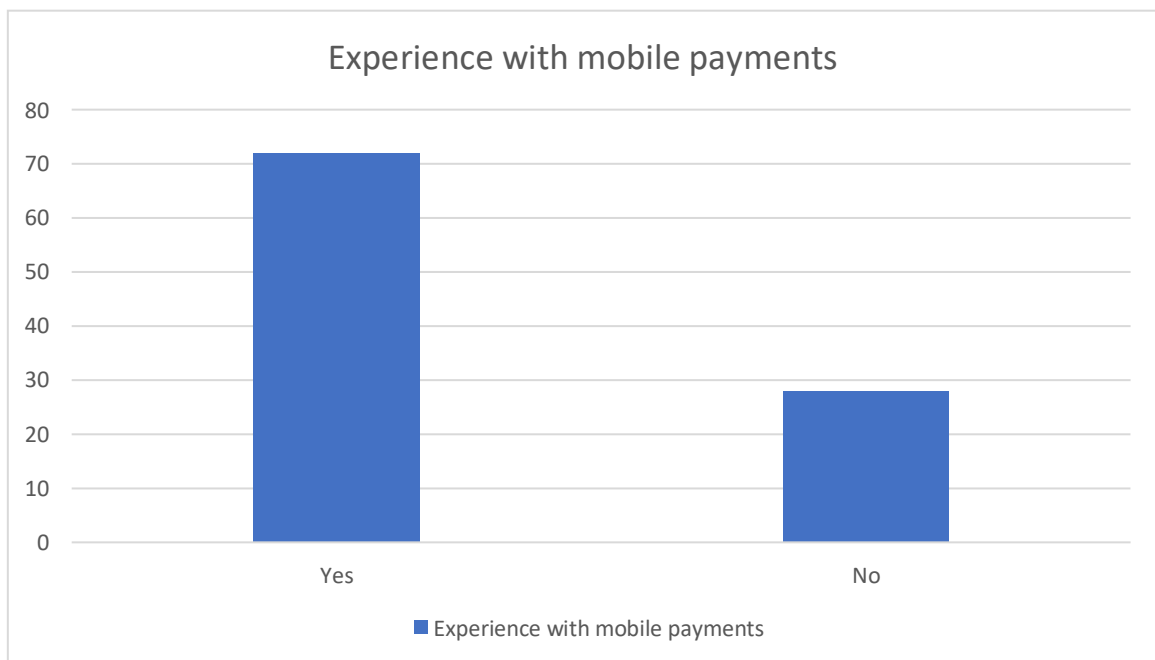
Interpretation

From the above table, it is interpreted that the number of respondents were 87.26% satisfying, 12.74% dissatisfying.

Table 4.1.12: Any Experience with mobile payments

S NO	Particulars	No of respondents	Percentage
1	Yes	113	71.97
2	No	44	28.03
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (71.97%) of the respondents are yes.

Chart 4.1.12: Any Experience with mobile payments

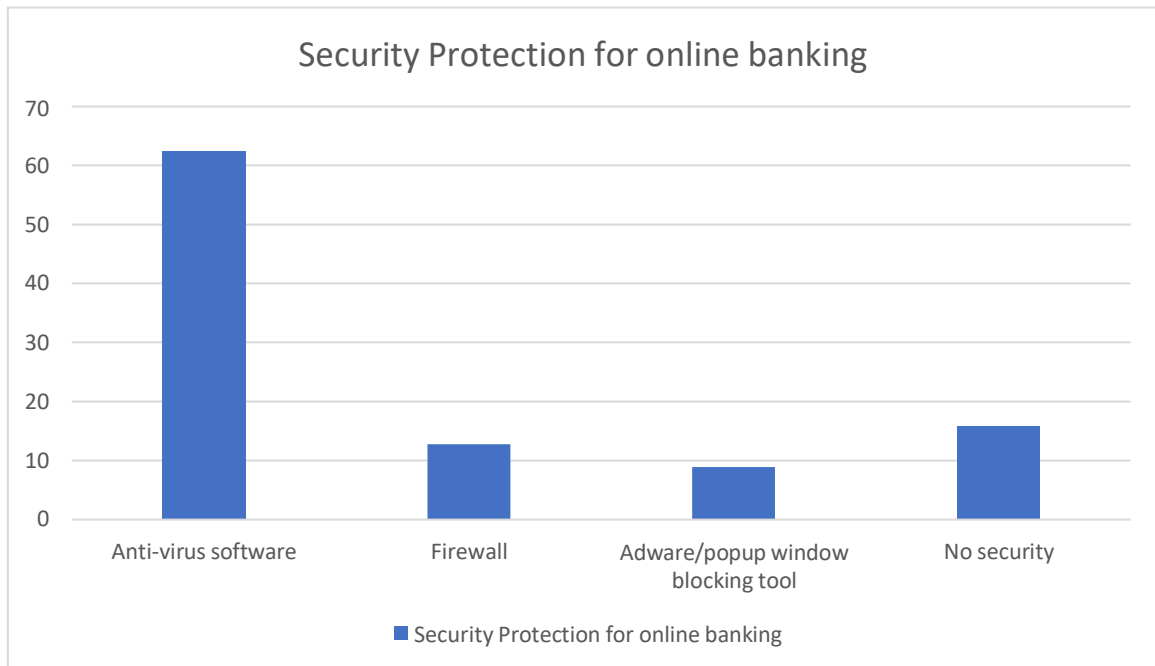
Interpretation

From the above table, it is interpreted that the number of respondents were 71.97% yes, 28.03% no.

Table 4.1.13: Security Protection for online banking

S NO	Particulars	No of respondents	Percentage
1	Anti-virus software	98	62.42
2	Firewall application	20	12.74
3	Adware/popup window blocking tool	14	8.92
4	No security	25	15.92
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (62.42%) of the respondents are anti-virus software.

Chart 4.1.13: Security Protection for online banking

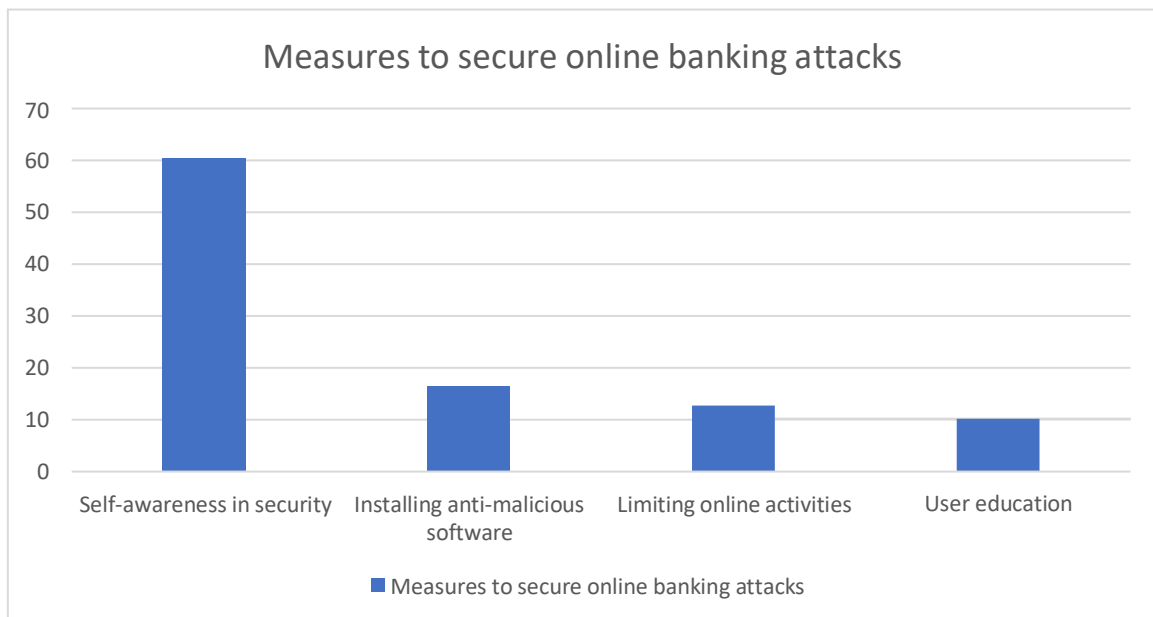
Interpretation

From the above table, it is interpreted that the number of respondents were 62.42% anti-virus software, 12.74% firewall application, 8.92% adware/popup window blocking tool, 15.92% no security.

Table 4.1.14: Measures that could secure online banking attacks

S NO	Particulars	No of respondents	Percentage
1	Self-awareness in security	95	60.51
2	Installing anti-Malicious software	26	16.56
3	Limiting online activities	20	12.74
4	User education	16	10.19
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (60.51%) of the respondents are self-awareness in security.

Chart 4.1.14: Measures that could secure online banking attacks

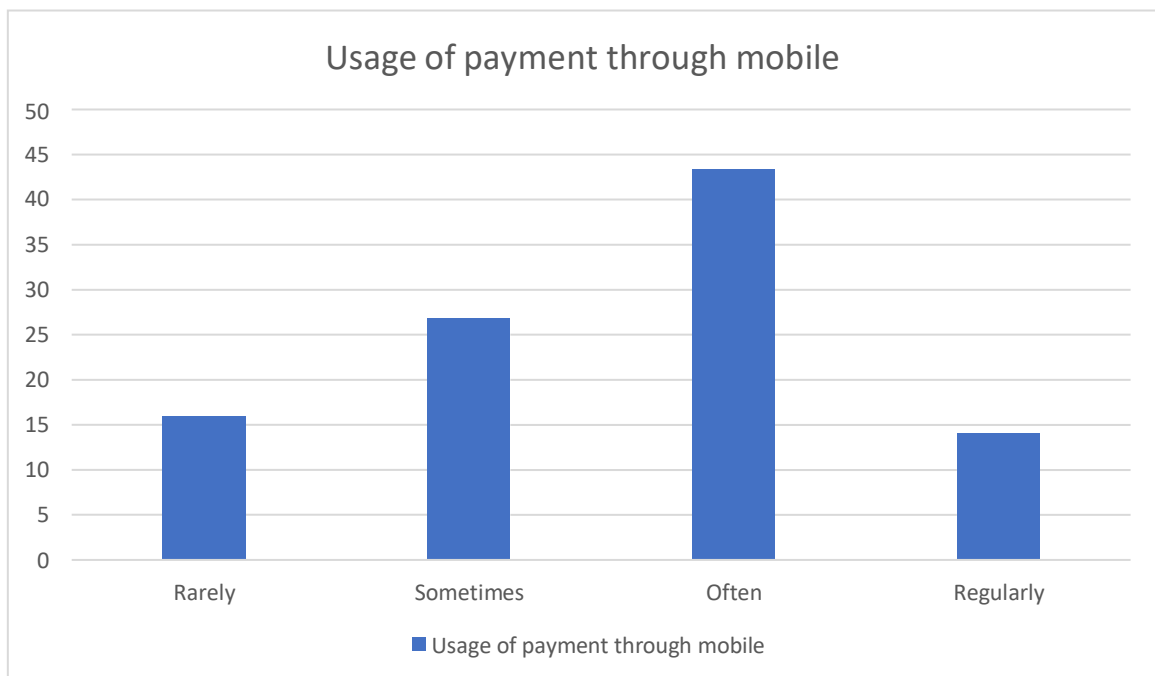
Interpretation

From the above table, it is interpreted that the number of respondents were 60.51% self-awareness in security, 16.56% installing anti-malicious software, 12.74% limiting online activities, 10.19% User education.

Table 4.1.15: Usage of payment through mobile

S NO	Particulars	No of respondents	Percentage
1	Rarely	25	15.92
2	Sometimes	42	26.75
3	Often	68	43.31
4	Regularly	22	14.01
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (43.31%) of the respondents are often.

Chart 4.1.15: Usage of payment through mobile

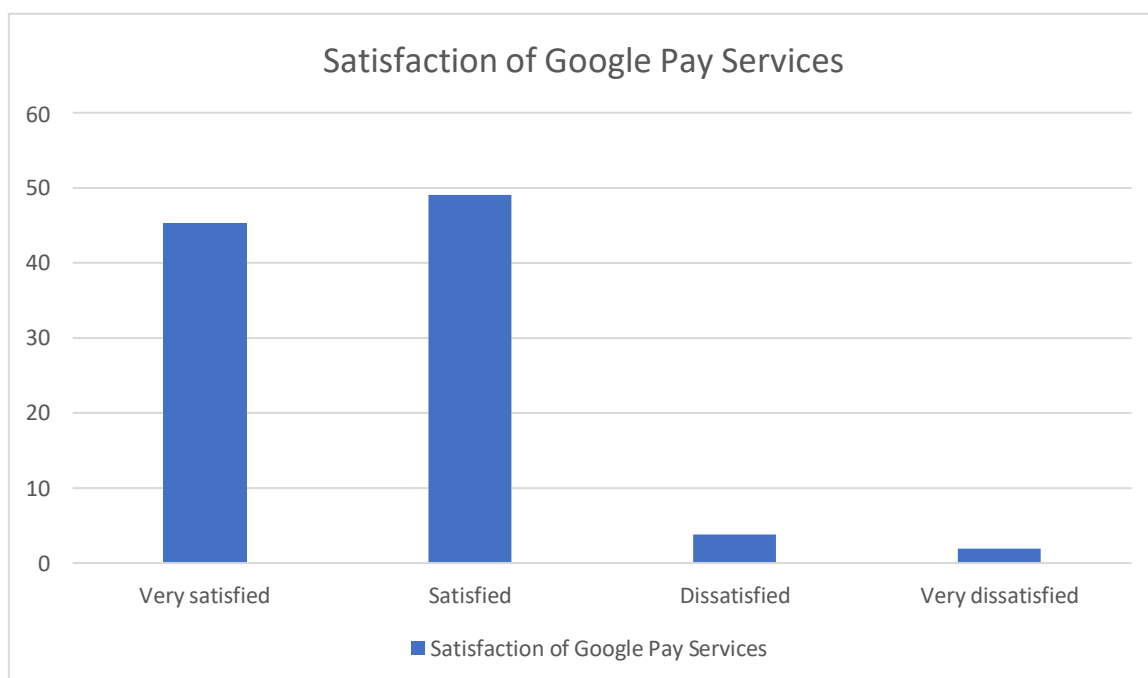
Interpretation

From the above table, it is interpreted that the number of respondents were 15.92% rarely, 26.75% sometimes, 43.31% often, 14.01% regularly.

Table 4.1.16: Satisfaction of Google Pay Services

S NO	Particulars	No of respondents	Percentage
1	Very satisfied	71	45.22
2	Satisfied	77	49.04
3	Dissatisfied	6	3.82
4	Very dissatisfied	3	1.91
TOTAL		157	100.00

Source: Primary Data



Inference

Majority (49.04%) of the respondents are satisfied.

Chart 4.1.16: Satisfaction of Google Pay Services

Interpretation

From the above table, it is interpreted that the number of respondents were 45.22% very satisfied, 49.04% satisfied, 3.82% dissatisfied, 1.91% very dissatisfied.

CHAPTER-5

FINDINGS

1.) Majority (38.85%) of the respondents are age between 18 to 29 years.2.)

Majority (61.15%) of the respondents are Male.

3.) Majority (47.13%) of the respondents are Graduate.4.)

Majority (33.12%) of the respondents are Student. 5.)

Majority (57.32%) of the respondents are married. 6.)

Majority (62.42%) of the respondents are agree.

7.) Majority (68.15%) of the respondents concerned about security.

8.) Majority (68.79%) of the respondents are Banking software on PC or mobile.9.)

Majority (43.95%) of the respondents are waiting/queues.

10.) Majority (45.22%) of the respondents don't trust the bank security.11.)

Majority (87.26%) of the respondents are satisfying.

12.) Majority (71.97%) of the respondents are yes.

13.) Majority (62.42%) of the respondents are anti-virus software.

14.) Majority (60.51%) of the respondents are self-awareness in security.15.)

Majority (43.31%) of the respondents are often.

16.) Majority (49.04%) of the respondents are satisfied.

SUGGESTION

Provide flexible Payment Options.

A study found that websites providing 4 or more payment methods other than credit cards had a sales conversion rate 12 % higher than those offering just one option. So, it is highly suggested that you accept payment in many ways ranging from COD to bank transfer, PayPal, Braintree, credit cards, debit cards, etc.

However, it is not necessary to accept all payment methods, you need to research your target audience and find out which payment methods preferred among the majority and implement only these methods to your store.

Besides, like retail giants – Amazon.com or Ebay.com – they allow payment in over 100 currencies, it will be much better if you can accept payment in different currencies, at least two in category, your national one and an international one.

Shortly, diversifying your payment methods is one way to make your customers ready to process to checkout.

Online purchasers take serious attitude to your compromise to keep their information safe from hackers, esp. financial data or the bank account number.

A survey by e-Consultancy found that 58% of respondents dropped out of the checkout page due to concerns about payment security. Thus, remember to always showcase the security measures you have in place. For example, you comply with the standards of the PCI Security Standards Council (PCI SSC). This is the first thing to gain trust from your customers' right after their buying actions and ensure the next deals in future.

CHAPTER-6

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CONCLUSION

Google Pay is taking giant steps at revolutionising the payments market in India. Consumers/users will miss a hoard of features and easy money transfer transactions if they don't use the app. If you are skeptical about mobile banking, check what makes it safe.

UPI has enabled mobile phone to be used as a primary payment device for making and accepting payments. UPI leverages high teledensity in India to enable every bank account holder to make digital transactions using a mobile phone.

India, which has a poor merchant payment acceptance infrastructure UPI, enable even the smallest merchant to start accepting digital payments without the need for any POS machine.

UPI has done away with the need to know the complicated payment details of the transacting parties, which makes payments easy and seamless for transacting parties. Compared to all other payment systems it would not be misplaced to say that UPI is the most advanced payment system in the world. With its standard set of APIs, UPI has allowed different banks to communicate with each other and has enabled interoperability between disparate bank payment systems. In UPI there are no intermediaries like in card networks, which allows for low transaction costs and instant settlement. While all other digital modes of payments like cards etc. take days to complete the transaction and settlement process, UPI allows payment to be completed in seconds. UPI works on a safe, secure and robust platform with ample security features to make it more secure than any extant payment systems. Introduction of biometric authentication in UPI will not only make payments more secure but will also take a huge leap towards integrating next generation technology with current payments system. UPI can be a great enabler for financial inclusion in India and allow a huge set of population to be a part of digital economy.

A FIELD PROJECT REPORT
ON
“TECHNICAL ANALYSIS OF TCS”

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted by

**(KORA BHAVANA, PODILI USHA SAI, JAYAMPU GOPICHAND REDDY, SHINY APOORVA KODANKI, BANDLAMUDI
LAKSHMI NAGA SURYA)**

(Regd. No. 211FC01066, 211FC01067, 211FC01068, 211FC01070, 211FC01071)

Under the esteemed guidance of

Mr. M. Ramu

ASSISTANT PROFESSOR



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VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



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DEPARTMENT OF MANAGEMENT STUDIES

PERMISSION LETTER

Following are the students **KORA BHAVANA, PODILI USHA SAI, JAYAMPU GOPICHAND REDDY, SHINY APOORVA KODANKI, BANDLAMUDI LAKSHMI NAGA SURYA** of II MBA bearing Regd. No. **211FC01066, 211FC01067, 211FC01068, 211FC01070, 211FC01071** were permitted to do a field project on the topic “**TECHNICAL ANALYSIS OF OF TCS**”.

HOD/MBA



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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **TECHNICAL ANALYSIS OF OF TCS** submitted by **KORA BHAVANA, PODILI USHA SAI, JAYAMPU GOPICHAND REDDY, SHINY APOORVA KODANKI, BANDLAMUDI LAKSHMI NAGA SURYA** bearing the Regd. No. **211FC01066, 211FC01067, 211FC01068, 211FC01070, 211FC01071** from the Department of Management Studies, Vignans & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

GUIDE

HOD/MBA

Technical analysis with Reference to TCS in EquityMarket - A Case Study

Abstract: Trend analysis is the widespread practice of collecting Information attempting to spot a pattern. Although trend analysis is often used to predict future events, it could be used to estimate uncertain events in the past. The scope of the study is relies on tools like Technical analysis. Further, the study relies on information of Three months. The 3 months daily stock prices have been collected to apply the trend. The RSI value band of 68-70 and above that value gives us a good signal for selling the stock. 5th, 6th, 7th, 8th, 9th, 12th, and 16th to 31st of January 2020 are the selling points from the RSI and those were overbought. If the RSI value is in band of 30-32 and below that value then it's the signal for buying. 1st, 4th, 6th, 11th, 14th and 18th of December 2019 are the buying points and were oversold. The highest moving average was 1711.15 occurred on last day of the calendar year and lowest moving average was 1151.94.

Keywords: Equity shares, mathematical indicator, stock markets, stock movements, technical analysis, trend analysis.

1. Introduction:

The price of a security represents unanimity. It's the price at which one person agrees to buy and another agrees to sell. The price at which an investor is willing to buy or sell depends totally on his expectations. If he expects the security's price is going to rise, he will buy it; if the investor expects the price is going to fall, he will sell it. These simple statements are the cause of a major challenge in estimating security prices because they refer to human expectations. As we all know, human expectations are neither easily quantifiable nor foreseeable. If prices are based on investors' expectations, then knowing what a security should sell for.

Equity is that the ownership interest of investors during a business firm. Investors can own equity shares in an exceedingly firm within the form of common stock. Equity ownership within the firm means that the original business owner does not own 100% of the firm but shares ownership with others. On a company's record, equity is represented by the subsequent accounts: common stock, preferred stock, paid-in capital, and retained earnings. Equity will be calculated by subtracting total liabilities from total assets.

Objectives of the study:

The objective of the study is to understand the investment return pattern in equity shares with the assistance of trend analysis. The study also focuses to analyse the trend of the selected stock.

Research methodology:

The secondary data has been used to study the objective. The Moving averages, Relative strength index and Rate of change tools have been used to study the data. The stock prices taken for the study is of 3 months i.e from 1st November 2019 to 31st January 2020.

Mathematical indicators:

1: Moving averages:

Moving average is one among the necessary mathematical indicator that is used to point out the average price movements of a security over a period. Moving averages are accustomed to highlight the direction of a trend and to smooth out the worth and volume fluctuations of a security for higher interpretations. Once the day-to-day fluctuations are removed, traders are in higher position to require selections simply.

Types of moving average:

- Simple moving average.
- Exponential moving average.

A: Simple moving average. {SMA}

This is the most common methodology used to calculate the moving average of prices. It simply takes the sum of all past closing prices over the time and divides the result by the amount of prices used in the calculation.

Red line is an example of easy moving average for 10 days. In the above chart, we are able to observe how 10 days simple moving average is reacting and moving very nearer to price chart of nifty without confusing with day-to-day fluctuations. One of the important features of this moving average is it gives equal weight age to all information, which is considered as one of the limitation of it by some technical analysts. Anyhow, still moving average is more popular in technical analysis.

B: Exponential Moving Average. (EMA)

This moving average calculation uses a smoothing factor to place a higher weight on recent data points and is considered as way more efficient than the simple moving average. The necessary thing to recollect is EMA is more responsive to new information when compare to simple moving average. This is the reason why all technical analysts Prefer EMA instead of other moving averages. This can be calculated by using the flowing formula.

EMA = [current closing price - previous close] * factor + previous close

Where **Factor = 2 / n+1**

2: Oscillators.

Oscillators are the mathematical indicators calculated with the assistance of closing price information. They assist to identify overbought and oversold conditions within the market and therefore the risk of trend reversals. Generally, oscillators are analyzed together with the price chart. Oscillators indicate trend reversals that should be confirmed with the price movement of the scrip. Changes within the price should be correlated to changes within the supply and demand forces then only buy and sell signals will be generated. For short term trading, daily price oscillators are useful and it is calculated for all periods. Following are the 3 important technical indicators to identify buy and sell signals.

3: Rate of change (ROC)

It is another popular oscillator, which measures the Rate of Change of the current price as a change within the prices of certain number of days or weeks back. To calculate a 7-day Rate of Change, every day's price is divided by the price, which prevailed 7 days ago, and then 1 is subtracted from this price ratio.

ROC= current price / price "n" period ago – 1 *100

The values obtained in ROC may be positive, negative or zero. When the ROC line is on top of the zero line, the price is rising and once it is below the zero line, the price is falling. Greater the changes within the prices, the greater will be the change in ROC. ROC could be used to define overbought and oversold markets.

4: Moving average convergence and divergence (MACD)

MACD is an oscillator that measures the convergence [meeting] and divergence [deviation] between two exponential moving averages. A short-term exponential moving average and a long term exponential moving averages are calculated with the assistance of the closing price information. A 12-day and 48-day exponential moving averages constitute a preferred combination. The difference between the short term EMA and therefore the long term EMA represents MACD.

MACD = short-term moving average - long-term moving average

MACD values could also be positive, negative or zero. If the MACD line crosses the zero line from above, the trend will be considered to own become bearish, signaling selling.

Results:

Table 1: Trend Analysis: By Using Moving Average Method

Date	Close Price	5 days moving Average
1-Dec-2019	1719.95	1759.15
4-Dec-2019	1711.15	1748.55
5-Dec-2019	1715.55	1718.7
6-Dec-2019	1711.1	1711.71
7-Dec-2019	1717.15	1719.78
8-Dec-2019	1701.5	1711.99
11-Dec-2019	1771.1	1719.74
12-Dec-2019	1711.15	1715.07
13-Dec-2019	1718.4	1714.08

14-Dec-19	1557.8	1711.9
15-Dec-19	1545.7	1701.01
18-Dec-19	1580.5	1584.89
19-Dec-19	1575.1	1577.51
20-Dec-19	1588.95	1579.71
21-Dec-19	1595.7	1577.11
22-Dec-19	1747.75	1597.44
26-Dec-19	1749.45	1711.11
27-Dec-19	1719.9	1710.15
28-Dec-19	1717.95	1717.75
29-Dec-19	1701.1	1748.85
1-Jan-20	1745.7	1748.71
2-Jan-20	1711.1	1744.97
3-Jan-20	1718.75	1748.71
4-Jan-20	1757.1	1754.75
5-Jan-20	1789.1	1751.15
8-Jan-20	1714.4	1777.11
9-Jan-20	1709	1781.77
10-Jan-20	1807.7	1715.17

12-Jan-20	1776.15	1759.17
15-Jan-20	1746.1	1765.71
16-Jan-20	1850.85	1794.08
17-Jan-20	1888.95	1810.55
18-Jan-20	1918.1	1816.09
19-Jan-20	1959.1	1871.68
22-Jan-20	1716.4	1946.74
23-Jan-20	1701	1996.97
24-Jan-20	1774.6	1054.1
25-Jan-20	1711.05	1094.67
29-Jan-20	1798.85	1141.58
30-Jan-20	1751.85	1149.87
31-Jan-20	1711.15	1151.94

Source: Calculation by the author

Moving averages is calculated on closing price

Moving averages= [current closing price –previous close]*factor +previous close

Interpretation: The above table is showing the changes in closing prices of TCS on 31-jan-2020 the closing value reached to 1711.15 and moving average reached to 1151.94. On this date there's no interaction between closing price and moving average. So, we can suggest that the TCS stock should be buy.

Table 2: Technical Analysis by Using RSI

Date	Open Price	High Price	Low Price	Close Price	Change	Gain	Loss	RS value	RSI
1-Nov-19	1614	1616.85	1578.85	1601.85					
2-Nov-19	1608.5	1674	1606.75	1616.15	23.3	23.3	0		
3-Nov-19	1631.4	1636.7	1601.8	1610.1	-6.05	0	6.05		
6-Nov-19	1610	1671.8	1611.75	1665.55	45.45	45.45	0		
7-Nov-19	1670	1768	1666.05	1710.05	44.5	44.5	0		
8-Nov-19	1713	1759	1718.15	1735	24.95	24.95	0		
9-Nov-19	1750	1750	1719.3	1736.4	1.4	1.4	0		
10-Nov-19	1711.1	1716	1693.35	1708.75	-27.65	0	27.65		
13-Nov-19	1701.05	1777.4	1701.05	1758.95	50.2	50.2	0		
14-Nov-19	1756.55	1756.55	1707.5	1714.6	-44.35	0	44.35		
15-Nov-19	1706	1755	1701.35	1705.3	-9.3	0	9.3		
16-Nov-19	1710	1763	1686.95	1746.65	41.35	41.35	0		
17-Nov-19	1748.1	1748.1	1703.6	1707.3	-39.35	0	39.35		
20-Nov-19	1715	1716.9	1695.3	1703.45	-3.85	0	3.85		

21-Nov-19	1701	1701	1666	1671.95	-30.5	0	30.5	1.4352	58.9367
22-Nov-19	1673	1709.7	1671.4	1680.65	7.7	7.7	0	1.3384	57.2357
23-Nov-19	1681	1693	1669	1681.15	0.6	0	-0.6	1.3960	58.2646
24-Nov-19	1681	1701.9	1673.1	1688.05	6.8	6.8	0	1.1457	53.3957
27-Nov-19	1688	1695.9	1661.1	1685.85	-2.2	0	2.2	0.8454	45.8131
28-Nov-19	1686	1701.4	1670	1685.3	-0.55	0	0.55	0.6837	40.6084
29-Nov-19	1677.5	1693	1650	1658.15	-27.15	0	27.15	0.5754	36.5248
30-Nov-19	1653.65	1666.95	1613	1637	-21.15	0	21.15	0.5964	37.3612
1-Dec-19	1635	1668	1611.5	1619.95	-7.05	0	7.05	0.3021	23.2031
4-Dec-19	1611	1658.5	1601.95	1631.35	2.4	2.4	0	0.4145	29.3081
5-Dec-19	1631	1651.7	1618.15	1635.55	3.2	3.2	0	0.4683	31.8972
6-Dec-19	1636	1645	1611.85	1633.3	-2.25	0	2.25	0.1506	13.0901
7-Dec-19	1631.3	1645.95	1615	1617.15	-16.05	0	16.05	0.1824	15.4318
8-Dec-19	1618	1645	1597	1601.5	-15.75	0	15.75	0.1646	14.1399
11-Dec-19	1608.35	1671.65	1608.35	1661.1	59.6	59.6	0	0.8705	46.5401
12-Dec-19	1661	1661	1607.4	1611.15	-48.95	0	48.95	0.5124	33.8823
13-Dec-19	1611.4	1651.45	1601	1618.4	16.25	16.25	0	0.6254	38.4783
14-Dec-19	1631	1631	1531.1	1557.8	-70.6	0	70.6	0.3847	27.7844
15-Dec-19	1563.75	1584.45	1536.85	1545.6	-12.2	0	12.2	0.3673	26.8678

18-Dec-19	1537	1588.95	1494.35	1580.5	34.9	34.9	0	0.5261	34.4740
19-Dec-19	1576	1597.8	1564.7	1575.3	-5.2	0	5.2	0.5840	36.8721
20-Dec-19	1581	1591.75	1550.65	1588.95	13.65	13.65	0	0.7301	42.2009
21-Dec-19	1587	1608	1580.05	1595.7	6.75	6.75	0	0.7997	44.4354
22-Dec-19	1604	1663.9	1590.1	1646.75	51.05	51.05	0	1.0842	52.0202
26-Dec-19	1686	1689.75	1631.6	1649.45	2.7	2.7	0	1.0812	51.9527
27-Dec-19	1649.45	1658.5	1610.5	1619.9	-29.55	0	29.55	0.9324	48.2515
28-Dec-19	1608.8	1653.5	1605.65	1616.95	7.05	7.05	0	1.0532	51.2960
29-Dec-19	1613.1	1708.9	1618.55	1701.1	74.25	74.25	0	1.5987	61.5206
1-Jan-20	1681.3	1694.8	1635	1645.6	-55.6	0	55.6	0.9302	48.1922
2-Jan-20	1660	1669.6	1610.1	1631.1	-14.4	0	14.4	1.1015	52.4165
3-Jan-20	1631	1669	1631.1	1638.65	7.45	7.45	0	1.0546	51.3299
4-Jan-20	1650	1661	1640	1657.1	18.45	18.45	0	1.8490	64.9009
5-Jan-20	1650	1699.5	1650	1689.1	32.1	32.1	0	2.3708	70.3341
8-Jan-20	1700	1716.85	1681.85	1714.4	25.2	25.2	0	2.2782	69.4962
9-Jan-20	1715	1711	1676.55	1709	-5.4	0	5.4	2.2739	69.4557
10-Jan-20	1711	1816	1694.65	1806.6	97.6	97.6	0	3.0738	75.4531
11-Jan-20	1810	1811.9	1781.1	1790.5	-16.1	0	16.1	2.6092	72.2934
12-Jan-20	1805	1805	1740.55	1776.35	-14.15	0	14.15	1.9585	66.2

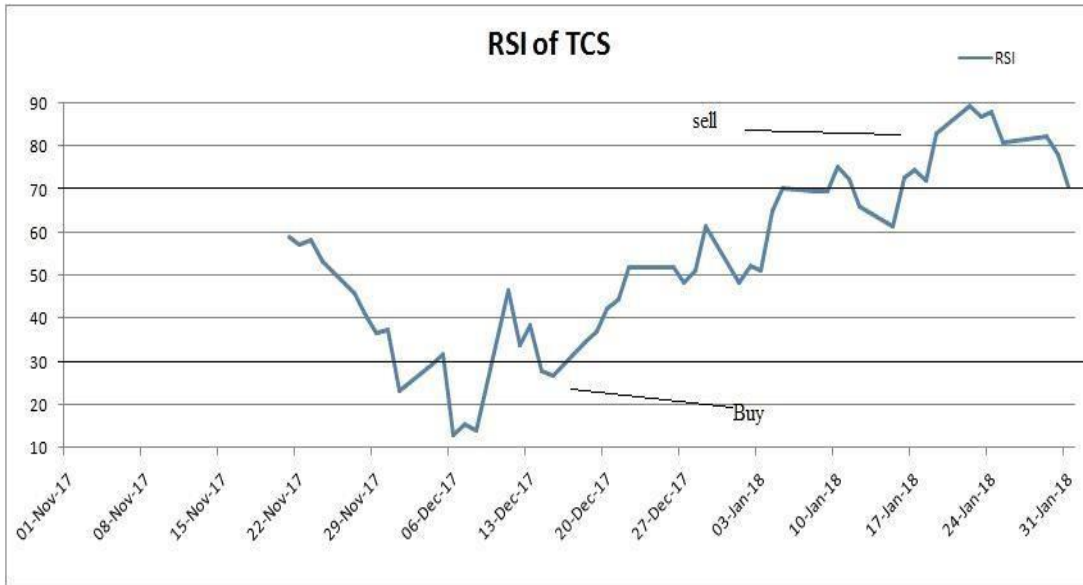
15-Jan-20	1777.15	1808	1735.05	1746.1	-30.25	0	30.25	1.5841	61.3027
16-Jan-20	1756	1861.65	1750.55	1850.85	104.75	104.75	0	2.6994	72.9686
17-Jan-20	1870	1915	1861.15	1888.95	38.1	38.1	0	2.9278	74.5410
18-Jan-20	1897	1933	1868.05	1918.1	29.25	29.25	0	2.5967	72.1972
19-Jan-20	1930.55	1981	1903.65	1959.3	41.1	41.1	0	4.9066	83.0697
22-Jan-20	1961	1114.7	1911	1116.4	157.1	157.1	0	8.3626	89.3192
23-Jan-20	1714.95	1141.15	1090.05	1101	-14.4	0	14.4	6.7702	87.1303
24-Jan-20	1790	1159.05	1081.65	1174.6	72.6	72.6	0	7.4445	88.1580
25-Jan-20	1775	1179.8	1081	1111.05	-53.55	0	53.55	4.2263	80.8662
29-Jan-20	1731.4	1115	1111	1198.85	77.8	77.8	0	4.6193	82.2043
30-Jan-20	1780	1101.8	1141.7	1151.85	-46	0	46	3.5442	77.9943
31-Jan-20	1737	1750	1098.6	1111.15	-40.5	0	40.5	2.4224	70.7809

Source: Author's calculations

Relative strength index

RSI = current price / price "n" period ago - 1 *100

Graph 1: Showing Relative Strength Index



Interpretation: RSI is calculated for TCS from the date 1-11-19 to 31-01-2020. The RSI graph, drawn above shows the overbought and oversold regions.

Overbought: This region is a selling signal of the stock. The RSI value band of 68-70 and above that value gives us a good signal for selling the stock. It indicates the overbought points where the buying pressure exhausts and the selling pressure starts developing curtailing further upward movement of price. Following are the selling points from the RSI graphs for TCS are 5th, 6th, 7th, 8th, 9th, 12th, and 16th to 31st of January 2020.

Oversold: The region is signaled for buying the stock. If the RSI value is in band of 30-32 and below that value then it's the signal for buying. It indicates the oversold point; where in the selling pressure is over taken by slowly developing buying pressure, curtailing the further downward movement of the stock price. Buying points from the RSI graph for TCS are 1st, 4th, 6th, 11th, 14th and 18th of December 2019. Indicates good buying points for this stock.

Table 3: Technical Analysis Using Rate of Change

Date	Open Price	High Price	Low Price	Close Price	ROC
1-Nov-19	1614	1616.85	1578.85	1601.85	
2-Nov-19	1608.5	1674	1606.75	1616.15	
3-Nov-19	1631.4	1636.7	1601.8	1610.1	
6-Nov-19	1610	1671.8	1611.75	1665.55	
7-Nov-19	1670	1768	1666.05	1710.05	
8-Nov-19	1713	1759	1718.15	1735	
9-Nov-19	1750	1750	1719.3	1736.4	
10-Nov-19	1711.1	1716	1693.35	1708.75	
13-Nov-19	1701.05	1777.4	1701.05	1758.95	
14-Nov-19	1756.55	1756.55	1707.5	1714.6	0.0429
15-Nov-19	1706	1755	1701.35	1705.3	0.0301
16-Nov-19	1710	1763	1686.95	1746.65	0.0482
17-Nov-19	1748.1	1748.1	1703.6	1707.3	0.0156
20-Nov-19	1715	1716.9	1695.3	1703.45	-0.0024

21-Nov-19	1701	1701	1666	1671.95	-0.0226
22-Nov-19	1673	1709.7	1671.4	1680.65	-0.0203
23-Nov-19	1681	1693	1669	1681.15	-0.0101
24-Nov-19	1681	1701.9	1673.1	1688.05	-0.0256
27-Nov-19	1688	1695.9	1661.1	1685.85	-0.0105
28-Nov-19	1686	1701.4	1670	1685.3	-0.0073
29-Nov-19	1677.5	1693	1650	1658.15	-0.0322
30-Nov-19	1653.65	1666.95	1613	1637	-0.0259
1-Dec-19	1635	1668	1611.5	1619.95	-0.0271
4-Dec-19	1611	1658.5	1601.95	1631.35	-0.0151
5-Dec-19	1631	1651.7	1618.15	1635.55	-0.0168
6-Dec-19	1636	1645	1611.85	1633.3	-0.0178
7-Dec-19	1631.3	1645.95	1615	1617.15	-0.0263
8-Dec-19	1618	1645	1597	1601.5	-0.0314
11-Dec-19	1608.35	1671.65	1608.35	1661.1	-0.0090
12-Dec-19	1661	1661	1607.4	1611.15	-0.0173
13-Dec-19	1611.4	1651.45	1601	1618.4	-0.0032
14-Dec-19	1631	1631	1531.1	1557.8	-0.0274
15-Dec-19	1563.75	1584.45	1536.85	1545.6	-0.0329

18-Dec-19	1537	1588.95	1494.35	1580.5	-0.0208
19-Dec-19	1576	1597.8	1564.7	1575.3	-0.0220
20-Dec-19	1581	1591.75	1550.65	1588.95	-0.0108
21-Dec-19	1587	1608	1580.05	1595.7	-0.0022
22-Dec-19	1604	1663.9	1590.1	1646.75	-0.0053
26-Dec-19	1686	1689.75	1631.6	1649.45	0.01427
27-Dec-19	1649.45	1658.5	1610.5	1619.9	-0.0032
28-Dec-19	1608.8	1653.5	1605.65	1616.95	0.0270
29-Dec-19	1613.1	1708.9	1618.55	1701.1	0.0611
1-Jan-20	1681.3	1694.8	1635	1645.6	0.0252
2-Jan-20	1660	1669.6	1610.1	1631.1	0.0217
3-Jan-20	1631	1669	1631.1	1638.65	0.0191
4-Jan-20	1650	1661	1640	1657.1	0.0236
5-Jan-20	1650	1699.5	1650	1689.1	0.0160
8-Jan-20	1700	1716.85	1681.85	1714.4	0.0245
9-Jan-20	1715	1711	1676.55	1709	0.0340
10-Jan-20	1711	1816	1694.65	1806.6	0.0683
11-Jan-20	1810	1811.9	1781.1	1790.5	0.0330
12-Jan-20	1805	1805	1740.55	1776.35	0.0494

15-Jan-20	1777.15	1808	1735.05	1746.1	0.0436
16-Jan-20	1756	1861.65	1750.55	1850.85	0.0804
17-Jan-20	1870	1915	1861.15	1888.95	0.0872
18-Jan-20	1897	1933	1868.05	1918.1	0.0851
19-Jan-20	1930.55	1981	1903.65	1959.3	0.0902
22-Jan-20	1961	1114.7	1911	1116.4	0.1503
23-Jan-20	1714.95	1141.15	1090.05	1101	0.1052
24-Jan-20	1790	1159.05	1081.65	1174.6	0.1376
25-Jan-20	1775	1179.8	1081	1111.05	0.1241
29-Jan-20	1731.4	1115	1111	1198.85	0.1648
30-Jan-20	1780	1101.8	1141.7	1151.85	0.1059
31-Jan-20	1737	1750	1098.6	1111.15	0.0773

Interpretation: From the above graph we can observe that Rate of Change of TCS was the fluctuations above the origin are known as indicators for selling or holding the stocks of TCS and below the origin is considered as buying the stocks of TCS. The dates or points for selling are 14, 15, 16, 17, 20 November 2019. 26, 27, 28, 29 of December 2019. 1 to 31st of January 2020. The dates or points for buying are 20, 23, 24, 28, 29, 30 November 2019. 1, 4, 8, 11, 13, 14, 19, 21, 22, 26 of December 2019.

FINDINGS:

- Here, In this case, the above graph is showing the changes in closing prices of TCS on 31ST-jan-2020 the closing value reached to 2112.35 and moving average reached to 2151.94. On this date there is no interaction between closing price and moving average. So, we can suggest that the TCS stock should be sold.
- RSI is calculated for TCS from the date 1-11-19 to 31-01-2020.
- **Overbought:** This region is a selling signal of the stock. The RSI value band of 68-70 and above that value gives us a good signal for selling the stock. It indicates the overbought points wherever the purchasing pressure exhausts and also the selling pressure starts developing curtailing further upward movement of price. Following are the selling points from the RSI graphs for TCS are 5th, 6th, 7th, 8th, 9th, 12th, and 16th to 31st of January 2020.
- **Oversold:** The region is signaled for buying the stock. If the RSI value is in band of 30-32 and below that value then it's the signal for buying. It indicates the oversold point; wherever in the selling pressure is over taken by slowly developing

purchasing pressure, curtailing the further downward movement of the stock price. Buying points from the RSI graph for TCS are 1st, 4th, 6th, 11th, 14th and 18th of December 2019.

Conclusions:

Technical analysis is one of the advanced techniques that is used to analyze securities by analyzing the historical and other statistics which are generated by market activity. Technical analysis is principally supported 3 assumptions particularly, Market discounts everything, and Price moves in trends, History tends to repeat itself. Technical analysts states that all fundamentals of the company are discounted by the market at any point of time, also they consider short term approach to analyze the market than the long term analysis, trend is one of the important concept in technical analysis which actually refers to a direction in which a security is headed. This trend line is drawn by using the closing prices of the stock. To show the series of prices over a period of time charts and graphical representation are used in technical analysis. Relative strength index and Moving average are the leading oscillators in technical analysis.

Relative strength index is the one, which is more popular among oscillators, which helps to identify overbought and oversold market conditions of a particular stock or an index. Moving average is one among the necessary mathematical indicator that is used to indicate the average price movements of a security over a period.

Investors must be educated and trained with proper information about stock exchange and secondly the analysts must be trained and made professional in analyzing and delivering service. These measures will lead the company towards success.

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REVIEW OF LITERATURE

Scientific journals are an essential instrument for academicians and researchers to divulge their research and publish their work officially. Therefore, there has always been an interest by academia to understand how these journals behave and what they publish. For this reason, the activity of doing a content analysis of a journal in order to investigate its characteristics and try to look for some trends inside the journal is pursued and appreciated by scholars.

While it is not a rule of thumb, the longer years a journal has been published, the more interesting results a content analysis could yield. For example, a journal with 20 years history of publication could show more distinct trends than a journal with only 5 years of publications. Considering these assumptions and the need to evaluate the status of some academic journals, several scholars have done content and trend analysis of some journals. While some of these studies have similar patterns, others use different structure and methodology. All of them vary in the scope and analysis, as this is dependent on the context of the journal that is being examined. For example, Coudounaris et al. (2009) did a content analysis of Management International Review for a 15 years period (1992-2007), analyzing 360 articles and identifying key trends in the evolution of the journal. They analyzed the journal in relation to 5

elements, which include the nature of the authorship, most prolific authors, and characteristics of the articles, most influential articles and specific thematic areas within the articles.

Concept of Technical analysis:

It is the technique of identifying trend reversal at a previous stage to formulate the buying and selling strategy. With the assistance of many indicators they break down the connection between worth - volume and supply-demand for the market and therefore the individual stock. Volume is favorable on the upswing it suggests that the quantity of share traded is larger than before and on the downside the quantity of shares traded dwindles. If it is the other approach round, trend reversal can be expected.

DOW THEORY

Whatever is generally being accepted today as technical analysis has its roots in the Dow Theory. The theory is so called because Charles h. Dow who was the editor of the wall street journal in U.S.A. Charles Dow formulated a hypothesis that the stock market does not move on a random basis formulated it but it is influenced by three distinct cyclical trends that guide its direction.

Technical analysis is principally involved with the study of historical past value movements of the stocks and on its volume of exchange in the market to predict the longer term behavior of the stocks. However, it doesn't consider any fundamental factors of the company like earnings, growth rates, dividends, financial ratios etc. The standard behind technical analysis is that the share value behavior repeats itself over a time and technical analysis.

ELLIOT WAVE THEORY

There are many theories, which seek to explain the behavior of the stock market. One such theory, in technical analysis, is the wave theory formulated by RALPH ELLIOT, known as Elliot wave theory. Elliot formulated the theory in 1934 after analyzing seventy-five years of stock price movements and charts. From his studies, he concluded that the market movement was quite orderly and followed a pattern of waves.

A wave is a movement of the market price from one change in the direction to the next change in the same direction. The waves are the result of buying and selling impulses emerging from demand and supply pressures on the market. Depending on the demand and supply pressures, waves are generated in the prices.

The Elliot wave theory is based on the principle that action is followed by reaction. Although the wave theory is not perfect and there are many limitations in its practical use, it is accepted as one of the tools of technical analysis. The theory is used for predicting the future price changes and in deciding the timing of investment. Analysts commit to derive strategies to predict these repetitions.

The basic thought behind technical analysis is that prices move in trends or waves, which can be upward or downward and also the present trends are influenced by past trends and therefore the projection of future trends is feasible by an analysis of past value trends. Hence, technical analysts use this trend as a crucial tool for security analysis and the main focus on trend movements.

Technical analysis v/s fundamental analysis

Technical analysis and fundamental analysis are the two main schools of thought within the financial markets. Technical analysts look on trend movements to predict the future behavior of the stocks whereas Fundamental analysts look on fundamentals of the economy, industry and company as a whole to predict the future behavior of the stocks.

Fundamental analysis is based on what "SHOULD" happen whereas Technical analysis is based on what "DOES" happen. The following points explain the major differences between these two and it also states how technical and fundamental analysis are used together to analyze securities to gain better results.

Types of Trends:

Trends are of 3 types

- 1: Uptrend
- 2: Downtrend
- 3: Horizontal trend

1: Uptrend:

It is the one, which explains the price movement of a financial asset when the overall direction is upward. Following is an example for uptrend.

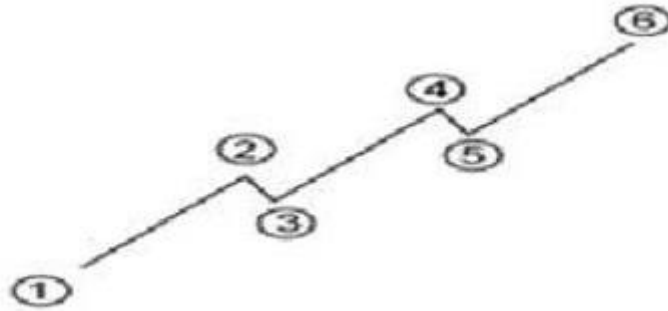


Figure 2(i)

Source: - <https://happycuan.wordpress.com/ta/technical-analysis/trend-line>

The above figure 2 (i) shows however the consecutive peak {boom} and trough [depression] is found above the previous ones. As an example, the peak at Point 4 is higher than the peak at Point 2. The uptrend are going to be deemed to be broken if the next low on the chart falls below Point 5. The main goal of technical analyst is to spot a powerful uptrend and to earn profit till it reversals its direction.

2: Downtrend:

It is the one, which explains the price movement of a financial asset when the overall direction is downward. Following is an example for downtrend.

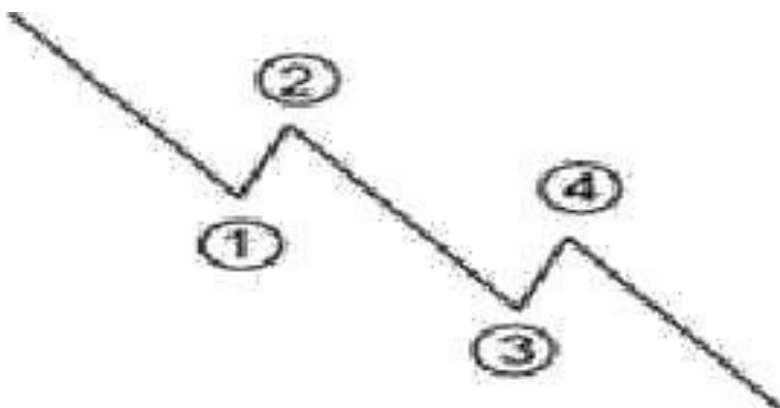


Figure 2(ii)

Source: - <https://happycuan.wordpress.com/ta/technical-analysis/trend-line>

The above figure 2(ii) shows however consecutive peak and trough is lower than the previous one. As an example, the low at Point 3 is lower than the low at Point 1. The downtrend are deemed broken, once the worth closes above the high at Point 4. Most all traders attempt to avoid downtrends since it influence additional on the worth of their investment adversely. Downtrend will last for minutes, days, weeks, months or maybe years.

3: Horizontal trends:

This type of trends describes the horizontal price movements of a financial asset when the forces of demand and supply are nearly equal. Horizontal trend is additionally referred to as a sideways price trend.

Trend lengths:

A trend of any direction are often classified as a longer term trend, intermediate trend or a short trend. Following is an example for trend lengths.



Figure 2(iii)

Source: - <https://happycuan.wordpress.com/ta/technical-analysis/trend-line>

Long-term trend refers to a significant trend, which is mostly categorized in concert lasting longer than a year. Intermediate trend refers to a trend that is taken into account to last between one and 3 months. Short trend refers to a small trend, which is a smaller amount than a month.

A long-term trend consists of many intermediate trends, which frequently move against the direction of the major trend. If the major trend is upward and there's a downward correction in worth movement followed by a continuation of the uptrend, the correction is taken into account an intermediate trend. The short trends are part of each major and intermediate trends.

A FIELD PROJECT REPORT

ON

“An Empirical Study of the Factors Influencing Consumer Behavior in the Electric Appliances Market”

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

**(RANGISETTI SANDHYA RANI, BONDE SOWJANYA, MARRIBOINA HEMANTHSAI VENKATESH, ADIGOPPULA
VAISHNAVI, TULASI KOSANA)**

(Regd. No. 211FC01072, 211FC01073, 211FC01074, 211FC01075, 211FC01076)

Under the esteemed guidance of

Mr. M. Ramu

ASSISTANT PROFESSOR



DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Date: 20-04-2023

PERMISSION LETTER

Following are the students **Rangiseti Sandhya Rani, Bonde Sowjanya, Marriboina Hemanthsai Venkatesh, Adigoppula Vaishnavi, Tulasi Kosana** of IInd MBA bearing roll numbers Regd. No. **211FC01072, 211FC01073, 211FC01074, 211FC01075, 211FC01076** were permitted to do a field project on the topic **“An Empirical Study of the Factors Influencing Consumer Behavior in the Electric Appliances Market”**.

GUIDE

HOD/MBA



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(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **an Empirical Study of the Factors Influencing Consumer Behavior in the Electric Appliances Market** submitted by **Rangiseti Sandhya Rani, Bonde Sowjanya, Marriboina Hemanthsai Venkatesh, Adigoppula Vaishnavi, Tulasi Kosana** bearing the Regd. No. **211FC01072, 211FC01073, 211FC01074, 211FC01075, 211FC01076** from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

GUIDE

HOD/MBA

ABSTRACT

This study contributes to a deeper understanding of the impact of different factors on consumer buying behavior. It analyses the relationship between several independent variables, such as cultural, social, personal, psychological and marketing mix factors, and consumer behavior (as the dependent variable) in the electric appliances market. The purpose of this study is to determine the factors affecting consumer preferences and behavior in the electric appliances market in Iraq. The data employed to analyses the factors influencing consumers' purchase decision-making processes were obtained through a questionnaire that was conducted in December 2011 in Basra, a city in southern Iraq. The major findings of the study indicated that, overall, the set of independent variables are weakly associated with the dependent variable. However, the in-depth analysis found that social factors, physical factors, and marketing mix elements are strongly associated with consumer buying behavior. These analyses make it possible to discover consumer decision-making rules. The results may assist producers and retailers in understanding consumer behavior and improving consumer satisfaction.

Key words: financing structure, selection of financing sources, financial crisis

Introduction

For companies to attain commercial success, it is important that managers understand consumer behavior. The relationship between consumer behavior and marketing strategy is emphasized because the success of companies' marketing strategies depends upon managers' understandings of consumer behavior (understanding of consumer behavior is especially important during a recession – see Kotler and Caslione (2009). Consumer buying decisions indicate how well the company's marketing strategy fits market demand. Thus, marketing begins and ends with the consumer.

The study of customer behavior is based on consumer buying behavior, with the customer playing three distinct roles: user, payer and buyer. Research has shown that consumer behavior is difficult to predict, even for experts in the field (Armstrong & Scott, 1991). Consumer behavior involves the psychological processes that consumers go through in recognizing their needs, finding ways to solve these needs, making purchase decisions (e.g., whether to purchase a product and, if so, which brand and where), interpret information, make plans, and implement these plans (e.g., by engaging in comparison shopping or actually purchasing a product).

Consumer behavior research attempts to understand the buyer decision-making process, both individually and collectively. It studies individual consumer characteristics such as demographics and behavioral variables in an attempt to understand people's wants. Consumer behavior research allows for improved understanding and forecasting concerning not only the subject of purchases but also purchasing motives and purchasing frequency (Schiffman & Kanuk, 2007).

One of the current fundamental assumptions in consumer behavior research is that individuals often purchase products for their subjectively perceived values rather than their primary functions (Stávková, Stejskal & Toufarova, 2008). This does not mean that the products' basic functions are not important, but that the contemporary role of a product is more than its basic use-value (Solomon, 2004). Frequently, consumers do not rate products according to their core attributes (i.e., the primary utility they provide) but, above all, according to the so-called real product (i.e., a particular products' qualities) and the extended product, which represents the set of intangible factors that confer a desired perceived advantage on the consumer – including image, consultancy, and after-sale service (Foret & Procházka, 2007).

In sum, modern marketers first attempt to understand consumers and their responses and then study the basic characteristics of their behavior. Studying consumer behavior helps to

ascertain who the customers are, what they want, and how they use and react to the product. The wants of the customer are carefully studied by conducting surveys on consumer behavior.

Factors Influencing Consumer Behavior

The stimulus-response model (or the black box model) is a well-developed and tested model of buyer behavior and is summarized in the diagram below (see fig. 1.). The black box model shows how stimuli, consumer characteristics, decision processes and consumer responses interact. The stimuli can be distinguished between interpersonal stimuli (between people) or intrapersonal stimuli (within people) (Sandhu Sen, 2000, pp. 218-219). The black box model is related to the black box theory of behaviorism, where the focus is not on the processes inside a consumer but the relationship between the stimuli and consumer responses. Marketing stimuli are planned and produced by firms, whereas the environmental stimulus is generated by social factors, based on the economic, political and cultural circumstances of a society. The buyer's black box contains the buyer's characteristics and the decision process, which determines the buyer's response.

In the above model, marketing and other stimuli enter the customer's "black box" and produce certain responses. The aim of marketing management is to discover what goes on in the mind of the customer

– the black box. The buyer's characteristics influence how s/he perceives the stimuli; the decision-making process determines what buying behavior is undertaken. The first step in understanding buyer behavior is to focus on the factors that determine the buyer's characteristics in the black box model.

Many factors influence a consumer's purchasing decisions and buying behavior. The literature classifies and structures these factors in various ways (see table 1.). Despite these differences, consumer behavior is generally influenced by factors that can be classified into five groups: cultural factors, social factors, physical factors, personal factors and the marketing mix. A description of the major factor groups is presented in table 2.

These factors are identified to discover the impacts they have on consumer behavior and assist marketers with selecting consumer targeting strategy. Therefore, these factors are used to segment the market and target specific consumer groups. The aim of this paper is to understand the influences of the factors that were measured in a survey on purchasing behavior.

Types of Consumer Behavior

Studies suggest that customers generally go through a five-stage decision-making process whenever they make a purchase. This is summarized in fig. 2. The model implies that customers pass through all of the stages in every purchase. However, in more routine purchases, customers frequently omit or reverse some of the stages. The buying process begins with need recognition. At this stage, the buyer recognizes a problem or need or responds to a marketing stimulus. Next, the consumer needs to decide how much information (if any) is required to make the decision. If the need is strong and a product or service that meets the need is easily available, a purchasing decision is likely to be made immediately. If this is not the

In the evaluation stage, the customer must choose between alternative brands, products and services. An important determinant of the extent of the evaluation is whether the customer feels “involved” in the product. A buyer’s level of involvement determines why s/ he is motivated to seek information about a particular product or brand while virtually ignoring others. The involvement level, as well as other factors, affects an individual’s choice of one of three types of consumer buying behavior: routine response behavior, limited decision making, and extended decision making (Pride & Ferrell, 2007, pp. 177-179). Table 3 presents a comparison of the behavior types.

A consumer uses routine response behavior when buying frequently purchased, low-cost items that demand very little search-and-decision effort (e.g., milk, eggs, bread or socks). Customers spend very little time deciding whether to purchase these items and do not typically need to read reviews or consult with friends for their opinions before making routine purchases. However, when confronted with ‘ethical’ products, consumers often become more involved, and this results in a more extensive information search (Carrigan & Attalla, 2001; Zander & Hamm, 2011). These are usually small purchases, on the lower end of the pricing spectrum. When buying such items, consumers may prefer a particular brand but are familiar with several brands in the product class and view more than one as being acceptable. Typically, low-involvement products are bought almost automatically.

Limited decision making is a combination of an extensive purchase decision and a routine one. Consumers who participate in this type of buyer behavior typically know what type of product they want but are attempting to select a brand. Purchasing clothing is a good example of how limited decision making works. A customer who needs a new pair of jeans goes into a store looking for jeans but investigates a variety of brands to determine which pair is the best fit. When customers engage in purchases that require limited decision making, they may seek advice or a suggestion from a friend. This type of decision making requires a moderate amount of time for information gathering and deliberation. The search is not as thorough or as time consuming as it is with higher priced items.

The most complex type of buying behavior, extended decision making, occurs when purchasing unfamiliar, expensive, or infrequently purchased products (e.g., a computer, television, car or house). Consumers spend substantial amounts of time researching a large number

of potential options before they buy. They speak with trusted friends, family, colleagues and sales professionals and read reviews and ratings online and in consumer magazines. Consumers participating in an extended decision-making process typically take more time to make a final purchase decision and spend more time researching their options. Many of these consumers experience cognitive dissonance. Extended decision making is frequently used for purchasing high-involvement products.

Purchasing a particular product does not always elicit the same type of problem solving process. Most consumers occasionally make purchases solely on impulse, rather than on the basis of any of these three buying behaviors. Impulse buying is an unplanned decision to buy a product or service, made just prior to a purchase. Such purchases range from small (chocolate, candy, gum) to substantially large (clothes, jewelry, art) and sometimes lead to problems such as financial difficulties, family disapproval, or feelings of guilt or disappointment (Business Dictionary, 2012). For more information on this topic, see Wood (2005).

Study Goals and Objectives

The purpose of this study is to determine the factors that affect consumer preferences and behavior in the electric appliances market in Iraq. There are few studies related to these products, and this is the first study that has attempted to explore the growing electric appliances market in this country. In Iraq, there are few researchers who are interested in consumer behavior, and the studies in this area are scarce and inadequate. Researchers working on the topic of consumer behavior and competition in the Iraqi market are Abo Ahmad (2004), Abood Al-Janabi (2000), Ibrahim and Husin (2009). Furthermore, researchers such as Jtheer, Al-Mosssawi and Hussen study and measure consumer behaviour regarding drugs using a sample of consumers in Baghdad, (Jtheer, Al-Mosssawi, Hussen, 2009).

Study Methodology

The aim of the survey was to obtain information regarding the influences of the above-mentioned factors (see table 2.) on consumer behavior when consumers purchase electrical appliances. After completing the literature review, the authors of the paper decided to create a research model (fig. 3.) and implement it to understand and analyze how Iraqi consumers made purchase decisions in the electric appliances market.

The graphical research model can be written in mathematical form. The mathematical model of the research is stated below:

The hypotheses formulated after reviewing the relevant literature are presented below:

H1: cultural factors have a strong association with consumer behavior.

H2: social factors have a strong association with consumer behavior.

H3: personal factors have a strong association with consumer behavior.

H4: psychological factors have a strong association with consumer behavior.

H5: the product factor has a strong association with consumer behavior.

H6: the price factor has a strong association with consumer behavior.

H7: the promotion factor has a strong association with consumer behavior.

H8: the place factor has a strong association with consumer behavior.

Tests of the hypotheses were confined to the primary data collected from the area of Basra (the second largest city in Iraq with an estimated population of two million).

Instrument and Study Sample

The data employed to analyze the factors influencing consumers' purchase decision-making processes were obtained through a marketing survey. The instrument used to collect the primary data was a questionnaire. The authors selected this tool because of its numerous advantages. Because each respondent receives the same questions and an interviewer is not present, the process is identical for each respondent. One advantage of using a questionnaire is that it reduces errors made by an interviewer while recording the responses. Questionnaires guarantee confidentiality; hence, respondents act without any fear or embarrassment. Another advantage is that the interviewer, whose personal appearance, mood or conduct may influence the results of an interview, is not present when the questionnaire is being completed (Burns, 2000, p. 566). Furthermore, a questionnaire is a quick and efficient way to obtain information from a large number of consumers. However, designing a questionnaire is complex and time-consuming, and the quality of the data that are collected is determined by the quality of the questionnaire.

The authors intended that the questionnaire be simple and the questions straightforward and to the point.

The questions were divided into three segments as follows:

1. Questions on demographic information, including characteristics such as age, education, income, and gender,
2. Questions on the factors that impact consumers and consumer behavior,
3. One question on brand loyalty.

The second part of the questionnaire contained nine sections, and each section represented a variable in the research model (the independent, dependent, and intermediate variables). In this part responses were measured on a 5-point Likert scale, ranging from one (definitely disagree) to five (definitely agree). The third part of the questionnaire contained a single open-ended question about brand loyalty.

The survey was conducted in December 2011 in Basra, a city in southern Iraq, and 200 survey responses were gathered. However, after removing invalid data, 176 correctly completed, acceptable questionnaires remained for the analysis. The data were evaluated using specialized software – the Statistical Package for Social Sciences (SPSS) ver. 17.

Respondents in this study were asked to complete the questionnaire on a voluntary basis. Regarding income 36% of respondents had monthly incomes in excess of 1 million Iraqi dinars (ID), 43% had monthly incomes between 500,000 and 999,000 ID and 21% received less than 499,000 ID per month. Concerning sex, 56% of the respondents were male and 44% were female. Of the 176 people who completed our questionnaire, 6.0% were between the ages of 18-24, 28.5% were between 25-34, 34.0% were between 35-44, 21.5% were between 45-54 and 10% were over 55 years old. Regarding education level, the majority of respondents had received higher education (58.8%), 21.6% received secondary education, 12.6% received intermediate education, 5.0% received primary education and only 2.0% have no formal education.

Results and Discussion

Cronbach's alpha (a measure of internal consistency or how closely related a set of items are) was used to assess the inter-item reliability for each variable. As reported in table 4, Cronbach's alpha scores were over 0.75, suggesting that the items have a relatively high degree of internal consistency (note that a reliability coefficient of 0.70 or higher is considered "acceptable" in most social science research (Hair et al., 2006)). These alpha scores are acceptable for an exploratory analysis, indicating that the factors within each variable are inter-related.

There was a relationship between each factor and type of consumer behavior. This operation was divided into two parts as follows:

1. The authors found Pearson's correlation coefficients between the variables associated with questions answered on the Likert scale such as social factors, psychological factors, marketing mix and consumer behavior. As shown in table 5, the Pearson's r for the correlation between each factor and consumer behavior was positive. This means that as one variable increases in value, the

second variable also increases in value. Similarly, as one variable decreases in value, the second variable also decreases in value. The values of the Person's correlation coefficients in this study were rather low; there is not a strong relationship between the variables. The strongest correlation was between psychological factors and behavior – 0.434. The significance (2-tailed) values were less than 0.05. Therefore, we can conclude that there was a statistically significant correlation between each factor and consumer behavior.

2. To find the relationship between cultural and personal factors and different types of consumer behavior, a one-way ANOVA was used. Data that represented these factors were divided into three groups: education (a cultural factor), age and

Table: Reliability Statistics

Variables	Cronbach's Alpha
Cultural factors	0.81
Social factors	0.83
Personal factors	0.89
Psychological factors	0.75
Product	0.8
Price	0.79
Promotion	0.95
Place	0.83
Routine response behavior	0.93
Limited decision making	0.92
Extensive decision making	0.95

Table. Pearson's Correlation of Variables

Variables	Behaviour
Pearson's Correlation	Sig. (2-tailed)
Social factors	0.299
Psychological factors	0.434
Product	0.269
Price	0.293
Promotion	0.249
Place	0.206

Table. One-way ANOVA

Factors	Types of behaviour	SS	df	MS	F	Sig.
Education	Extensive decision making	1.916	4	0.479	0.764	0.55
	Routine response behavior	2.309	4	0.577	1.162	0.329
	Limited decision making	17.904	4	4.476	0.75	0.559
Age	Extensive decision making	0.481	4	0.12	0.19	0.943
	Routine response behavior	0.426	4	0.107	0.208	0.934
	Limited decision making	12.155	4	3.039	0.509	0.729
Monthly income	Extensive decision making	2.584	4	0.646	1.041	0.387
	Routine response behavior	5.188	4	1.297	2.664	0.034
	Limited decision making	18.036	4	4.509	0.75	

Note: SS – sum of squares, df – degrees of freedom, MS – mean square, F – F ratio, Sig. – significance value. Monthly income (personal factors). The outcome of the ANOVA is presented in table 6. The results reveal that there is not a statistically significant difference between the influences of education and age on consumer behavior ($p>0.05$). Only monthly income has an impact on behavior, and only under routine response behavior. In this case, the F ratio is the highest ($F=2.664$) and the significance value was below 0.05 ($\text{sig.}=0.034$).

It was found out that there is a multiple regression between behavior and all factors. The data presented in table 7 show the results of the multiple regression, which was used to learn more about the relationships between the independent variables and the dependent variable. Testing the previously developed hypotheses developed provided results that made it possible to modify the research model as follows:

These modifications of the mathematical model indicate that hypotheses 1 and 3 are rejected because the relationships between the variables are weak ($p>0.05$). The other hypotheses are accepted based on the strong association among the variables ($p<0.05$). Psychological factors strongly affected behavior. Psychological factors ($\beta=0.43$) influenced consumer

Table 6. One-way ANOVA

Hypothesis & relationship

Sig.	Verification results						
		B	Std. error	Beta			
H1	cultural factors→behaviour	-0.076	0.04	-0.136	1.926	0.056	Rejected
H2	social factors→behaviour	0.181	0.041	0.299	4.387	0	Accepted
H3	personal factors→behaviour	-0.055	0.031	-0.123	1.738	0.084	Rejected
H4	psychological factors→behaviour	0.31	0.046	0.434	6.754	0	Accepted
H5	product→behaviour	0.179	0.046	0.269	3.924	0	Accepted
H6	price→behaviour	0.142	0.033	0.293	4.303	0	Accepted
H7	promotion→behaviour	0.158	0.044	0.249	3.607	0	Accepted
H8	place→behaviour	0.124	0.042	0.206	2.958	0.003	Accepted

behavior more than social factors ($\beta=0.30$ and marketing mix. The relationship between personal factors and consumer behavior was insignificant, with a p- value of 0.08. A similar result was obtained for the relationship between cultural factors and consumer behavior ($p=0.06$).

Conclusions and Future Research

This research contributes to the understanding of consumer buying behavior in the electric appliances market. The major findings of the study indicated that the overall set of independent variables was weakly associated with the dependent variable. However, the in-depth analysis found that social factors, physical factors, and marketing mix elements were strongly associated with the buying behaviors of Iraqi consumers. These analyses make it possible to discover consumer decision-making rules. Moreover, our analysis helped us to identify several promising directions for future research. The primary goal of this future research will be to develop methodological bases for consumer behavior analysis using Multi-Agent Based Simulation (MABS) and simulation tests using the developed methodology. As a result of our research, we plan to develop a computer simulation model that will allow us to investigate consumer behavior. The simulation model of the electric appliances market will be elaborated with a multi-agent approach.

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A FIELD PROJECT REPORT

ON

**“Factors influencing consumer behaviour towards store
brands”**

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

**(VAKKALAGADDA BHAVANI, SHAIK ASMA, PISIKA SHIVANI, SHAIK SHABAAZ
SHARIEFF, PERAPOGU MANNAKUMARI)**

(Regd. No. 211FC01077, 211FC01078, 211FC01079, 211FC01081, 211FC01082)

Under the esteemed guidance of

Mr.M.Ramu

ASSISTANT PROFESSOR



DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

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VIGNAN'S

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-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Date: 20-04-2023

PERMISSION LETTER

Following are the students **VAKKALAGADDA BHAVANI, SHAIK ASMA, PISIKA SHIVANI, SHAIK SHABAAZ SHARIEFF, PERAPOGU MANNAKUMARI** of IInd MBA bearing roll numbers Regd. No. **211FC01077, 211FC01078, 211FC01079, 211FC01081, 211FC01082** were permitted to do a field project on the topic **“Factors influencing consumer behaviour towards store brands”**.

HOD/MBA



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **Factors influencing consumer behaviour towards store brands** submitted by **VAKKALAGADDA BHAVANI, SHAIK ASMA, PISIKA SHIVANI, SHAIK SHABAAZ SHARIEFF, PERAPOGU MANNAKUMARI** bearing the Regd. No. **211FC01077, 211FC01078, 211FC01079, 211FC01081, 211FC01082** from the Department of Management Studies, Vignan's & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

GUIDE

HOD/MBA

Abstract

Purpose – This paper aims to investigate how consumer and image factors as well as store familiarity influence store brand (SB) purchase behaviour. SBs are now widely offered by European mass retailers. However, consumer behaviour toward SBs is not yet clearly understood in all European markets.

Design/methodology/approach – The authors analysed data collected from 266 respondents and used structural equation modelling to test the main hypotheses. They then carried out ANOVA and MANOVA analyses to test the effect of store familiarity on SB purchase behaviour.

Findings – Results indicate that store image perceptions, SB price-image, value consciousness, and SB attitude have significant and positive influence on SB purchase behaviour. Store familiarity positively influences SB choice, but not SB purchase intention. None of the socio-demographic variables (age, gender, household income, and family size) included as control variables have an effect on SB choice.

Research limitations/implications – The study is limited because it did not account for the effect of product categories on SB purchase behaviour. Consequently, results cannot be determined for different product categories. It would also be appropriate to measure SB choice in a more concrete way, such as using scanner data.

Practical implications – Findings highlight the importance of value consciousness, store image perceptions, and SB price-image on SB purchase behaviour. They also show greater popularity of SB products among consumers, including those with high household income.

Originality/value – There is increased value to retailers in studying how consumer and image factors jointly influence SB purchase behaviour, whilst also accounting for store familiarity instead of brand familiarity.

Keywords Store brands, Store image perceptions, SB price-image, SB value consciousness, Store familiarity, France, Brands, Brand image
Paper type Research paper

Introduction

Store brands (SBs) have been increasingly investigated by marketing scholars and have been the focus of retail managers' interest (Hyman *et al.*, 2010). SBs must be differentiated from private label brands (PLBs); the former indicates products with a retailer name, whilst the latter are not typically endorsed by a retailer. SBs experienced a phenomenal growth in various product categories during the past years (Baltas and Argouslidis, 2007). There are many incentives (e.g. increasing retail margins, building store loyalty, increasing store traffic, enhancing negotiating strength with manufacturers, etc.) for retailers to create SB programs (Baltas and Argouslidis, 2007; Binninger, 2008). In Western Europe, SB penetration exceeds 50 per cent of sales by volume in Switzerland and more than 35 percent in major markets such as the UK, Belgium, Germany, and Spain (Lamey *et al.*, 2007). Retailers are facing strong competitive pressure, leading them to launch an ever-increasing number of SBs. Today, SBs are growing faster than manufacturer brands (Kumar and Steenkamp, 2007). According to Grewal and Levy (2009, p. 523), "we saw increasing evidence of store brands with similar quality levels coupled with 10–15 per cent lower prices than those charged by national brands." For retailers, the use of SBs is a reliable method to increase sales quickly at a relatively low cost.

Simultaneously, consumers are now more willing to purchase SB products (PLMA, 2009) and are delighted to have SB lines available in stores in which they shop (Binninger, 2008). Several factors drive consumer willingness to purchase SB products: socio-demographic factors (Baltas and Argouslidis, 2007; Martinez and Montaner, 2008), economic factors (Lamey *et al.*, 2007), and psychographic factors (Burton *et al.*, 1998; Garretson *et al.*, 2002; Jin and Suh, 2005). Socio-demographic factors include household income, the number of children in the household, gender, age, etc. Previous research showed that income and family size was strong determinants of store brand purchase behaviour (Burton *et al.*, 1998; Martinez and Montaner, 2008). Economic factors are related to the economic cycle, whilst psychographic factors involve variables such as value consciousness, risk awareness, price-quality inferences, self-smart shopper perceptions, etc. Vahie and Paswan (2006) and Diallo (2012) highlighted the increasing importance of image factors in the perception of store brands. Indeed, given the increased improvement of SB product quality (Kumar and Steenkamp, 2007), factors related to image must be taken into account in SB purchase behaviour. However, to the best of our knowledge, no extant research has evaluated the joint impact of image and consumer factors on SB purchase. Consequently, the aim of this paper is to investigate the influence of image factors (store image perceptions and SB price-image), consumer factors (value consciousness and attitude toward SBs), and SB purchase intention on SB choice.

The French market has been chosen because of convenience, but also because the retail market is very dynamic and store brands are developing quickly. SBs represent about 36 per cent of product sold by large retailers according to the last PLMA study [1]. Additionally, the French market has been investigated less than other Western markets such as the US (see Burton *et al.*, 1998; Garretson *et al.*, 2002), the UK (see Burt, 2000; Burt and Sparks, 2002), and Spain (see Martinez and Montaner, 2008). Cliquet and Jara (2012) studied SB equity in France, and Binninger (2008) investigated the relationship between SBs and consumer store loyalty in the French context. However, many other variables (e.g. store image, value consciousness, and SB attitude) have been studied less in relationship to SBs

in France. This gap may be related to the fact SBs have been long considered as non-brands in France where Carrefour popularised the “free products” in the 1970 s.

The intended contribution of this paper is three-fold. First, we emphasise both consumer and image factors (store image and SB price-image); previous research focused mainly on perceptual, demographic, and psychographic ones (Jin and Suh, 2005; Garretson *et al.*, 2002). Second, we propose and validate a partial mediation model of consumer choice of SBs in the less-investigated European market, despite the strong presence of mass retailers and SBs in this market. Third, we investigate the influence of store familiarity on SB purchase behaviour; previous studies did not widely address

this issue, or were more interested in the effect of brand familiarity on SB purchase behaviour (Richardson, 1997). This study fills a gap in this research area by showing how consumer factors (value consciousness, SB attitude, and SB purchase intention) and image factors (store image perceptions and SB price-image) have significant effects on SB purchase behaviour.

The paper is organised by presenting the theoretical framework and the hypotheses development, outlining the study’s methodology with a focus on data collection and measurement issues, detailing the results, and discussing the findings, proposing managerial implications, and pointing out limitations and research orientations for future studies.

1. Theoretical framework and hypotheses development

According to Jin and Suh (2005), most of the consumer factors associated with SB purchase behaviour can be grouped in three categories: personality (Burton *et al.*, 1998), perceptual (Garretson *et al.*, 2002), and socioeconomic (Baltas and Argouslidis, 2007; Martinez and Montaner, 2008). In previous studies, consumer perceptual characteristics such as price-quality perception, perceived quality, value consciousness, price consciousness, smart-shopper self-perception, and general deal proneness were associated with SB purchase (Garretson *et al.*, 2002). In this research, we argue that image factors must be taken into account as consumers use image perceptions to make inference about SB perceived quality (Richardson *et al.*, 1994). SBs have also achieved greater quality improvement in recent years, allowing the enhancement of image factors within SB purchase behaviour.

Figure 1 summarises our conceptual model in which store image perception, SB price-image, value consciousness, and attitude toward SB influence SB choice directly or indirectly through the mediation of SB purchase intention. We not only test this model, but we also assess two other competitive models: a full mediation alternative [2] and a model that includes control variables (age, gender, household income, and family size).

1.1 Store image perceptions

Store image is important because it is closely related to consumers’ perception of retailer’s activities and brand equity (Ailawadi and Keller, 2004; Burt, 2000; Cliquet and Jara, 2012). Several conceptualisations of store image have been proposed in previous research. These conceptualisations have changed over time, indicating the difficulties encountered in defining the construct (Hartman and Spiro, 2005). Martineau (1958) gave one of the earliest definitions of store image. He posited that store image is defined in the shopper’s mind, partly by the functional qualities and partly by an aura of psychological attributes. Store image develops from consumers’ objective and subjective perceptions learned

over time. Subsequent conceptions of store image have taken into account the interactions among attribute perceptions (Lindquist, 1974), and even as a component of store attraction (Nevin and Houston, 1980).

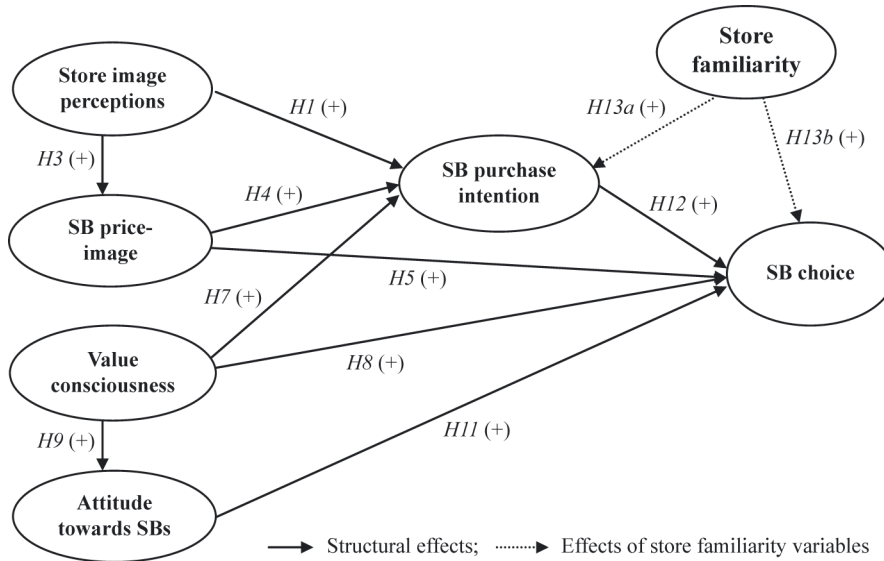


Figure 1. Conceptual model with partial mediation

Previous research has established the relationship between store image perceptions and consumer purchase behaviour (Grewal *et al.*, 1998) or store choice (Thang and Tan, 2003). According to this theory, products provide an array of cues that serve as surrogate indicators of quality to shoppers (Richardson *et al.*, 1994). These cues can be classified as extrinsic (e.g. store image and SB price) or intrinsic (e.g. aroma, ingredients) to the product. As an extrinsic cue, store image perception can be a determinant of SB perceived quality and SB purchase behaviour. We can consider SBs to be a brand extension of the store. Brand extension research supports the idea that store associations and evaluations can be generalised to SBs (Collins-Dodd and Lindley, 2003). As SB perceived quality is related to SB purchase intention and SB choice (Burton *et al.*, 1998; Garretson *et al.*, 2002; Jin and Suh, 2005), we anticipate that perception of store image will directly influence SB purchase intention and indirectly influence SB choice. Therefore:

- H1.* Consumer perceptions of store image have a direct and positive influence on SB purchase intention.
- H2.* Consumer perceptions of store image have an indirect and positive influence on SB choice.

Previous research has also demonstrated the relationship between store image perceptions and price-image perceptions (Martineau, 1958; Mazursky and Jacoby, 1986). For SBs, because the perceptions of store image provide a highly relevant cue for the SB, they can act as the original brand in a brand-extension scheme, providing a basis for overall SB quality (Collins-Dodd and Lindley, 2003) and influencing SB image (Vahie and Paswan, 2006) and, consequently, SB price-image. Based on previous studies on the relationship between store image and brand image (Burt and Sparks, 2002; Vahie and Paswan, 2006), we expect that a positive store image perception will lead to a positive SB price-image. Furthermore, Wu *et al.* (2011) demonstrated that store image directly influences a

positive SB image. Based on these studies, we anticipate:

Consumer perceptions of store image have a direct and positive influence on SB price-image.

1.2 *Store brand price-image*

Price-image is increasingly investigated by researchers (Zielke, 2010). Price-image perceptions are considered as an integral part of a retailer's store image (Lindquist, 1974). To the best of our knowledge, SB price-image has not yet been defined in previous research. Therefore, we can infer its definition from the definition of store price-image. Store price-image is defined as "a global representation of the relative level of prices" of a store (Martineau, 1958; Mazursky and Jacoby, 1986). Following this definition, we can define SB price-image as a global representation of the relative level of SB product prices for a given retailer.

SB price-image can be a reference for the consumer when purchasing a SB product. In fact, retailers are now offering different kinds of SB product ranges such as premium SBs and standard SBs with different levels of quality and different levels of perceptions (Kumar and Steenkamp, 2007). From previous research, we know that SBs are key elements of store image (Collins-Dodd and Lindley, 2003; Vahie and Paswan, 2006), which is supposed to influence SB purchase behaviour via SB perceived quality (Richardson *et al.*, 1994). So, except for premium SBs (high value added SBs) which can be perceived as true brands (see Kumar and Steenkamp, 2007), we can expect that consumers will be positively influenced by SB price-image perceptions when purchasing SB products. Therefore, we propose:

H4. SB price-image has a direct and positive influence on SB purchase intention.

H5. SB price-image has a direct and positive influence on SB choice.

H6. SB price-image has an indirect and positive influence on SB choice.

1.3 *Value consciousness*

Previous definitions in the literature indicated that perceived value is derived from a comparison between the expected benefits of a product and the sacrifices that a consumer has to make in order to assure those benefits. According to Zeithaml (1988), customers defined the term value in different ways: low price, the benefits they receive from the products, the quality they get for the price they pay, and what they get for what they give. However, other research defined this concept just as the "quality one gets for the price one pays" (e.g. Jin and Suh, 2005; Sweeney and Soutar, 2001). Based on the differences in these expressions of value consciousness, we can say that this concept is differently perceived.

In the marketing literature, it was well established that the intention to buy a given brand is strongly influenced by the perceived monetary sacrifice, in conjunction with the perception of product quality (Jin and Suh, 2005). Empirical research has confirmed that value consciousness is positively related to SB purchase behaviour and SB purchase attitude (Burton *et al.*, 1998; Garretson *et al.*, 2002). Jin and Suh (2005) provided further evidence that value consciousness is positively related to SB purchase behaviour. SBs have achieved great quality improvement in recent years and more consumers accept that SBs carry good quality yet a much lower price, hence good value, compared to name brands.

Therefore, for standard SBs, all other things being equal, greater consumer value consciousness will lead to higher levels of SB purchase intention and SB choice. From this, we anticipate that:

H7. Value consciousness will have a direct and positive influence on SB purchase intention.

H8. Value consciousness will have a direct and positive influence on SB choice.

H9. Value consciousness will have an indirect and positive influence on SB choice. Previous research demonstrated that value consciousness is positively related to SB attitudes toward deals tend to be value conscious” and “do not necessarily consider a price reduction as a sign of poor product quality”. Value-conscious consumers were indeed found to have a positive attitude toward SBs for both food and non-food product categories (Jin and Suh, 2005). According to Garretson *et al.* (2002, p. 92), “where consumers balance price and quality, there is a more favourable attitude toward private labels.” They also empirically showed that consumer value consciousness directly and positively affects attitudes toward SB products. Therefore, we propose:

H10. Value consciousness will have a positive and direct influence on SB attitude.

1.4 Attitude toward SBs

An attitude is generally regarded as a set of beliefs, experiences, and feelings forming a predisposition to act in a given direction. Attitude also has an effect on intentions and consumer behaviour (Fishbein and Ajzen, 1975). Attitude toward SB (i.e. SB attitude) is defined as a predisposition to respond in a favourable or unfavourable manner due to product evaluation, purchase evaluations, or self-evaluations associated with SB grocery products (Burton *et al.*, 1998). Consumers appear to hold attitudes toward SBs that influence their propensity to purchase SBs (Collins-Dodd and Lindley, 2003). Studies attempted to identify SB buyers on the basis of demographics and psychographics; however, the evidence was inconclusive (Martinez and Montaner, 2008).

SBs have been affected for a long time by negative stereotypes such as low-quality goods designed for low-income consumers. For this reason, SBs have low market shares in some product categories such as shampoo and can be found mainly in lower value-added product ranges. Consumer attitudes toward SBs were often negative when SBs offers started. This attitude toward SBs is now changing as retailers are launching higher value-added products. For instance, in the UK, Tesco has premium SBs that can compete with manufacturer brands on a quality basis (Kumar and Steenkamp, 2007). Improved quality of SB products has led consumers to develop stronger preferences for SBs in most product categories (Huang and Huddleston, 2009). Therefore, we anticipate:

H11. Attitude toward SBs has a direct and positive influence on SB choice.

1.5 SB purchase intention

Data on purchase intention are frequently used by marketing managers to make strategic decisions about both new and existing SB products and marketing

programs. Purchase intention refers to a consumer tendency to purchase the brand in the future and resist switching to other brands (Wu *et al.*, 2011). In the cognitive-affective model, many perceptual factors influence consumers' buying behaviour and purchase intention. Consumers may intend to purchase a particular SB because they perceive the brand offers the right price-quality relation or other benefits, such as a good price-image. Purchase intention has been widely used in the literature as a predictor of subsequent purchase and the concept was found to be strongly correlated with actual behaviour (Fishbein and Ajzen, 1975). In this respect, SB purchase intention would lead directly to SB purchase. Sometimes, this construct has been used as a proxy for SB purchase, yielding some confusion between the two variables (Jin and Suh, 2005). However, SB purchase intention is a projection in the future, whilst SB purchase is an action. Simply put, all else being equal, consumers' SB purchase intention may influence their SB choice. Hence, we derive that:

H12. SB purchase intention has a direct and positive influence on SB choice.

1.6 *The influence of store familiarity*

Alba and Hutchinson (1987, p. 411) defined familiarity as "the number of product related experiences that have been accumulated by the consumer". Previous research showed that increased store familiarity improved consumers' cognitive structures, as well as their ability to analyse information (Park and Lessig, 1981). Store familiarity can be enhanced by frequent exposure to the store. Previous research has shown the impact of brand familiarity, such as its influence on confidence in brand evaluation in a given store setting (Laroche *et al.*, 1996) or improving perceptions of online banking (Mäenpää *et al.*, 2008). The rationale for brand familiarity can be extended to store familiarity. Chebat *et al.* (2005) showed that store patrons more frequently used memory resources and external resources as guidelines in the store to achieve the purpose of their shopping visit. Therefore, as familiarity with the store increases, consumers purchase behaviour toward brands also increases. The same reasoning can be extended to the relationship between store familiarity and SB purchase behaviour. In fact, consumers may perceive SBs as less risky when they are more familiar with the store in which the SBs are sold. Also, since SBs are exclusive to a given store, we expect store familiarity will increase SB purchase behaviour. Thus, store patrons with more experience of SBs are probably more prone to buy SBs than newcomers to the store. Based on this rationale, we propose:

H13. Store familiarity will have a positive influence on SB purchase behaviour.

H13a. Consumers with higher level of store familiarity will develop increased SB purchase intention.

H13b. Consumers with higher level of store familiarity will have more SB choice.

2. Research methodology

2.1 *Data collection and sample*

We sampled SB consumers who regularly shop at hypermarkets in three French southern towns. We aggregated the samples as respondents are all French ones and the retailers have the same positioning across the three towns investigated. No difference was found in the sample composition based on ANOVA analyses ($p < 0.05$ in all cases). Data were collected using a self-administered questionnaire delivered to homes during two different periods: February 2010 (250

questionnaires) and April 2010 (350 questionnaires).

To participate, the respondent had to be at least 20 years old and fully or partially in charge of the household purchases of food and groceries. Respondent selection was based on convenience, and we ensured that categories of sex, age, level of income, etc. were adequately represented. Respondents indicated the store at which they usually shop. The questionnaire was structured as follows: the first part contained general questions to ascertain that respondents were regular SB buyers and were able to distinguish between SBs and national brands; the second part included scale items; and the third part covered general socio-demographic items such as age, gender, household income, family size, and education.

After deleting those questionnaires not completed properly, 140 questionnaires were used as the sample for exploratory factor analysis, and 266 questionnaires were used as the sample for confirmatory factor analysis and structural model testing. The distribution of the respondents did not indicate any serious bias compared to members of the French.

sample were women (61.4 per cent and 59 per cent, respectively). About half of them were younger than 26 years old (50.7 per cent and 51.9 per cent respectively). For instance, in the second sample, age is distributed as follows: less than 26 years old: 51.9 per cent; 26-49 years old: 32.7 per cent and 50 years old or more: 15.4 per cent. Consumers with monthly household incomes of less than €2000 represented 45.8 per cent and 44.3 per cent of the respondents. The majority of respondents had an undergraduate diploma (68.6 per cent and 57.1 per cent, respectively). Furthermore, most of main retailers present in the French market were represented in the sample (Carrefour, Casino, Système U, Leclerc, Auchan, etc.) and two main store formats (supermarket and hypermarket) were represented.

2.2 Measures

We developed the survey instrument following a comprehensive review of the relevant literature. For each latent variable, we adapted an existing scale or gathered a set of items from past research in the retail sector and from a pilot study. The questionnaires were double-back-translated within a framework of collaborative and iterative translation proposed by Douglas and Craig (2007). We then assessed the content and face validity of each item with four academic experts who were familiar with the topic under investigation. In a series of face-to-face settings, we pre-tested the questionnaire with 15 SB buyers to test response format and clarity of instructions to prevent common method bias. All items were rated on a seven-point Likert scale with 1 representing “strongly disagree” and 7 representing “strongly agree”. All of the statements were positive; therefore, high scores or levels of agreement could be taken to represent some degree of positive assessment with the item concerned.

To measure store-image perceptions, seven items from Grewal *et al.* (1998) were employed. SB price-image was measured using four items adapted from Zielke (2010). Value consciousness was measured by four items taken and adapted from Burton *et al.* (1998). Attitude toward SBs was measured with four items from Garretson *et al.* (2002). SB purchase intention was measured with four items adapted from previous research (Grewal *et al.*, 1998; Jin and Suh, 2005). The dependent variable, SB choice, was measured with four items. The first three items were adapted from Ailawadi *et al.* (2001), and the other item was created based upon a qualitative research.

We used an objective measure of store familiarity, frequency of store visit, and length of store use adapted from Mäenpää *et al.* (2008). Frequency of store

visit was measured by four options: less than two times a month; two to three times a month; four to five times a week; and more than five times a month. Duration of store patronage was assessed by asking, "How long have you been shopping in this store?" and the following options were available: less than two years; two to five years; six to ten years; and more than ten years. The two items were substantially related Spearman $R_{ho} = 0.70$; $p < 0.01$, $\alpha = 0.83$. Therefore, we used the standardised factor from the two indicators, and split the data into two sub-samples based on the median of the factor values. Finally, in additional analysis, we included some covariates (age, gender, household income, and family size) to control for their potential effects on our results. The covariates were measured as categorical variables.

3. Analysis and results

3.1 Measurement model testing

Since some of our scales have not been tested yet in the French context, the scale validation process was based on Churchill's paradigm (Churchill, 1979) and its updated version (Gerbing and Anderson, 1988). To determine the patterns of factor loadings for each measurement model, we used exploratory factor analysis: EFA (N1 140). During the EFA process, we deleted items that do not load well on the construct they were supposed to measure (loading < 0.4). Items with communalities lower than 0.4 were also deleted. After this process, four items remained for each construct. These items loaded significantly on only one construct. Every construct obtained an eigenvalue larger than 1. The percentage of variance explained by the construct ranged from 60 per cent to 75 per cent. All constructs obtained Cronbach alpha greater than 0.7 [3]. We subsequently used confirmatory factor analysis N2

266 in which we employed the two-step procedure to ensure an adequate measurement and structural model. We used maximum likelihood (ML) on the covariance matrix with AMOS 18. Table I presents means, standards deviations, and correlations of the six constructs.

To evaluate fit of each model, three types of fit indexes (absolute, incremental, and parsimonious) were used following the benchmarks suggested in previous research (Jackson *et al.*, 2009; Kline, 2010). The overall measurement model's fit indexes indicated a satisfactory model fit: $\chi^2/df = 1.02$; $p = 0.40$; RMSEA = 0.007; CFI = 0.99 and TLI = 0.99; and CAIC = 857.03. Table II shows that reliability values (r) were above the recommended cut-off criteria (0.7) for each scale. Convergent validity of the constructs was fulfilled as AVE values (r_{vc}) were greater than 0.5 (Fornell and Larcker, 1981). Discriminant validity of constructs was assessed following Fornell and Larcker (1981) by comparing r_{VC} values to squared correlations between the constructs and was found satisfactory (see Table II) [4]. Based upon the recommendations of Podsakoff *et al.* (2003), we tested for the common method variance using Harman's single factor test. The results [$Dx^2 = 19.2798$; $df = 12$; $p < 0.01$] did not indicate any serious matter related to common method variance.

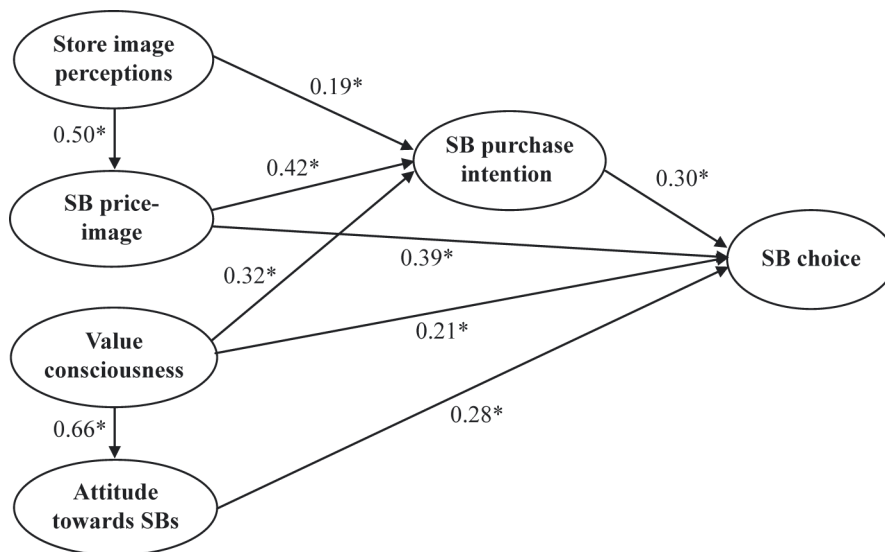
3.2 Structural model: main hypothesis testing

We examined the hypothesised relationships among constructs by estimating a structural equation model with Amos 18. Table III shows that our partial mediation

Constructs (number of items)	Means	Std dev.	1	2	3	4	5	6
1. Store image perceptions (4)	3.84	1.52	1					
2. SB price-image (4)	3.90	1.41	0.50*	1				
3. Value consciousness (4)	3.70	1.60	0.74*	0.59*	1			
4. Attitude towards SB (4)	4.06	1.57	0.62*	0.60*	0.65*	1		
5. SB purchase intention (4)	3.57	1.60	0.57*	0.63*	0.60*	0.72*	1	
6. SB choice (4)	3.67	1.47	0.65*	0.73*	0.68*	0.73*	0.74*	1

Note: N2 ¼ 266

Table I.
Means, standard deviations and correlations between the constructs



Note: * $p < 0.01$

Figure 2. The path diagram of the validated partial mediation model

5. Discussion and implications

5.1 Summary and theoretical implications

Various consumer factors were correlated to SB purchase behaviour in previous studies (Burton et al., 1998; Garretson et al., 2002). This research consistently showed that value consciousness, attitude toward SBs, and SB purchase intention positively influenced SB choice. More specifically, value consciousness was found to highly influence SB choice (direct 0.21 ; $p < 0.001$; indirect 0.27 ; $p < 0.01$ and total 0.48 , $p < 0.01$) compared to other consumer factors. Burton et al. (1998) and Garretson et al. (2002) found similar results in the American market. Garretson et al. (2002) results showed that value consciousness influences SB attitude (0.17 ; $p < 0.05$), which in turn influences SB purchase behaviour (0.22 ; $p < 0.05$). However, they only tested indirect effects of value consciousness on SB purchase behaviour, whilst we assess both direct and indirect effects in this research. The stronger indirect effect of value consciousness on SB purchase seems to mean that this construct is no longer the only key factor impacting SB purchase. The conclusion we can derive is that SBs seem to be less associated only to price constructs due to their improved perceived quality. Even though price still matters, other factors such as attitude and store image become relevant. Our results also

show a stronger effect of value consciousness compared to those of Garretson et al. (2002) and to those of Jin and Suh (2005). This result may be related to the fact that SBs, despite their quality improvement, are still associated with utilitarian functions, as demonstrated in the mid-seventies when the French retail chain Carrefour popularised its unbranded “free products” as “good, yet less expensive”. Furthermore, the results indicate that image factors are important determinants of SB choice. Store image perceptions are found to be a key element in SB purchase behaviour (indirect $\beta = 0.31$; $p < 0.01$). The effect of store image is consistent with previous research highlighting the influence of store image on SB purchase or perceptions (Collins-Dodd and Lindley, 2003; Vahie and Paswan, 2006). Our results are also in line with cue utilisation theory (Richardson et al., 1994) as store image is an indirect determinant of SB choice, meaning that consumers use the store image as a cue for SB purchase behaviour. This result was interesting since it relates cue utilisation theory to purchase behaviour, whilst previous studies were mainly focused on the relation between this theory and perceived quality (Richardson et al., 1994). Finally, our results demonstrated the influence of SB attitude and SB price-image on SB purchase behaviour. The influence of SB attitude (direct $\beta = 0.28$; $p < 0.05$) is comparable to that found by Garretson et al. (2002) in the US market. However, the direct influence of store brand price-image on SB choice was rather strong (direct $\beta = 0.39$; $p < 0.05$) and indicated that price related constructs still impact consumer behaviour toward SBs. Next, we present the managerial implications of our findings, research limitations, and suggestions for future research.

5.2 Managerial implications

Several managerial implications can be drawn from this research. First, the indirect effect of store image perceptions on SB choice confirmed that consumers use store image including service, layout, and merchandise as heuristics to make inferences about the quality of SB products (Richardson et al., 1994) before moving to SB choice. At the same time, the relative strength of store image perceptions may seem surprising, given the focus on value consciousness discussed above. One would expect that value conscious consumers would not focus on store image as the latter would be associated with high prices. Therefore, retail managers must be aware of this apparent contradiction by offering SBs that attract consumers not only in terms of price and quality, but also in terms of image. Our results also showed that SB price-image strongly influenced SB choice (direct $\beta = 0.39$; $p < 0.001$; indirect $\beta = 0.12$; $p < 0.01$ and total $\beta = 0.51$; $p < 0.01$). This finding is interesting because previous research focused mainly on price consciousness when evaluating consumer price perceptions toward SBs (Burton et al., 1998; Jin and Suh, 2005). However, SB price-image seems worthwhile to study as it takes into account prices charged by competitive retail stores in SBs’ price evaluation. Based on these findings, we recommend that retail managers put more emphasis on both price-image and store image as these factors not only influence consumer purchase behaviour, but they are also positively related.

Second, socio-demographic variables are probably the most studied variables in relation to SB purchase behaviour. We evaluated a partial mediation model including four socio-demographic variables (age, gender, household income, and family size) as covariates, or antecedent of SB choice. The results showed that none of these socio-demographic variables had an effect on SB choice ($p > 0.05$ in all cases). At first glance, these findings may seem surprising in contrast to some previous research, which found significant effects of socio-demographics on SB purchase behaviour,

e.g. Burton et al. (1998) for household income. However, previous results dealing with the effects of socio-demographics on SB store purchase behaviour have been rather inconsistent (Martinez and Montaner, 2008). For instance, Burton et al. (1998) found no effect of age on SB purchase behaviour, whilst Ailawadi et al. (2001) found a significant effect of this variable on SB use. For retail managers, these results may mean that SB products are becoming more and more popular among an increasing number of consumer categories, including those with high household income. However, the lack of significant relationships between socio-demographics and SB purchase behaviour may also be related to the fact that the data were collected in 2010, during the worst recession in recent memory. Perhaps most consumers, regardless of socio-economic group, were looking for value in their grocery purchases.

Third, in contrast to previous research that focused mainly on brand familiarity, in this research we investigated the influence of store familiarity on SB purchase behaviour (SB purchase intention and SB choice). The MANOVA results showed a significant effect of store familiarity

on SB purchase behaviour. However, the subsequent ANOVA results indicated that only the effect on SB choice is significant. Based on t-test results, the influence of store familiarity was demonstrated. Similar to previous research on brand familiarity (Richardson, 1997), consumers with higher store familiarity had stronger scores on SB choice. Consequently, managers would benefit by developing actions that increase consumer familiarity with their stores (e.g. more promotion on SB products in different periods in the week to increase frequency of store patronage). However, there was no effect of store familiarity on SB purchase intention. This result is surprising but may be related to the fact that as SB purchase intention was measured before the shopping trip, consumers did not really have a precise idea of SB purchase at this stage. It may also indicate a lack of loyalty toward SBs. Consequently, retailers would benefit by offering an increased number of higher value added SBs (i.e. premium SBs) to bring in and nurture SB loyal consumers.

5.3 Limitations and orientations for future research

In this research, we proposed a partial mediation model of consumer and image factors influencing SB choice. Even if the proposed model was found to have sound psychometric qualities, this study had some limitations. First, we did not investigate the influence of product categories, so we cannot know how the results would change in different product categories. Previous research showed that SB purchase behaviour varies depending on product categories (Batra and Sinha, 2000); therefore, different structural paths across product categories in our model would not be expected. However, the strength of SB choice determinants may vary depending on the nature of the product category (e.g. risky versus less risky products). Second, SB choice measurement was based on consumer judgments after the shopping trip as measured by the Likert scale. It would be interesting for future studies to use an objective measure of purchase such as scanned data. We also measured SB choice in a single shopping occasion, but longitudinal data would have allowed us to assess consumer behaviour toward SBs over time. Following Burton et al. (1998), we recommend that future research use longitudinal data in order to cover a broader time frame and provide more understanding about the relationships between the variables under investigation.

The results of this study also open other avenues for future research activities. French retailers are now focusing more attention on premium SBs (e.g. Selection in Carrefour and Collection in Auchan) and on organic SBs (e.g. Carrefour Bio in Carrefour and Monoprix Bio in Monoprix), and a growing democratisation of

organic SBs can be found in France. Given the growing interest in these special SBs, it would be interesting to investigate French consumers' purchase behaviour toward organic SBs compared to premium SBs using the proposed model. Also, given that SBs have become a global phenomenon, it would be useful to replicate this study in other countries, either European or others. A special focus may be placed on emerging markets, as most of the existing research on SBs was performed in Western countries (see Diallo, 2012). More interestingly, future studies could evaluate the proposed and validated model in different cultural contexts to test it for metric invariance.

Notes

1. Source: www.plmainternational.com/en/private_label_en.htm (accessed March 15, 2012).
2. We refer here to full mediation when all relationships between the dependent variables and the independent ones are mediated (indirect, i.e. pass through another variable) and to partial mediation when some relationships are mediated (indirect) whilst others are not (direct).
3. Complete results of the EFA are not reported for convenience. However, these results are available upon request from the corresponding author.
4. Items deleted from the analysis as they did not load significantly on their construct.

Store image perceptions:

SIP3: This store has a good image.

SIP4: This store has a good overall service. SIP7: This store has knowledgeable salespeople.
Store brand price-image:

SBPIM1: I find in this store low prices for all SB products offered

SBPIM2: All SB products present in this store seem less expensive than elsewhere

Value consciousness:

VC5: I generally shop around for lower prices on products, but they still must meet quality requirements before I buy them.

Attitude towards store brands:

ATSB1: Considering value for the money, I prefer SBs to national brands.

SB purchase intention:

SBPIN4: I will buy SB products the next time I need a product.

SB choice:

SBCH2: I preferred to buy SB products when I made my purchases.

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A FIELD PROJECT REPORT

ON

“A CUSTOMER SATISFACTION TOWARDS HYPERMARKET WITH SPECIAL REFERENCE TO DMART”

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted by

**(CHERUKURI VENKATA RAYUDU, BONDALAPATI GOWTHAMI, TAMIRCHI SAI SONIA,
POLA VAMSI KRISHNA, KUKUNURI SAI KRISHNA)**

(Regd. No. 211FC01041, 211FC01043, 211FC01044, 211FC01045, 211FC01046)

Under the esteemed guidance of

Mr. S. Sudheer

Assistant Professor



DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



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(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

PERMISSION LETTER

Following are the students **Cherukuri Venkata Rayudu, Bondalapati Gowthami, Tamirchi Sai Sonia, Pola Vamsi Krishna, Kukururi Sai Krishna** of II MBA bearing Regd. No. **211FC01041, 211FC01043, 211FC01044, 211FC01045, 211FC01046** were permitted to do a field project on the topic **“A CUSTOMER SATISFACTION TOWARDS HYPERMARKET WITH SPECIAL REFERENCE TO DMART”**.

GUIDE

HOD/MBA



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **A CUSTOMER SATISFACTION TOWARDS HYPERMARKET WITH SPECIAL REFERENCE TO TO DMART** submitted by **Cherukuri Venkata Rayudu, Bondalapati Gowthami, Tamirchi Sai Sonia, Pola Vamsi Krishna, Kukuluri Sai Krishna** bearing the Regd. No. **211FC01041, 211FC01043, 211FC01044, 211FC01045, 211FC01046** from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

GUIDE

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A Study on Customer Satisfaction towards D Mart Retail Outlet

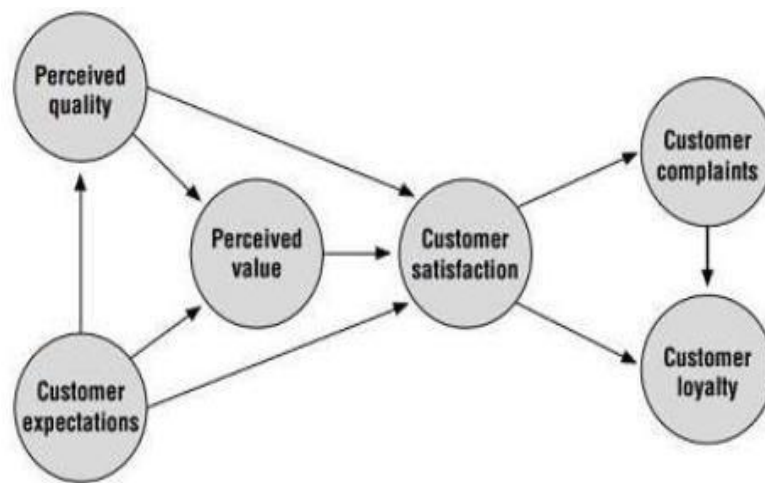
Abstract:

Currently the retailing industry is booming industry in India. It has been considered as equal competent with IT industry. D-MART is one of the renowned retail companies in India. It is famous for its low price and good quality products. It has its branches all over the India. Retailing is one such step in the marketing chain of activities that facilitates the distribution function. Initially it was considered as just another step in the marketing chain and the function was accepted as obvious. As the competition increased globally, differentiation became more and more difficult. Consumer purchasing power increased as economy opened up into more market-oriented mode. Often used and final link with the ultimate consumer, marketers thought of using it for differentiating and positioning. So, retailing ceased to be considered as an outgrowth of traditional marketing activity, rather it was recognized as an important business proposition in its own accord, which ultimately helps marketing in performing its function and successfully satisfying the objectives. Therefore, retailing emerged as a discipline and considerable thinking and research went into it for the development and substantiation. The research paper considers understanding customer's satisfaction towards DMART. The objectives of the study are to understand customer satisfaction towards various products sold by DMART and also analyse the satisfaction level of customer experience while shopping at DMART. D-MART is one such big retail giant that has a wide market with verity of product lines. It has introduced its own brands of products to its customers. This research study mainly focuses on the marketing activities and consumer response towards D-MART. Research methodology adopted in the study is descriptive in nature and non-probability convenience sampling technique was used with a sample size of 100 respondents through online structured questionnaire with Google forms. Data collected was later analyzed and interpreted using SPSS software. The findings and suggestions provided in the research study will certainly help DMART to make necessary changes to provide enhanced customers to its customers in the said outlet.

Keywords: *Customer satisfaction, marketing activities, consumer purchasing power, D-MART, consumer markets*

Introduction:

Customer satisfaction is defined as a measurement that determines how happy customers are with a company’s products, services, and capabilities. Customer satisfaction information, including surveys and ratings, can help a company determine how to best improve or changes its products and services.



Model of Customer Satisfaction

Avenue super marts ltd doing business as Dmart is an Indian chain of hypermarkets in India founded by Radhakishandamani in the year 2002, with its first branch in Powai’s Hiranandani gardens. As of 31 December 2019, it had 196 stores in 72 cities across 11 states in India including Maharashtra, Andhra Pradesh, Telangana, Gujarat, Madhya Pradesh, Chhattisgarh, Rajasthan National capital region, Tamil nadu, Karnataka, Uttar Pradesh, Daman and Punjab.

DMart is a one-stop supermarket chain that aims to offer customers a wide range of basic home and personal products under one roof. Each DMart store stock home utility products - including food, toiletries, beauty products, garments, kitchenware, bed and bath linen, home appliances and more - available at competitive prices that our customers appreciate. Our core objective is to offer customers good products at great value.

Objectives of the Present study:

- To understand the retail industry
- To analyze the customer satisfaction towards the products sold by D-Mart.
- To analyze the satisfaction level of customer experience while shopping at D-mart.

Scope of the study is D Mart, Karnataka. It is helpful to D Mart to understand the customer satisfaction. To understand the satisfaction level of customers while shopping at d mart

Need for the Study:

India is having a huge customer base having different choices and behavior. To satisfy their need is a different task. To advise this Indian retail has changed Kirana to retail outlets and has become the need in India. Different retail outlets are offering different schemes and promotional strategies. Thus, a study is being conducted to know the effective marketing strategies needed to attract new as well as retaining customers.

Limitations of the study: The research is conducted in Karwar city and limits to respondent's data to Karwar city only.

Review of Literature:

Fornell (1992) found in the study that customer satisfaction enhances the customer loyalty, reduce the customer churn, decrease the costs of failed marketing, signifies the price sensitivity of customers, create new customers, enhance the effect of advertising, lowers the cost of operations and finally improves the reputation.

Hamburg and Koschate (2004) studied the role of perceived fairness and customer satisfaction on the repurchase intention after a price increase. Their findings of the study suggested that perceived fairness has a positive impact on the repurchase intention while satisfaction moderates this relationship.

Martenson (2007) researched the effect of the corporate store image on customer satisfaction and store loyalty in grocery retailing and deduced that the brand image of the store is an important aspect for the customer satisfaction. If the retailers understand and address the need of the customers, the customers are satisfied.

Zielke (2008) indicated that value for money, the price level and special offers are both satisfiers and dissatisfiers; price perceptibility, price process ability and price fairness tend to be dissatisfiers only; and price advertising and products in the upper price range are indifferent requirements. Fonseca (2009) by adopting a new technique and a new conceptual model of customer's satisfaction expressed that in order to estimate the global customer satisfaction measure; one should appeal to methodologies recognizing that satisfaction must be understood as a latent variable, quantified through multiple indicators.

Sánchez-Fernández and Iniesta-Bonillo (2009) studied the relationship between consumer satisfaction and economic value. They suggested an operational tool to measure economic value of designingsuitable strategies to create and deliver value to customers by retailers.

Torben et al. (2011) detected that the level of satisfaction among the customers with various retailers cannot be understood by matching expectations with products & services, but may also be based mental justification of the customer. Hamburg and Koschate (2004) studied the role of perceived fairness and customer satisfaction on the repurchase intention after a price increase. Their findings of the study suggested that perceived fairness has a positive impact on the repurchase intention while satisfaction moderates this relationship.

Dr. Girish K. Nair & Harish K. Nair (2013) conclude that “the customer perception of retail service quality is an important segment to the emerging and the existing retailers in the market. As the study reveals that perception of service quality is influenced by the various natures among various customers, even some of the general factors like Personal interaction, physical aspects are the dimensions on which customer perception remains constant and common to the entire customer on a majority basis. So the retail outlets have to frame their own strategies in order to attract the customers on a longer basis.

Research Methodology

Descriptive research

Descriptive Research is used to describe features of a population or phenomenon being studied. It does not answer questions about how/when/why the features occurred. Rather it addresses the “WHAT” question. This research generally precedes explanatory research. The method involved range from survey which describes the status, the correlation study which investigates the relationship between variables, to developmental studies which seek to determine changes over time.

Source of Data:

Primary data: The primary data is collected from through survey using structured questionnaire

Secondary Data: The secondary data was taken from various websites, books, journals, magazines, news clippings etc. Data regarding various research papers to support research objectives was also taken fromonline web sources.

Sampling Method/ Technique:

Non-Probability Convenience sampling- It means is a technique where samples are selected from the population only because they are conveniently available to the researcher, ideally in research, it is good to test a sample that represents the population.

Sample size – 100 respondents
interviewed Population -KARWAR
CITY

Data collection Tools: The data analysis was done using SPSS[□] software; the data was analyzed using thebar charts.

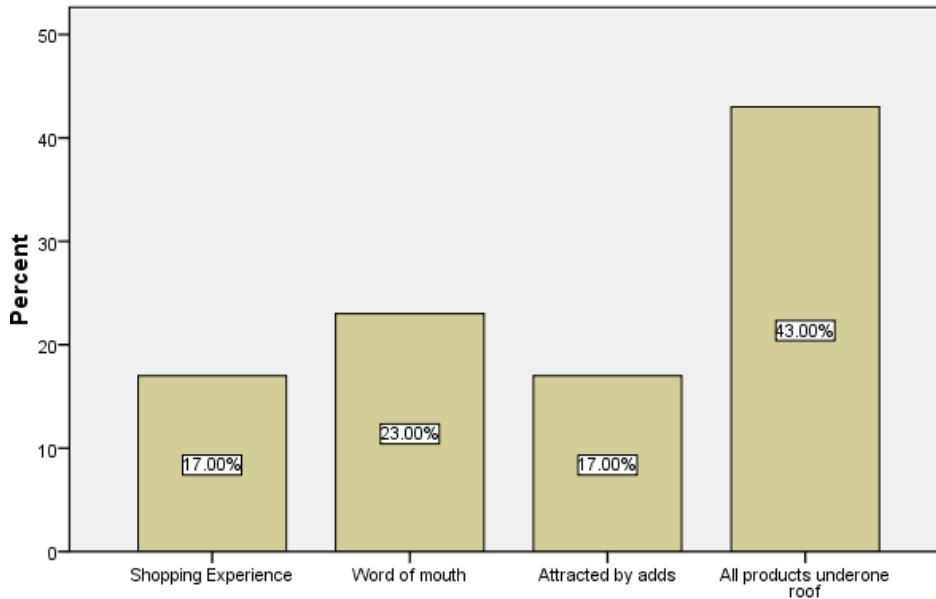
Data Analysis and Interpretation

1. What are the factors that influence you to visit D Mart?

(Table:1)

	Frequency	Percent	Valid Percent	Cumulativ ePercent
Valid Shopping Experience	17	17.0	17.0	17.0
Word of mouth	23	23.0	23.0	40.0
Attracted by adds	17	17.0	17.0	57.0
All products undergone roof	43	43.0	43.0	100.0
Total	100	100.0	100.0	

1. What are the factors that influence you to visit D Mart ?



1. What are the factors that influence you to visit D Mart ?

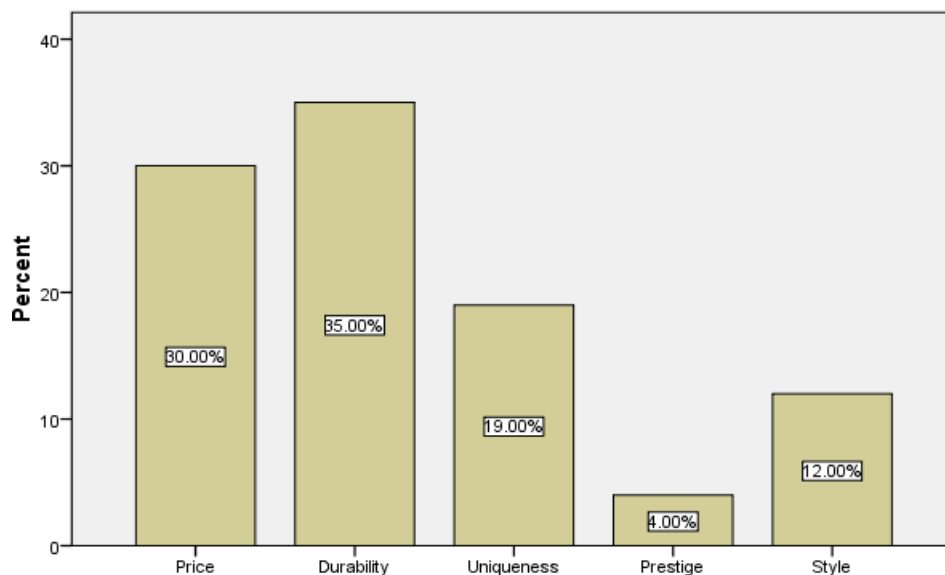
Analysis and Interpretation:

The above analysis shows that out of 100 respondents, 17% of them are influenced by ‘shoppingexperience’ to visit Dmart, 23% of them by ‘word of mouth’, which means the word of mouth generate positive attitude towards the store .17% of them are ‘attracted by adds’, means giving the creative adds and the more colorful adds which attract the customer to buy the products .43% of them visit Dmart as they get all the products under one roof which influences the strong conviction about the store.

1. What you normally see for in a product?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Price	30	30.0	30.0	30.0
Durability	35	35.0	35.0	65.0
Uniqueness	19	19.0	19.0	84.0
Prestige	4	4.0	4.0	88.0
Style	12	12.0	12.0	100.0
Total	100	100.0	100.0	

2. What you normally see for in a product ?



2. What you normally see for in a product ?

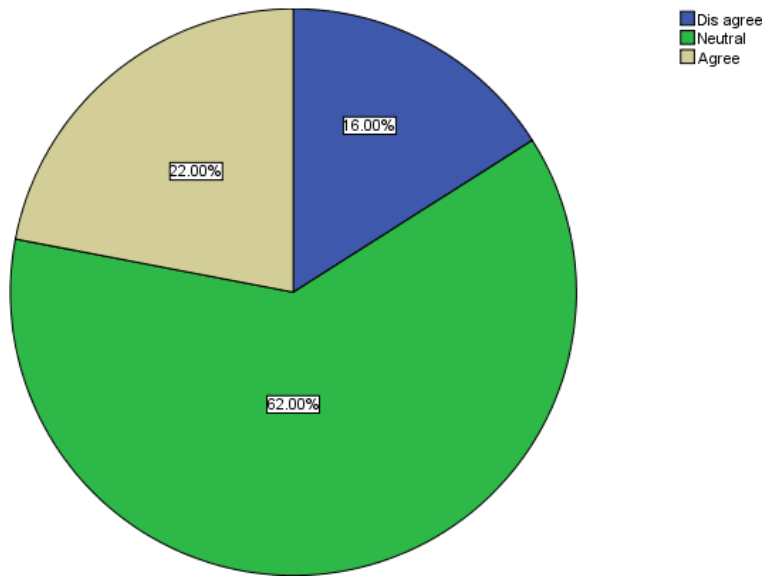
Analysis and Interpretation:

The above graph shows that the majority of the respondents see for 'Durability' in a product. 35% are see durability of product. 30% respondents are seeing for a price of a product whether the price is lower high for a particular product. 19% see the uniqueness of a product. Only 4% are see the prestige of the product because most of the people living in India are middle class people. 12% respondents are see the style of a product whether the style is new or trendy.

2. The displays in D Mart influenced your purchase decision?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dis agree	16	16.0	16.0	16.0
	Neutral	62	62.0	62.0	78.0
	Agree	22	22.0	22.0	100.0
	Total	100	100.0	100.0	

3. The displays in D Mart influenced your purchase decision ?



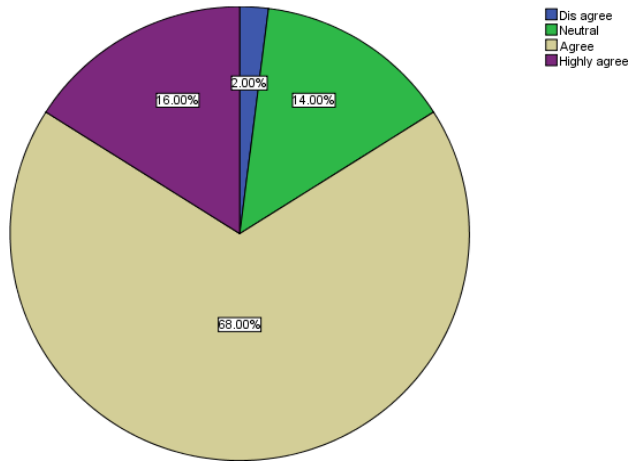
Analysis and Interpretation:

The above analysis shows that among 100 respondents, 16% of them have selected the option 'Disagree' because the display products not properly kept in proper way .62% of them have selected the option 'Neutral 'which give more connivance for displaying product and also lighting environmentdisplay products influences the customers to purchases the products 22% of them have selected the option 'Agree' Hence the above graph shows that the majority of respondent are of 'Neutral'. Opinion with the displays in Dmart influencing their purchasing decision.

3. A Good selection of products is available are D Mart?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dis agree	2	2.0	2.0	2.0
	Neutral	14	14.0	14.0	16.0
	Agree	68	68.0	68.0	84.0
	Highly agree	16	16.0	16.0	100.0
	Total	100	100.0	100.0	

4.A Good selection of products is available ar D Mart ?



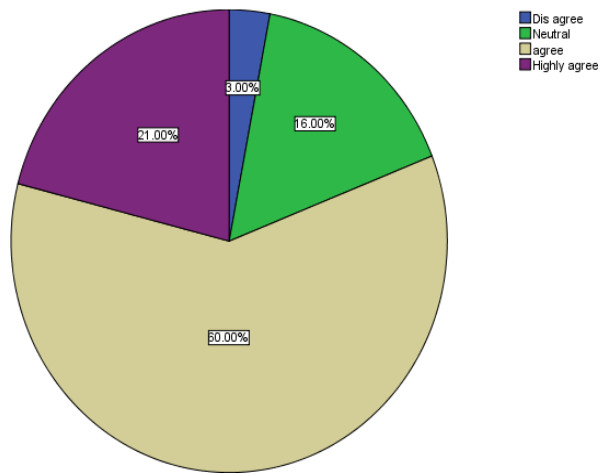
Analysis and Interpretation:

The above analysis states that among 100 respondents,2% respondents selected the option ‘Disagree’ because the customer are not convinced about the available products. 14% respondents selected the option ‘Neutral’,68% respondents selected the option ‘Agree’, because the customer are more convinced and also more good quality of the products which influences the customer more loyal to the store and which leads to the positive image about the products. 16% respondents selected the option ‘Highly Agree’. Hence Majority respondents are agreeing that there is a good selection of products is available at D-Mart.

4. Products sold at D Mart is good value for money?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	3.0	3.0	3.0
	Neutral	16	16.0	16.0	19.0
	Agree	60	60.0	60.0	79.0
	Highly agree	21	21.0	21.0	
	Total	100	100.0	100.0	100.0

5. Products sold at D Mart is good value for money ?



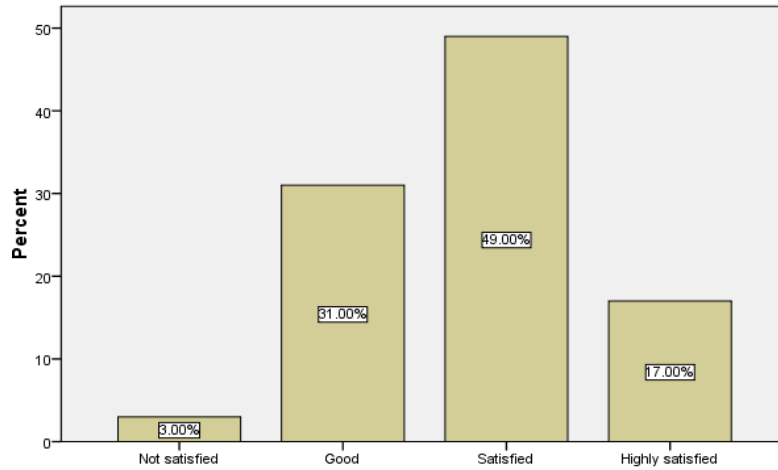
Analysis and Interpretation:

The only 3% are disagree with the product sold in D Mart are value for money. 16% respondents are neutral with this matter. 60% respondents are agreeing that products sold in D Mart are value for money. 21% respondents are highly agreed with this matter because it sold the products which are valuable for money.

5. Product available are D Mart are trendy and of latest fashion?

		Frequency	Percent	Valid Percent	Cumulativee Percent
Valid	Not satisfied	3	3.0	3.0	3.0
	Good	31	31.0	31.0	34.0
	Satisfied	49	49.0	49.0	83.0
	Highly satisfied	17	17.0	17.0	100.0
	Total	100	100.0	100.0	

6. Product available ar D Mart are trendy and of latest fashion ?



6. Product available ar D Mart are trendy and of latest fashion ?

Analysis and Interpretation:

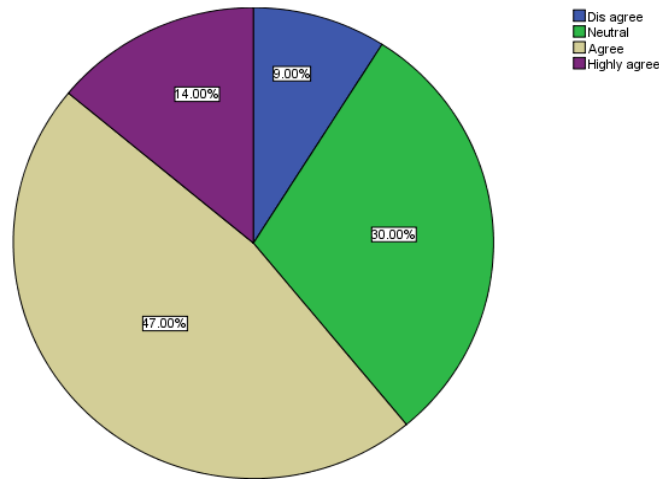
The above analysis states that among 100 respondents, 3% respondents selected the option 'not satisfied' because not latest product are also available which leads to negative image in the customers mind about the latest products 31% respondents selected the option 'good' and 49% respondents selected the option 'satisfied' means the customer are more convinced about the products and also latest products will generate positive word mouth of the store and which leads to more customers are purchasing the products 17% % respondents selected the option 'highly satisfied' and hence Majority of the respondents are satisfied with product available at D-Mart are trendy and of latest fashion.

6. Product available are D Mart are trendy and of latest fashion?

7. Variety of substitutes is available, in case needed product is notavailable?

Valid	Frequency Percent	Valid Percent	Cumulative Percent
Disagree	9	9	9
Neutral	30	30	39
Agree	47	47	86
Highly agree	14	14	100
Total	100	100	

7. Variety of substitutes is available, in case needed product is not available ?



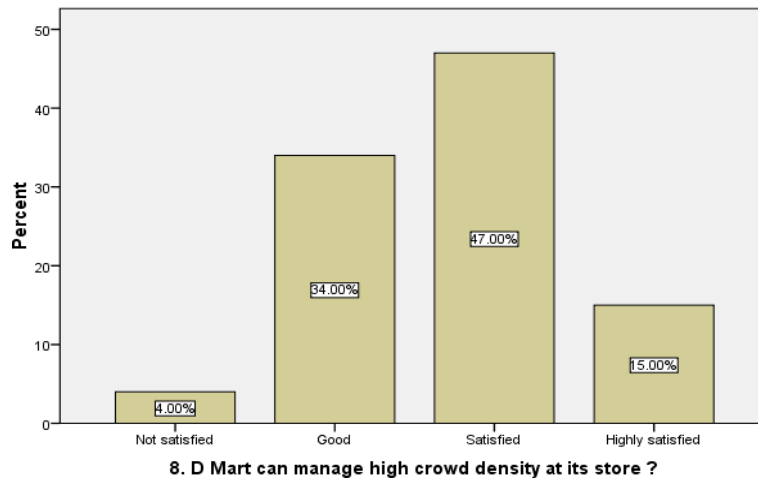
Analysis and Interpretation:

The above analysis states that among 100 respondents, 9% respondents selected the option ‘Disagree’, because the not variety of the products are not available. 30% respondents selected the option ‘Neutral’ and 47% respondents selected the option ‘Agree’, means the variety of the products are which increases the purchase behaviors. And more the number the variety of the products which influences’ the customer are more loyal to the variety of brands which increases the strong conviction about the products. 14% respondents selected the option ‘Highly Agree’ and hence the above graph shows that the majority of the respondents ‘Agree’ that the varieties of substitutes are available in case the needed products are not available.

8. D Mart can manage high crowd density at its store?

Valid	Frequency Percent	Valid Percent	Cumulative Percent
Not satisfied	4.0	4.0	4.0
Good	34.0	34.0	38.0
Satisfied	47.0	47.0	85.0
Highly satisfied	15.0	15.0	100.0
Total	100.0	100.0	

8. D Mart can manage high crowd density at its store ?



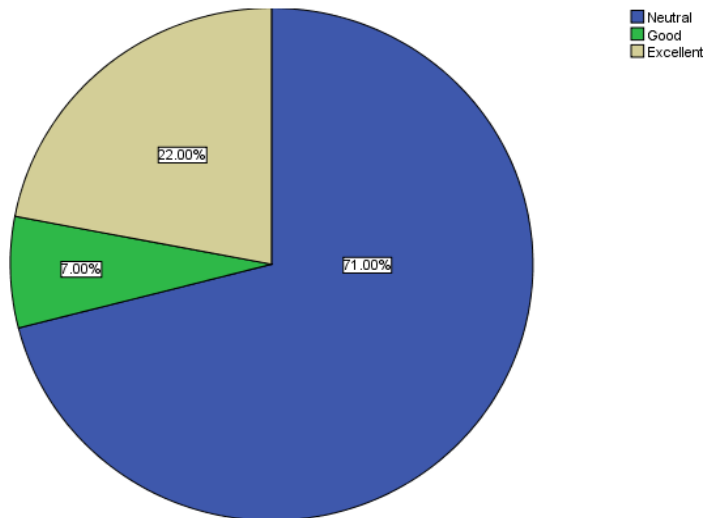
Analysis and Interpretation:

The above analysis shows that among 100 respondents, 4% respondents selected the option ‘Notsatisfied’, because the not aware about the store and hence which leads to not satisfied about the 34% respondents selected the option ‘Good’, 47% respondents selected the option ‘Satisfied’, because the customer are regularly visit the store and also the more densely crowd will increases positive image about the store which leads to strong conviction about the store. 15% respondents selected the option ‘Highly satisfied and hence The above graph shows that the majority of respondents are satisfied with the management of Dmart in accordance with high crowd density at its store.

9. How do you find the ambiance at D Mart store with respect to lighting, temperature and cleanliness?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Neutral	71	71.0	71.0	71.0
Good	7	7.0	7.0	78.0
Excellent	22	22.0	22.0	100.0
Total	100	100.0	100.0	

9. How do you find the ambiance at D Mart store with respect to lighting, temperature and cleanliness ?



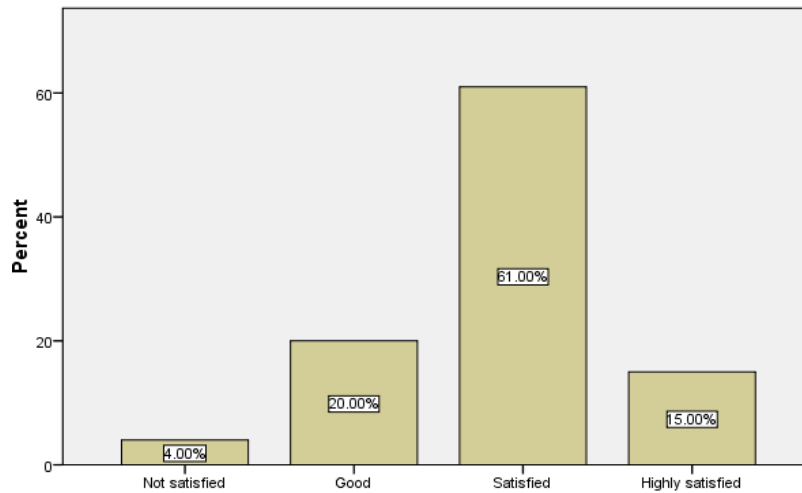
Analysis and Interpretation:

The above analysis shows that among 100 respondents, 71% respondents selected the option ‘Disagree’ because the not proper lighting arrangement , And leads to negative images in the customer mind and also the temperature will not properly maintained in the store which leads to the customer feel unpleasant about the products 33% respondents selected the option ‘Neutral’, and 41% respondents selected the option ‘Agree’, means ambiance which influences the customer more delightful about the store also increases perception behavior 16% respondents selected the option ‘Highly agree’. As per the above graph the majority of respondents have found ‘Neutral’ ambiance at Dmart store with respectto lighting, temperature & cleanliness.

10. The billing system followed at D Mart is found to customer friendly?

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Not satisfied	4	4.0	4.0	4.0
Good	20	20.0	20.0	24.0
Satisfied	61	61.0	61.0	85.0
Highly satisfied	15	15.0	15.0	100.0
Total	100	100.0	100.0	

10. The billing system followed at D Mart is found to customer friendly ?



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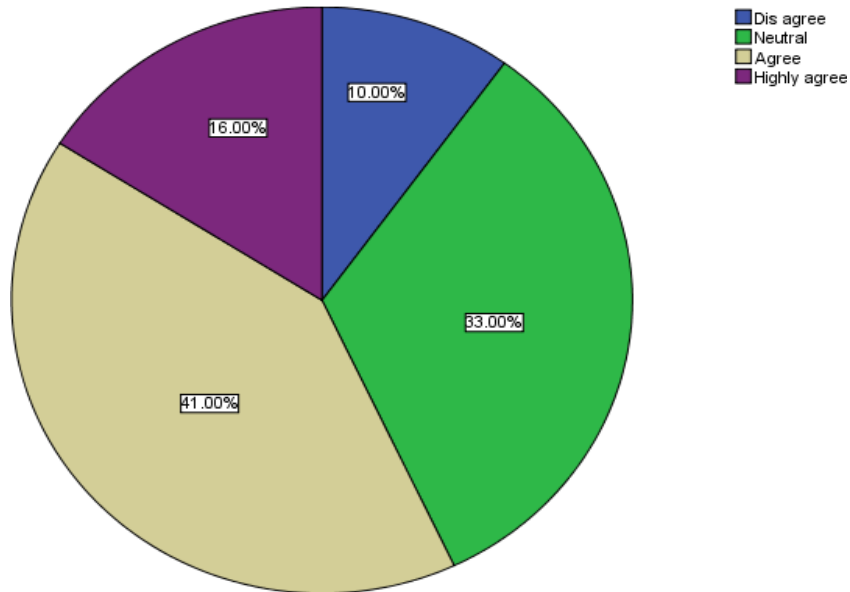
Analysis and Interpretation:

As per the above analysis out of 100 respondents, 4% respondents selected the option ‘Not satisfied’, because the customers felt the billing system not proper in the D-mart. 20% respondents selected the option ‘Good’, 61% respondents selected the option ‘Satisfied’, because the billing technology will influence the customers are it can easily accessible to the customer and also the staff worker which leads to customer will not wait in the billing counter which enhance the customer are more delightful about the store.15% respondents selected the option ‘Highly satisfied’. Hence as per the above graph, the majority of respondents are found to be satisfied with the customer friendly billing system followed at Dmart.

11.Do you experience waiting for a long time while billing?

Valid	Frequency Percent	Valid Percent	Cumulative Percent
Disagree	10.0	10.0	10.0
Neutral	33.0	33.0	43.0
Agree	41.0	41.0	84.0
Highly agree	16.0	16.0	100.0
Total	100.0	100.0	

11. Do you experience waiting for a long time while billing ?



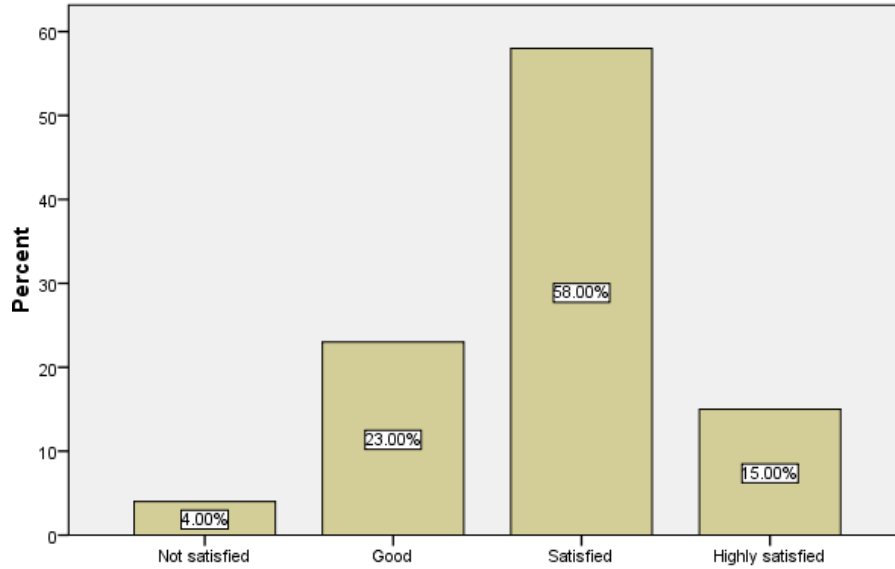
Analysis and Interpretation:

As per the above analysis out of 100 respondents, 10% respondents selected the option 'Disagree', because the customer are not experienced the long billing time 33% respondents selected the option 'Neutral', 41% respondents selected the option 'Agree', because the more number of customer are visiting to the store and the and also not used proper billing technology so which leads to customer are wait in the billing counte 16% respondents selected the option 'Highly agree'. As per the above graph, the majority of respondents 'Agree' with the experience of waiting for a long time while billing.

12. Are you satisfied with staff helpfulness and staff politeness?

Valid	Frequency Percent	Valid Percent	Cumulative Percent
Not satisfied	4.0	4.0	4.0
Good	23.0	23.0	27.0
Satisfied	58.0	58.0	85.0
Highly satisfied	15.0	15.0	100.0
Total	100.0	100.0	

12. Are you satisfied with staff helpfulness and staff politeness ?



12. Are you satisfied with staff helpfulness and staff politeness ?

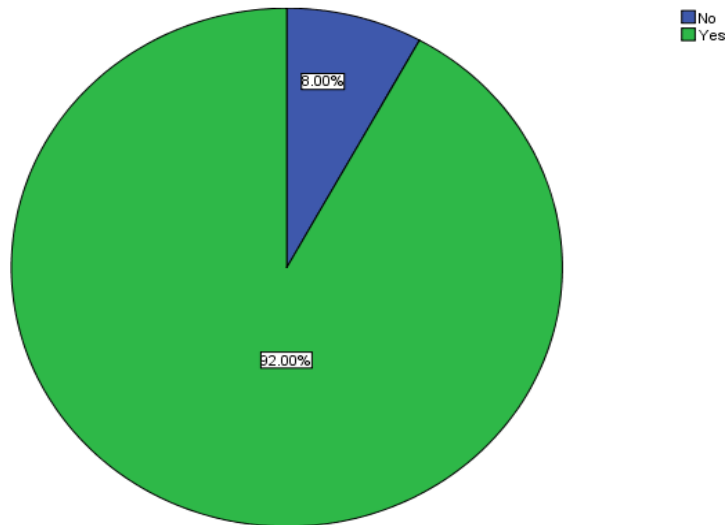
Analysis and Interpretation:

The above analysis shows that among 100 respondents, 4% respondents selected the option “Not satisfied”, because the customer are experienced that the staff are not helping while purchasing the products 23% respondents selected the option “Good”, 58% respondents selected the option “satisfied”, because the customer are felt staff are helpful while purchasing the products and also they felt that staff are polite while communicate with customer which leads to positive image about the sore 15% respondents selected the option “Highly satisfied”. The above graph shows that the majority of respondents are ‘satisfied’ with the staff helpfulness & staff politeness.

13. Do you find the parking system is good?

Valid	Frequency Percent	Valid Percent	Cumulative Percent
No	8.0	8.0	8.0
Yes	92.0	92.0	100.0
Total	100.0	100.0	

13. Do you find the parking system is good ?



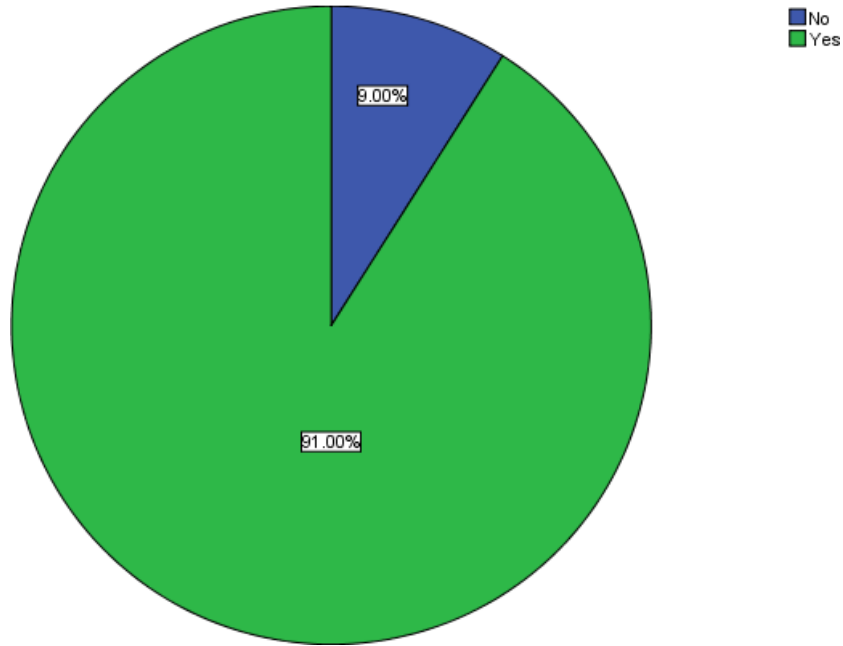
Analysis and Interpretation:

The above analysis shows that among 100 respondents, 8% of them found that the parking system is “not good”, because parking is not in front of the store and lighting facility is not proper and 92% of them found the parking system “good”. Because store is providing the good parking facility for the customer and also the place is efficiently available for park the vehicles. The above graph shows that the majority of respondents found the parking system as good

14. Are you satisfied with overall service provided by store?

Valid	Frequency Percent	Valid Percent	Cumulative Percent
No	9.0	9.0	9.0
Yes	91.0	91.0	100.0
Total	100.0	100.0	

14. Are you satisfied with overall service provided by store ?



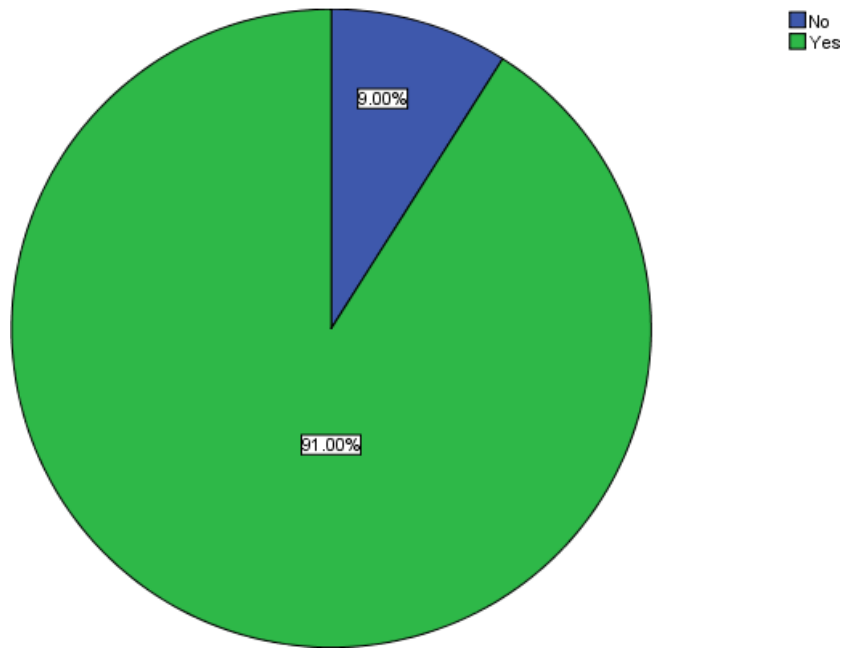
Analysis and Interpretation:

As per the above analysis, out of 100 respondents, 9% of them are not satisfied because the customer felt that not proper service available in the store with overall service provided by store & 91% of them are satisfied with the service provided by store. which increases the customer are more loyal to the store and also increases the perception behavior which leads to the purchase the products. As per the above graph, the majority of respondents are satisfied with the overall service provided by store.

15. Would you recommended others to shop at D Mart?

Valid	Frequency Percent	Valid Percent	Cumulative Percent
No	9	9	9
Yes	91	91	100
Total	100	100	

15. Would you recommended others to shop at D Mart ?



Analysis and Interpretation:

The above analysis shows that among 100 respondents, 9% of them have not recommended others to shop at Dmart and 91% of them have recommended others to shop at DMART. The above graph shows that the majority of respondents have recommended others to shop at Dmart.

Major findings of the study:

- 17% respondents have the shopping experience will influence to visit D-Mart.
- 30% respondents will see the price in a product.
- The display in a D-Mart influenced the purchase decision is neutral.
- 68% are agreeing that selection of products is available at D-Mart.
- The respondents are agreeing that products sold at D-Mart are good value for money.
- The availability of trendy and latest fashion product is satisfied by respondents.
- Satisfaction of respondents is 47% out of 100 respondents for managing crowd.
- 71% is neutral with the ambiance at D-Mart.
- Billing system is friendly to customer is satisfied.
- 58% are satisfied with staff helpfulness.
- 92% are saying parking system is good.
- 91% are satisfied with overall service provided by store.
- 91% will recommend the D-Mart shopping for others.

Suggestions:

- The company has to give more advertisement on its company and products because respondents know it's by added are only of 17%.
- The company give attention to product durability because 37% are looking durability in product while buying them.
- The display in store may improve by adding attractive things in it. New things like more attractive colors on the display which attract the children and new trendy items which attract the youngsters and things which attract the old people.
- The company has to maintain its products as it. How they maintain the products availability as it is. It will attract the customer and they will not change their shopping place.
- Company should not raise their product price. As most of the Indians are living in middle class family they look for the price of the products so it has to maintain the same price for the products.
- The company has to look after the substitute goods.
- Company has to improve their ambiance because 71% are neutral.
- It has to maintain the current billing system.
- The company has to maintain the staff as it is and provide training based on need assessment

Conclusion:

D mart is a hypermarket as it provides various kinds of goods like apparels, grocery, stationary, food items, electronic items, leather items, watches, jewelry, crockery, decorative items, chocolates and many more. It completes all socially stores of different product which provides good at a discounted rate all throughout the year. It holds a large customer based and it seemed from the study that the customer is quite satisfied with Dmart. The customers are also satisfied with some services like complaints & return handling, packaging / gift wrapping, information from the store, safety of personal things, alteration, refreshment facilities, shopping carts as well as the pricing of these services. However, many services fall short of the expectations of the customers, e.g. parking, baby strollers, fitting / trial room, personal assistance in selecting merchandise, washrooms and drinking water, billing facilities, store environment, warranties. It can be concluded that customer satisfaction is very important. Thus, though customer satisfaction does not guarantee repurchase on the part of the customers but still it plays a very important part in ensuring customer loyalty and retention. Therefore, organizations should always strive to ensure that their customers are very satisfied.

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8. www.quora.com

A FIELD PROJECT REPORT

ON

“A STUDY ON FUNDAMENTAL ANALYSIS”

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

**(RAJANALA LAKSHMI GAYATHRI, MANKU SAI, ALETI PRASANTHI, TIRUMALASETTY MOULIKA, PERNI
YASWANTH BABU)**

(Regd. No. 211FC01047, 211FC01048, 211FC01050, 211FC01051, 211FC01052)

Under the esteemed guidance of

Mr. S. Sudheer

Assistant Professor



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



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DEPARTMENT OF MANAGEMENT STUDIES

PERMISSION LETTER

Following are the students **RAJANALA LAKSHMI GAYATHRI, MANKU SAI, ALETI PRASANTHI, TIRUMALASETTY MOULIKA, PERNI YASWANTH BABU** of II MBA bearing Regd. No. **211FC01047, 211FC01048, 211FC01050, 211FC01051, 211FC01052** were permitted to do a field project on the topic **"A STUDY ON FUNDAMENTAL ANALYSIS"**.

HOD/MBA



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **A STUDY ON FUNDAMENTAL ANALYSIS** submitted by **RAJANALA LAKSHMI GAYATHRI, MANKU SAI, ALETI PRASANTHI, TIRUMALASETTY MOULIKA, PERNI YASWANTH BABU** bearing the Regd. No. **211FC01047, 211FC01048, 211FC01050, 211FC01051, 211FC01052** from the Department of Management Studies, Vignans & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

GUIDE

HOD/MBA

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CHAPTER-1
INTRODUCTION

overview of Fundamental Analysis:

Analysis meaning:

Analysis is the process of breaking down complex subjects and entities into smaller pieces and better understanding them. (Bhatt V. &, 2020) This technique was used in the study of mathematics and logic before Aristotle (384-322 BC), but analysis as a formal concept is a relatively recent development. (Banker, 2020) The definition of analysis is the process of breaking down something into its parts and learning what they do and how they relate to each other. Examining blood in the laboratory to discover all its components is an example of analysis.

Corporate financial managers, securities regulators and investors are inherently biased in their behaviour and their decisions tend to make emotional choices (Ramiah, 2014). Such behaviours include overconfidence, optimism, involvement, and risk behaviours (Iqbal s. & Butt, 2015).

This is (Farsi, 2014) We conclude that overconfidence in their research has important implications for business decisions. (Bao, 2014) also found that such behaviour adversely affects capacity generation. In their study, (Iqbal s. & Butt, 2015) found such behavioural heuristics, Self-interest behaviour regarding overconfidence, optimism, commitment, loss avoidance and risk-taking has a significant impact on working capital management in the Pakistani situation. In addition, (Chaffi, 2014) concluded that such behaviour is highly correlated with stock market performance. However, this kind of correlation with the stock market can be divided into two streams: basic-oriented and technology-oriented. And the analysis for this is characterized as fundamental analysis and technical analysis. Therefore, starting with Denial Kahenamen & Mark Tversky's prospect theory, it can be concluded that financial professionals are human beings and have different emotional and cognitive traits psychologically. Therefore, financial markets, including the stock market, are primarily affected by behaviours that show a significant correlation with stock market fundamentals. Therefore, fundamental analysis is chosen to test the relationship with behavioural bias due to investor behaviour or cognition.

Types of Analysis:

1. Fundamental analysis:



Basic accounting and financial analysis is the analysis of a company's financial statements (usually to analyse the company's assets, liabilities, and income) health and competitors and markets. (HiralBorikar, 2020)It also takes into account the overall health of the economy and factors such as interest rates, production, income, employment, GDP, housing, manufacturing and government. (Prajapati K. &., 2019)There are two basic approaches that can be used: bottom-up analysis and top-down analysis. These terms are used to distinguish such analysis from other types of investment analysis, such as: Quantitative and technical.

Investors can use either or both of these complementary stock selection methods. For example, many fundamental investors use technical indicators to determine entry and exit (Bhatt H. R.)Similarly, the vast majority of tech investors use basic indicators to narrow their pool of potential stocks to "good" companies.

2. Technical analysis: Technical analysis is a means of investigating and predicting price fluctuations in financial markets using historical price charts and market statistics (Sheth, 2019) . This is based on the idea that if traders can identify previous market patterns, they can predict future price trends fairly accurately.

Unlike fundamental analysis, which seeks to value a security based on business outcomes such as sales and profits, technical analysis focuses on price and volume research (Nagvadia). Technical analysis tools are used to study how the supply and demand of securities affects

changes in price, volume and implied volatility (Joshi D. &.). Technical analysis is commonly used to generate short-term trading signals from various charting tools, but it also helps to improve the assessment of securities strengths or weaknesses compared to one of the broader markets or sectors (Bhatt H. R., 2020). This information helps analysts improve their overall rating estimates. Technical analysis can be used on any securities using historical transaction data. This includes stocks, futures, commodities, bonds, currencies and other securities (Bhatt V. G.). This tutorial usually analyses stocks by example, but keep in mind that these concepts apply to all types of security.

History and evaluation:

Technical analysis is a means of investigating and predicting price fluctuations in financial markets using historical price charts and market statistics (Prajapati K. &., 2019). This is based on the idea that if traders can identify previous market patterns, they can predict future price trends fairly accurately (Bhatt V. G.).

Unlike fundamental analysis, which seeks to value a security based on business outcomes such as sales and profits, technical analysis focuses on price and volume research (Bhatt V. , 2021). Technical analysis tools are used to study how the supply and demand of securities affects changes in price, volume and implied volatility (Bhatt V. &., 2015). Technical analysis is commonly used to generate short-term trading signals from various charting tools, but it also helps to improve the assessment of securities strengths or weaknesses compared to one of the broader markets or sectors. This information helps analysts improve their overall rating estimates.

Technical Analysis can be used for any security using historical transaction data. This includes stocks, futures, commodities, bonds, currencies and other securities (Vora, 2020). This tutorial typically uses an example to analyse stocks, but keep in mind that these concepts apply to all types of securities.



In accounting and finance, fundamental analysis is a way to assess the intrinsic value of a security by analysing various macroeconomic and microeconomic factors. The ultimate goal of fundamental analysis is to quantify the intrinsic value of a security (Bhatt V. &., 2019). You can then compare its intrinsic value to the current market price to help you make an investment decision.

The essence of fundamental analysis is the method used to measure the intrinsic value of a stock or security. It depends primarily on the economic factors that affect the company and its finances.

This process is not limited to, but goes beyond, the financial structure of the company. Describes common economic scenarios, industry growth and decline, and the company's organizational structure, management, and finance Therefore, (Raval H. P., 2021) analysing the actual value and then measuring the intrinsic value of the stock is a complete understanding of the company. It also takes into account macroeconomic and microeconomic factors. The idea behind this is to compare the actual price with the prevailing market price.

Fundamental analysis is a very comprehensive approach that requires in-depth knowledge of accounting, finance and economics. For example, fundamental analysis requires the ability to read financial statements, understand macroeconomic factors, and have knowledge of valuation techniques. This mainly relies on public data such as: The Company's past profits and rates of return for predicting future growth.

Fundamental Analysis (FA) is a holistic approach to studying business. If an investor wants to invest in a company over the long term (3-5 years), it is essential to understand the company from different perspectives. It is important for investors to isolate the daily short-term noise of stock prices and focus on the underlying performance (Raval H. P., 2021). In the long run, the stock prices of fundamentally strong companies tend to rise, bringing wealth to investors.

All stock analysis attempts to determine if a security is priced correctly in a wider market. Fundamental analysis is usually performed from a macro to micro perspective to identify securities that are not properly valued in the market. Analysts usually look at the overall state of the economy in turn, then the strength of each industry, and then focus on the performance of the individual company to determine the fair market value of the stock.

Fundamental analysis uses public data to assess the value of stocks and other types of securities. For example, investors can perform a fundamental analysis of bond value by examining economic factors such as interest rates and general economic conditions.

Quantitative and Qualitative Fundamental Analysis:

The problem with defining the term "fundamentals" is that it can cover everything related to a company's financial position. Of course, this includes everything from a company's market share to quality of management, not just numbers such as sales and profits.

The various basic factors fall into two categories: quantitative and qualitative. The monetary meaning of these terms does not differ significantly from the standard definition. Here's how to define a term in a dictionary:

Quantitative-"Relates to information that can be expressed in numbers and quantities."

Qualitative-"Refers to a property or criterion, not a quantity."

Quantitative base is in this context. They are a measurable feature of the company. For this reason, financial statements are the largest source of quantitative data. You can measure sales, profits, assets, etc. very accurately. The qualitative basis is not very specific. This includes quality, brand awareness, patents, and proprietary technologies for key executives within the company.

Neither qualitative analysis nor quantitative analysis is basically good. Many analysts consider them together.

Qualitative Fundamentals to Consider

Qualitative research is defined as a market research method that focuses on acquiring data through open and conversational communication.

This method considers not only "what" people are thinking, but also "why" Introduction. Take, for example, a grocery store that seeks to expand its customer base. From systematic observations, it can be concluded that the number of men visiting this store is large. A good way to identify why a woman didn't come to the store is to do a detailed interview with potential customers in that category (Malek, 2020). As a result of visiting nearby stores and shopping malls and conducting a survey of randomly selected female customers, it was found that the number of female customers visiting stores is decreasing due to the shortage of products for women. There were more men than women, so you can see why they didn't come to the store.

Qualitative research utilizes areas of social science such as psychology, sociology, and anthropology (Bhatt V. &, 2018). Therefore, the qualitative research method enables detailed surveys and questions based on the answers of the respondents, and the interviewer / investigator also tries to understand the motives and feelings of the respondents. Understanding how your target audience makes decisions can help you draw conclusions in market research.

Types of qualitative research methods with examples

Qualitative research methods should help clarify the behaviour and perceptions of the target group on a particular topic. Various types of qualitative research methods are commonly used, including in-depth interviews, focus groups, ethnographic surveys, content analysis, and case studies. The results of the qualitative method are more meaningful and it is very easy to draw conclusions from the data obtained.

Qualitative research methods have roots in the social and behavioural sciences. Today, our world is becoming more and more complex, making it difficult to understand what people are thinking and recognizing. Online qualitative research methods are easier to understand because they are more communicative and descriptive.

There are four important basics that analysts always consider when looking at a company. Everything is qualitative, not quantitative. They include:

Business model: What exactly is the company doing? This is not as easy as it sounds. If your company's business model is based on selling fast food chicken, how profitable is it? Or is it just royalties and franchise fees?

Competitive Advantage: The long-term success of a company depends heavily on its ability to gain and maintain a competitive advantage. Strong competitive advantages, such as the Coca-Cola brand name and Microsoft's advantage in PC operating systems, allow us to create a moat around the enterprise, keep competitors in check, and enjoy growth and profits gain. When a company gains a competitive advantage, its shareholders will be well paid for decades.

Management: Some consider it to be the most important criterion for management to invest in a company. That makes sense. Even the best business models are destined to fail if management does not implement the plan consistently. It is difficult for individual investors to meet and evaluate managers, but you can see the resumes of executives and directors on the company's website. How well have you been doing in your previous job? Have you thrown away a lot of stock lately?

Corporate Governance: Corporate governance represents a policy within an organization that establishes relationships and responsibilities between management, directors, and stakeholders. These policies are stipulated in the Articles of Incorporation and Articles of Incorporation of the Company, as well as the Companies Act and Regulations. You want to do business with an ethical, fair, transparent and efficient company. Pay particular attention to whether management respects the rights and interests of shareholders. Make sure that communication with shareholders is transparent, clear and easy to understand. If you don't receive it, it's probably because they don't want it. It is also important to consider the industry of the company. By learning how the industry works, investors can gain a deeper understanding of a company's financial position.

Financial Statements: Quantitative Basis for Consideration Financial statements are a medium for companies to disclose information about their financial performance. Supporters of fundamental analysis use quantitative information from financial statements to make investment decisions. The three most important financial statements are the income statement, the balance sheet, and the cash flow statement.

Balance Sheet: A balance sheet is a record of a company's assets, liabilities, and capital at a particular point in time. The balance sheet is named after the fact that the company's financial structure is balanced as follows:

Assets = Liabilities + Equity shareholders

An asset represents a resource that a company owns or manages at a particular point in time. This includes items such as cash, inventory, machinery and buildings. The other side of the equation represents the total amount of money the company has used to acquire those assets. Funds come from debt or capital. Debt represents debt (which, of course, must be repaid), and capital represents the total amount of money the owner has invested in the business. This includes retained earnings, or profits from the previous year.

The Income Statement: The balance sheet takes a snapshot approach when investigating a company and the income statement measures the company's performance over a period of time. Technically, you can also create a one-month or one-day balance sheet, but only the quarterly and annual reports of listed companies are displayed. The income statement contains information about the income, expenses, and profits you earned as a result of your business during this period.

Cash Flow Statement: A cash flow statement shows a record of a company's cash inflows and outflows over a specified period of time. Cash flow statements typically focus on the following payment-related activities:

Income from the sale of cash and other businesses, equipment or long-term assets used to invest in assets

Cash from Financing (CFF): Cash paid or received from issuance and borrowing of funds.

The cash flow statement shows a record of a company's cash inflows and outflows over a period of a cash flow statement is important because it is very difficult for a company to manipulate its liquidity position. There are many things an active accountant can do to make a profit, but it is difficult to forge cash at a bank. For this reason, some investors use cash flow statements to more conservatively measure a company's performance.

Fundamental analysis consists of deriving the value and outlook of a company using financial indicators extracted from the data of the company's financial statements.

The Concept of Intrinsic Value:

One of the most important prerequisites for fundamental analysis is that current stock prices often do not fully reflect the value of a company based on publicly available data. The second assumption is that the values reflected in the company's fundamentals tend to be close to the true value of the stock. Analysts often refer to this conceptual true value as the intrinsic value. However, keep in mind that this use of the term "intrinsic value" in equity valuation is different from its use in other contexts such as options trading. Option prices use a standard calculation of intrinsic value, but analysts use a variety of complex models to determine the intrinsic value of a stock. There is no universally accepted formula for determining the intrinsic value of a stock (Bhatt V. , 2021). Suppose a company's stock is trading for \$ 20, and after an analyst's thorough investigation of the company, it is determined to be worth \$ 24. Another analyst looks it up and says it should be worth \$ 26. Many investors take the average of such estimates and assume that the intrinsic value of a stock can be around \$ 25. Investors often want to buy stocks that are traded well below their intrinsic value, so these estimates are often very relevant information. This leads to the third important assumption of fundamental analysis. In the long run, the stock market reflects fundamentals. The problem is that no one knows how long it will actually take "in the long run". It can be days or years.

This is a fundamental analysis. By focusing on a particular business, investors can measure the intrinsic value of the company and find opportunities to buy at a discounted price. If the market catches up with the fundamentals, the investment will pay off (Joshi D. &., 2021). One of the most famous and most successful fundamental analysts is Warren Buffett, the so-called "Omaha Oracle" who defended the stock selection approach.

Criticisms of Fundamental Analysis:

The main criticisms of fundamental analysis come from two groups: supporters of technical analysis and supporters of the efficient market hypothesis.

Technical Analysis:

Technical analysis is another important form of security analysis. Simply put, technical analysts make investments (more accurately, trades) based solely on stock and volume movements. Use charts and other tools to exchange momentum and ignore fundamentals. One of the core beliefs in technical analysis is that the market discounts everything. All news about the company is already priced at the stock price. As such, stock price movements provide more insight than the underlying fundamentals of the company itself.

The Efficient Market Hypothesis:

However, supporters of the Efficient Market Hypothesis (EMH) tend to disagree with both fundamental and technical analysts. The

Efficient Market Hypothesis argues that it is essentially impossible to beat the market through fundamental or technical analysis. As the market continuously and efficiently evaluates all stocks, many market participants can almost immediately kill the opportunity to outperform the market and significantly outperform the market in the long run. You will not be able to.

Examples of Fundamental Analysis:

Take the Coca-Cola Company as an example. Analysts need to consider the stock's annual dividend, profit per share, price-earnings ratio, and many other quantitative factors when investigating the stock. However, Coca-Cola's analysis cannot be completed without considering brand awareness. Anyone can start a business selling sugar and water, but few are known to billions of people. It's difficult to pinpoint the value of the Coke brand, but rest assured that it's an integral part of your company's continued success.

Pros of Fundamental analysis:

Fundamental analysis helps traders and investors gather the right information and make rational decisions about which position to take. These decisions are based on financial data, so personal damage is limited. Fundamental analysis aims to understand the value of an asset rather than set entry and exit, providing traders with a longer view of the market. Once a trader has determined the value of an asset, it can compare it to the current market price to assess whether the asset is overvalued or undervalued. The purpose in this case is to profit from changes in the market.

Cons of fundamental analysis:

Fundamental analysis can be time consuming and requires multiple areas of analysis, which can make the process very complex. The results of the insights do not help make quick decisions, as fundamental analysis gives a much longer-term view of the market. Traders looking to develop short-term trading start and closing methods may be better suited for technical analysis.

It is also important to consider the best and worst-case scenarios. Fundamental analysis provides a broader view of the market, but negative economic, political or regulatory changes can surprise the market.

Fundamental analysis examples:

There are various tools and methods that can be used for fundamental analysis, but they fall into two types of fundamental analysis: top-down analysis and bottom-up analysis. Top-down analysis provides a broader view of the economy, starting with the entire market and ending with sectors, industries, and finally specific companies. Conversely, bottom-up analysis starts with a particular stock and extends to all factors that affect its price. The most basic analysis is used to evaluate stock prices, but it can be used for many asset classes such as bonds.

The tools traders can choose for fundamental analysis depends on the assets being traded. For example, a stock trader may display revenue, earnings per share (EPS), expected growth rate, profit margin, and other figures in a company's earnings report.

Fundamental Analysis Tools:

Earnings per share (EPS): We can't know much about a company by revenue or number of shares alone, but when you combine them, one of the most common key figures is used for company analysis. EPS shows how much of a company's earnings come from one share. EPS is calculated by dividing net income (after dividends of preferred stock) by the number of issued shares.

Price-to-earnings ratio (P/E): This ratio compares the current selling price of a company's stock to profit per share.

Projected earnings growth (PEG): PEG forecasts the annual profit growth rate of stocks.

Price-to-sales ratio (P/S): The price-to-sales ratio values a company's stock price as compared to its revenues. It's also sometimes called the PSR, revenue multiple, or sales multiple.

Price-to-book ratio (P/B): This ratio, also known as the price-to-equity ratio, compares a stock's book value to its market value. You can arrive at it by dividing the stock's most recent closing price by last quarter's book value per share. Book value is the value of an asset, as it appears in the company's books. This is equal to the cost of each asset minus the accumulated depreciation.

Dividend pay-out ratio: This compares the dividend paid to shareholders to the company's total net income. This describes retained earnings, that is, profits that have not been paid but are reserved for potential growth.

Dividend Yield: Annual dividend and stock price expressed as a percentage dividend per share for one year divided by the value per share.

Return on equity: Divide the company's net income by the rate of return on equity to obtain the return on equity. This is sometimes expressed as the rate of return on the company's net worth.

Investing and Fundamental Analysis:

Analysts work to create a version to determine the estimated cost of a company's percentage charges, primarily based on publicly available facts. This cost is an estimate at best, and analysts are informed that the company's percentage fees should actually be worth it compared to the current market fees for buying and selling. Some analysts can also talk about the company's own costs at the expected rates.

If the analyst calculates that the cost of the inventory must be significantly higher than the latest market price of the inventory, the analyst assigns the inventory a purchase or obesity rating. This will serve as an advice to traders looking at this analyst. If an analyst calculates an inherent cost that is lower than modern market fees, the stock is considered overvalued and an increase or undervalue recommendation is issued.

Investors who pay attention to these clues will find that they need to buy stocks with favourable clues. Such strains should be more likely to grow over time. Similarly, stocks with a poor ranking are expected to be more likely to have lower fees. Such stocks are required to be removed from the current portfolio or delivered as "short" positions.

This inventory analysis method corresponds to a technical analysis that predicts the course of fees by analysing old market data such as fees and volumes.

Fundamental analysis includes:

1. Economic analysis
2. Industry analysis

3. Company analysis

4. Future profit outlook

1. Economic analysis:

All common stocks are exposed to market risk. This feature of almost all types of common stock shows movements in combination with fluctuations in economic conditions towards improvement or deterioration. Stock prices have responded positively to low inflation, profit growth, improved trade balances, rising gross domestic product and other positive macroeconomic news. Signs of rising unemployment, recovery in inflation, or revised earnings estimates are putting pressure on stock prices. This relationship is fairly credible, as the U.S. economy is better represented by the Standard & Poor 500 stock index, a well-known market indicator that correctly predicts the stock market ahead of the average person in a boom or recession. The Federal Reserve Bank of New York conducted a survey stating that the slope of the yield curve is a perfect indicator of economic growth beyond three months ahead. Drops are shown with a negative gradient and positive gradients are considered good. The impact of market risk should be obvious to investors. When the economy goes down, stock prices go down. All companies, both high-performing and low-performing, are affected by the recession. Stock prices are also affected by the boom.

2. Industry Analysis:

All stocks are exposed to market risk and it is clear that stock prices will fall during a recession. Another thing to keep in mind is that defenders are less prone to recession. Industry analysis highlights industries that often face adverse economic conditions.

In 1980, Michael Porter proposed a standard approach to industry analysis. He called this the "Competitive Analysis Framework". New entrant threats assess the expected reaction of current competitors to new entrants and barriers to entry into the industry. In certain industries, it is very difficult for new companies to win the competition.

For example, in the automotive industry, new manufacturers find it difficult to compete with existing companies such as General Motors and Ford. There are specific industries that are easy to enter into new businesses, such as: B. Financial planning industry. No special effort is required to start a new business in such an industry. Industry growth is hampered by current competition among competitors. In the face of existing competition, the company must invest most of its profits in this increase in market share, so trying to gain more market share will

reduce the company's profits. An industry where competition between competitors is friendly or modest offers greater opportunities for product differentiation and higher profits. Fierce competition is good for customers, but not good for product manufacturers. In the aviation industry, there are collective tariff disputes among competitors. If one airline lowers the price, the other airline will need to adjust the price accordingly in order to retain existing customers.

Another threat to companies in the industry is the handling of alternative products. This prevents companies from raising the price of their products. When the price of a particular product rises sharply, consumers simply switch to another cheaper alternative. For example, there are two different video games, Sega and Nintendo. These games compete directly with each other in the market. As Nintendo raises prices, new video game customers will switch to relatively cheap sage. Investors doing industry analysis need to focus on the risk levels of product substitution that will have a significant impact on the company's future growth. Another aspect of industry analysis is the bargaining power of buyers. This can have a significant impact on the seller's high sales. In this state, the return is low. The seller has to make concessions because he can't afford to lose his customers. For example, we have a shipbuilding company and our main customers are the US Navy. Since the company produces only a few vessels each year, losing a contract with the Navy can be very damaging to the company. On the other hand, in department stores, the number of customers is large, so the bargaining power of customers is low. Losing one or two customers at this store does not have a significant impact on retail sales or profitability.

You shouldn't just focus on capital-intensive industries. There are other industries that are not capital intensive, such as B. Advisors needed at retail computer stores. You need to force computer engineers to solve people's computer system problems. In recent years, consumers have usually become more demanding when it comes to personal computers. Therefore, they are better guided and try to make their own decisions regarding the requirements of the software and hardware aspects. In fact, they have a great deal of power when contacting sales force. The bargaining power of the supplier also has a great influence on the profitability of the company. The supply to manufacture the product is required by the company and the cost cannot be controlled well. Due to the strong group of buyers in the replacement product market, it is not possible to raise the price of the finished product to cover the increased costs. Therefore, when conducting industry analysis, the presence of strong suppliers should be considered negative to the company.

Investors need to analyse the above industry structural considerations in order to assess future industry trends in the light of economic conditions. Once the potential industry is identified, the final step is EIC analysis, which is limited to enterprises only.

3. Company Analysis:

Corporate analysis reviews and evaluates different companies in selected industries to identify the most attractive companies. Company analysis, also known as securities analysis, involves stock selection. Different analysts have different approaches to doing company analysis, such as

- Value Approach to Investment
- Growth Approach to Investment

In addition, Corporate Analysis analyses a company's finances and determines the category of stocks as value stocks or growth stocks. These indicators include price-to-book value ratio and price-earnings ratio. Other indicators, such as return on equity, can also be analysed to determine potential companies for investment.

4. Future Earnings Outlook:

Future earnings forecasts are estimates of future financial results for a business or project and are typically used for budgeting, capital budgeting, and / or valuation. In some situations, this term may refer to a public company's (quarterly) revenue forecast. For country or economy, see Economic Forecast. Future revenue forecasts using historical internal and revenue data and external industry and economic indicators are usually analyst model forecasts of a company's performance over time. In fundamental analysis, analysts often extend stock market analysis with stock market information such as 52-week highs. For business modelling components / steps, see the list of Stock Valuations below the Financing Overview.

Perhaps an important aspect of creating a financial forecast is sales forecast. Future fixed and variable costs and capital can be estimated as a function of profit through a "common size analysis" where the relationship is derived from past financial ratios and other accounting relationships. At the same time, the resulting items need to impact the company's business. In general, an increase in sales requires a corresponding increase in working capital, fixed assets, and related funding. In the long run, profitability (and other financial indicators) tends towards the industry average. For a detailed explanation and other considerations, see Valuation with Discounted Cash Flows for Each Forecast Period.

SWOT ANALYSIS:



1. Strength:

The strengths of a company vary by industry. For example, Non-Performing Assets (NPAs) can be a bank's strength. On the other hand, cheap suppliers and cost advantages can be significant strengths for auto companies.

Other strengths of a company:

- Volunteer companies
- Effective management (people, employees, etc.)
- Recognition of the great brand
- Skilled labour
- Regulars
- Cost Benefits
- Scalable business model
- Loyalty

2. Weakness:

The opposite of everything discussed in the "Strengths" can be the weakness of a company. For example, weak finances, inefficient management, poor brand recognition, an unskilled workforce, non-repetitive customers, non-scalable businesses, and disloyal customers.

In addition, there are some other weaknesses that can affect the company:

- Obsolete technology.
- Lack of capital
- High debt

For example, many companies in the telecommunications industry have ceased operations because they were using outdated 2G/3G technology. Similarly, in the energy sector, renewable energy production is the technology of the future and companies that do not work on the new technology could soon become obsolete. In short, outdated technology negatively affects most of the industry.

3. Opportunity:

A company with many opportunities has many opportunities to succeed and make a profit in the future.

- Organic growth opportunity - (New product, new market, etc.)
- External growth opportunity (Mergers and Acquisitions)
- Expansion (vertical or horizontal)
- Relaxation of government regulations
- New technologies (Research and Development)

4. Threats:

To survive (and for that matter remain profitable), it is really important for a company to analyse its threats. Here are some of the biggest threats to a business:

- Competition
- Changing consumer preferences/new trends
- Adverse government regulations

Changing consumer preferences is one of the repetitive threats facing many industries. Here, if proper measures are not taken to retain the customer, it could adversely affect the profitability of the company.

For example, the new trend of health awareness among people may lead to a decline in sales of beverage/soft drink companies. (These companies are fighting this threat by introducing "DIET-COKE.")

Similarly, the preference for Ayurvedic products in India has already reduced sales by non-Ayurvedic consumer goods companies (and an increase in PATANJALI).

Definition of Fundamental Analysis.

Fundamental analysis is a detailed study of the basic factors that affect economic, industrial and business interests. It is a stock that measures economic, financial, and other factors (both qualitative and quantitative) that are used to identify opportunities in which the value of a stock deviates from the current market price. It is designed to measure true intrinsic value.

Fundamental analysis includes only financial statements, management, competition, business concepts, and all factors called fundamentals that may affect the value of a security, including macroeconomic and organizational factors. It will be evaluation. Fundamental analysis It is based on the assumption that there is a certain delay in the impact of these fundamentals on stock prices. Therefore, the stock price will not be equal to its value in the short term but will be adjusted in the long term. This is a three-step analysis:

Economy: An analysis of the country's general economic situation and condition. It is analysed using economic indicators.

Industry: Use industry competition analysis and industry lifecycle analysis to identify prospects for different industry classifications.

Company: Determine whether you want to buy, sell, or hold a company's stock by determining the financial and non-financial characteristics of the company. Sales, profitability, EPS, management, corporate image, and product quality are analysed for this purpose.

Definition of Technical Analysis

Technical analysis is used to predict the price of a stock. This shows that the price of a company's stock is based on the interaction of the supply and demand forces that are active in the market. It is used to predict the future market price of a stock according to the stock's historical performance statistics. To do this, first determine the fluctuation of the stock price in

order to know how the stock price will develop in the future. The price at which a buyer and seller of a stock decides to complete a transaction is a value that combines, evaluates and represents all the factors and is the only important value. In other words, technical analysis provides a clear and comprehensive view of why stock price volatility is behind. Technical analysis Stock prices are assumed to fluctuate in line with trends.

It goes up and down and depends on the trader's attitude, psychology and emotions.

Tools used for Technical Analysis

Prices: An extruder with a security price is represented by an extruder with an investor mindset and the collection and delivery of securities.

Time: Measuring velocity movement is a characteristic of time. That is, the time elapsed within the mode reversal determines the velocity extrusion.

Volume: The importance of rate adjustment can be seen in the transaction set that characterizes the extrusion. It can be noted that if you have an extruder with a stock price and a small extruder with a transaction amount, the extruder is not always very powerful.

Width: The level of extruder allocation is measured by determining whether the extruder fashion is spread across many sectors or contains only up to three inventories. This shows how much the price of the security has been adjusted in the market according to the general method.

Key Differences between Fundamental and Technical Analysis

The difference between fundamental and technical analysis can be drawn clearly on the following grounds:

1. Fundamental analysis is a method of investigating a security to determine its intrinsic value for long-term investment opportunities. In contrast, technical analysis is a method of valuing and predicting the future price of a security based on price fluctuations and trading volume. This shows what the stock will look like in the future.
2. Fundamental analysis uses a longer period of time to analyse stocks compared to technical analysis. Therefore, fundamental analysis is used by investors who want to invest in stocks that will increase in value within a few years. In contrast, technical analysis is used when the transaction is short-term only.

3. The time lag between the two analyses is clear not only in approach but also in purpose, including transaction-related technical analysis and investment-related fundamental analysis. Most investors use fundamental analysis to buy or hold shares in a company, so traders rely on technical analysis to generate short-term profits.

4. While fundamental analysis aims at ascertaining the true intrinsic value of the stock, technical analysis is used to identify the right time to enter or exit the market.

5. In fundamental analysis, decision making is based on the information available and statistic evaluated. On the contrary, in technical analysis, decision making is based on market trends and the stock price.

6. In fundamental analysis, both past and present data are considered, whereas, in technical analysis, only past data is considered.

7. Fundamental Analysis is based on financial statements, whereas technical analysis is based on charts with price movements.

8. Fundamental analysis allows you to determine the intrinsic value of a stock by analysing the earnings statement, balance sheet, cash flow statement, return on equity, return on equity, price-earnings ratio, and more. However, technical analysts use chart patterns (such as continuation and reversal patterns), price actions, technical indicators, resistance, and support to analyse future price trends. Resistance is where investors believe that prices have stopped rising and are ready to sell. Support says investors have stopped going down and are ready to buy. That is the point of belief.

9. In fundamental analysis, the future price of a security is determined based on the company's past and present performance and profitability. In contrast, future prices in technical analysis are based on charts and indicators.

10. Fundamental analysis is performed by long-term position traders and technical analysis is performed by swing traders and short-term day traders.

Conclusion

In fundamental analysis, an investor buys a stock when the market price of the stock falls below the intrinsic value of the stock. In contrast, in technical analysis, traders buy stock when they expect to sell at a relatively high price.

Need of Study of Fundamental Analysis:

Basic or intrinsic value is very important in an investment. The intrinsic value of a stock is not the market value, but the natural value of the stock. Through fundamental analysis, you can determine the basic value of a stock. This gives investors a better understanding of the various stocks. The fundamental or intrinsic value is the actual value of a stock that can be derived from fundamental analysis, and this value is very important when investing in order to make reasonable decisions about investing in a stock. Fundamental analysis of stocks also includes factors such as discounts. Future projected projects are discounted against the time value of money to determine the true value of the stock. Investing in different stocks requires a clear analysis, but without a clear and rational analysis, decision making becomes very complex and simpler and more accurate fundamental analysis can be used.

To know the basis:

Fundamental analysis is a presentation of a company's portfolio. Core is the main theme of every company that sets up a company profile, and an effective way to get better fundamentals, add more assets, and bear less debt is best for the company. It means that there is. How much profit does each company make, what is the current scenario for that company? Make a Better Investment:

For a better Investment you always need to know your company's portfolio and profits. How profitable is the company actually? The answers to your questions can definitely help you make better investments that will give you the best profits. Capital valuation is usually a long-term goal that helps people secure their economic future. For the money you earn to grow wealth, you need to consider investment options that provide a significant return on the amount initially invested in

To keep safe investment:

Whenever you do a fundamental analysis, you get most of the information about what really helps you invest. A safe investment means knowing that the company is keeping its portfolio well and increasing its profits. Conservation of capital is one of the main reasons people invest money. Some investments help prevent hard-earned money from being eroded over time. Parking money on these devices or systems can prevent permanent savings.

Comparison:

Comparisons are the best way to determine a company's market value. Whenever you compare a company's market demand, one of the most effective ways to compare two companies is to perform a ratio analysis of each company's financial statements. Ratio analysis looks at various numbers in the financial statements. B. Establish relationships between net income and total costs, and each number.

Awareness:

Raising investor awareness not only includes knowledge of the various financial products available on the market, but also facilitates the decision-making of particularly poorly educated people embarking on long-term financial decisions. Fundamental analysis helps clarify that market value is not the result of an investment.

To earn a steady stream of income:

Investing also helps create a stable source of secondary (or primary) income. Examples of such investments are time deposits that earn interest on a regular basis and stocks of companies that pay dividends to investors on a regular basis. Income-generating investments help you pay for your daily expenses after retirement. Alternatively, it can also serve as a good source of additional income during employment by providing additional money to cover costs such as tuition and EMI.

Research Question

- What investors think about investing?
- How knowledge enhances investment
- Why investment requires investment knowledge
- What is fundamental analysis?
- How does fundamental analysis affect your investment?
- How to make a better investment in fundamental analysis

CHAPTER-2
LITERATURE REVIEW

Literature Review:

Fundamental analysis (FA) is a holistic approach to studying a company. If an investor wants to invest in a company over the long term (age 3-5 years), it is essential to understand the company from different perspectives. It is important for investors to isolate the daily short-term noise of stock prices and focus on the underlying performance. In the long run, the stock prices of fundamentally strong companies tend to rise, creating wealth for investors.

Securities

(JevonsLee, 1987) Fundamental analysis of securities is the basic approach assumes that all securities have intrinsic value that can be determine based on information such as accounting profits, growth factor, and debt /equity ratio. Technical experts determine the intrinsic value based on these fundamental and compare this value to the current market price to determine if the security is undervalued or overvalued. (Boobalan, 2014) We conducted a technical analysis of securities of companies selected from the industry and supported investment decisions in the Indian market. The technical analysis provided by this study does not provide absolute predictions about the future in terms of predictions.

H1: Fundamental analysis of securities can provide you positively to produce retunes above market averages in the short term.

Working capital

(Khamrui, 2012) We conducted a survey on the impact of working capital management on the profitability of the FMCG sector in India. This survey covers the 10 years from 2001 to 2010 and is based on a sample of 10 FMCG companies. The purpose of this study was to investigate the impact of working capital and its components on profitability. After performing a normality test, person correlation, and panel data regression, the study concludes that there was a significant negative association between working capital management and corporate profitability. (Selvaraj, 2012) We analysed the working capital management of 38 selected Indian steel companies from 2001 to 2010 by comparing selected small and medium sized and large steel companies using various key figures. Duty cycles and cash conversion cycles were used to measure the effective use of working capital. The Keswick model used to measure the determinants of the cash conversion cycle. The study concludes that the size of a company plays an important role in determining the efficiency of working capital management.

(Pasupathi, 2012)Managing the working capital of 17 major automotive industry units selected in India during the 15 years from 1992-93 to 2006-07. It was conducted to validate working capital based on the size of working capital in relation to monthly operating and sales requirements. The construction of the discriminate function suggested that the size of net working capital in terms of monthly operational requirements appears to be stronger than sale requirements over the years.(Afeef, 2011)By posting a sample of 40 Pakistani SMEs on the Karachi stock exchange, we investigated the potential impact of working capital management on the profit performance of Pakistani SMEs. The results of the study showed that there is a significant correlation between profitability variables and payable deferrals and corporate cash conversion cycle.(Untwal, 2011)I tried to manage the working capital of Indian Tools Ltd. The data needed for the survey was collected from the company annual report and public accounts, and the primary data was obtained through personal interview with the company's management. The survey period was seven years from 2001-2006-2007. Working capital analysis and key numerical analysis were used for data analysis. The results of the survey showed that the company's liquidity position was unsatisfactory. Indian Tools Ltd.'s Warehouse Management satisfaction, the company tracked the effects of debt collection illness and inefficient credit policies during the investigation period.

H2: Fundamental analysis of working capital can provide you positively to financial strategy of a company.

Investment

(Roy, 2015)He states that it is necessary to consider the economic environment, industry performance and corporate performance before making a fundamental analysis and making an investment decision. One of the most active and long-running debates in securities research is the relative benefits of basic and technical research. (Hon-Snir, 2011)Investors are studying the use of financial statements and levels of support and resistance together as a primary tool for investment behaviour. Over the years, investors have used a variety of tool to support their buying and selling decisions. Investors commonly use two types of tools: fundamental analysis and technical analysis. (Čaljkušić, 2011)Use different approaches and methodologies over time to value stocks and study the right approach to predict when investors should trade.

(Reddy, 1995)We conducted a survey entitled financial performance case study of paper industry. They found that the industry is improving its financial position year after year.

According to the survey, the company performed well in generating its own funds in the form of reserves and surplus. The study concludes that the search position is stable because the current debt fast ratio is better policy and standard ratio was the solvency since 1990-91. The company's earning was inadequate. The study also found that company's ability to use assets to increase profits has not improved, as shown by various employee turnover indicators.

H3: Fundamental analysis in investment can provide you positively analysis tools on the effectiveness of their investment decisions.

Future earnings

(Venkatesh, 2011)We report the results of a June/July 2010 survey on the use of fundamental and technical analysis in the preparation of stock price fluctuation forecasts by India stock market brokers/ fund managers. Fundamental analysis is a way for investors to determine the future price of the stock they want to buy. This refers to examining the intrinsic value of a company to see if its current market price is fair, overvalue or undervalue.(JS Abarbanell, 1997)In the journals Fundamental analysis, Future Earnings, and Stock price, Abarbanell and Bushee provide market participants with detailed year-end data.

H4: Fundamental analysis of future earnings can provide you positively achieve high earnings growth in the future.

Dividend

(Sharma, 2009)Investigate whether fundamental analysis involves two approaches, such as traditional and growth. A fundamentally strong company produces above average returns compared to a fundamentally weak company. This helps distinguish between overvalued and potentially growing companies.(MD Beneish, 2001)Most fundamental analysis studies include estimates of large samples that cover the entire population of the enterprise with the available data. However, the fundamental analysis practiced by professional analysis is generally performed in a more limited context and usually involves comparing a subset of companies with common characteristics, in the example of Contextual Fundamental Analysis with Extreme return predictions, most sell-side financial analysis tend to focus on companies within the same industry or economic sector. Similarly, many buy-side analysts and fund managers specialize in either the "value" stock universe or the "growth" stock universe. Overall, this demonstrates the usefulness of performing a fundamental analysis on a case-by-case basis.

H5: Fundamental analysis in dividend can provide you positively give information about proportion of earning per share given to the shareholders in the form of dividends.

Assist portfolio

(Pandya, 2013) We conducted research and technical analysis of companies in the field of information technology. He is support the technical analysis of securities of selected companies in the information technology sector and portfolio decisions in this sector as the information technology sector is one of the most emerging and booming sectors in the Indian market. We conducted a detailed survey. It has proven to be one of the most important and fastest growing sectors of the Indian economy. (Christina, 2011)) We conducted a survey on the financial performance of Wheels India Limited Chennai. The study adopted an analytical study design complemented by secondary data collection methods. To do this, researchers have taken data from the last five years and validated and reliable the data before conducting the study. Researchers used financial tools such as ratio analysis, comparative balance sheet, as well as statistical tools such as trend analysis and correlation. Profitability indicators show lower levels of profits, fixed asset use and working capital last year. In this way, the company was able to take the necessary steps to increase sales and profits. Finally, the study concluded that the financial performance was satisfactory.

H6: Fundamental analysis of Assist portfolio can provide you positively measuring a stocks intrinsic value.

Financial statement

(Singla, 2013) We conducted a survey to assess Tata Steel Ltd.'s financial performance from 2008 to 2012 and the steel Department of India. Financial performance was investigated through analysis of profitability, working capital and fixed assets. The author mentioned the financial performance of Tata steel Ltd. Not only was Tata Steel Ltd.'s net profit better than SALL. Greater than SAIL, but better than SALL in warehouse management. (Sarkar, 2011) I studied Analysis of Tata steel's financial performance case study. This study focuses on the calculation of Tata Steel's operating debt ratio, financial debt ratio, and overall debt ratio for the period 2001 to 2009, and covers operational risk, financial risk, and overall risk. I measured

it. Their findings show that net sales need to be improved to cover the company fixed operating cost. This allowed companies to keep operational risk within control over the next few years. In their opinion, using more external funds can lead to short term bankruptcy, and to avoid this, the company need to maintain a solid short-term debt repayment capacity in the future. (Paul, 2011)) Reported that the financial performance assessment is a comparative study of several selected NBFCs. In this study, five publicities traded NBFCs were considered for comparative financial performance analysis. Various statistical tools such as arithmetic mean, standard deviation, correlation and analysis of variance have been widely used.

H7: Fundamental analysis in financial statement can provide you positively use financial statement data to determine the intrinsic value of a security.

Profitability ratio

(Mishra, 2016)) Using technical analysis indicators, report the degree to which the profitability of a transaction explains the risk premium or risk compensation of investing in the stock market compared to relatively risk-free assets using multiple regression analysis. Traders, private investors and fund managers are encouraged to rely on technical indicator-based trading strategies other than fundamental analysis when valuing their portfolios.(Vuralet, 2012)His research found that company's profitability has nothing to do with working capital management. There is no significant relationship between working capital and rate of return.(etal, 2011)His study found no significant relationship between liquidity and profitability.

H8: Fundamental analysis in financial statement can provide you positively effect to measure the profitability of the company.

Research gap

In the survey, a total of 27 literature searches were conducted for the purpose of the survey. In the course of this literature review, researchers have not collected much knowledge, primarily in fundamental analysis and investor-related areas.

The above literature shows the geographical gaps in the study.

This study is being studied in Gujarat.

Conceptual development based on LR:

Based on the entire literature review, fundamental analysis is defined differently by different authors. This makes the definitions look different from each other and has the same fundamental meaning. This study provides knowledge about key factors that influence fundamental analysis and influence investor behavior, and to create processes for men and women, and different age groups in terms of marriage status. I am aiming for it. The study found that fundamental analysis and the perception lever of investor behavior on personal factors influence investment decisions and fundamental analysis.

Because you can find out the knowledge of the basic factors can be used to improve your income source. Fundamental analysis states that the economic environment, industry performance, and corporate performance need to be considered before making an investment decision.

The fundamental analysis approach assumes that all securities have intrinsic value that can be determined based on information such as accounting profits, dividends, growth factors, and leverage ratios. Fundamentally strong companies achieve above average profits compared to fundamentally weaker companies. Financial performance was investigated through analysis of profitability, working capital and fixed assets. Cluster analysis identifies the group of stocks that are most likely to outperform the market in a short period of time, showing the best trend and momentum characteristics at any given time. Year-end data (basic signals) are reflected in market participant decisions by checking whether current changes in the signal are beneficial for subsequent changes in the outcome. Their approach is consistent with the stated view that predicting book profits should be a central task of fundamental analysis, rather than explaining

equity returns. By examining the relationship between basic signals and future changes in earnings, you can directly test the validity of the economic intuition that underlies the original structure of the signal.

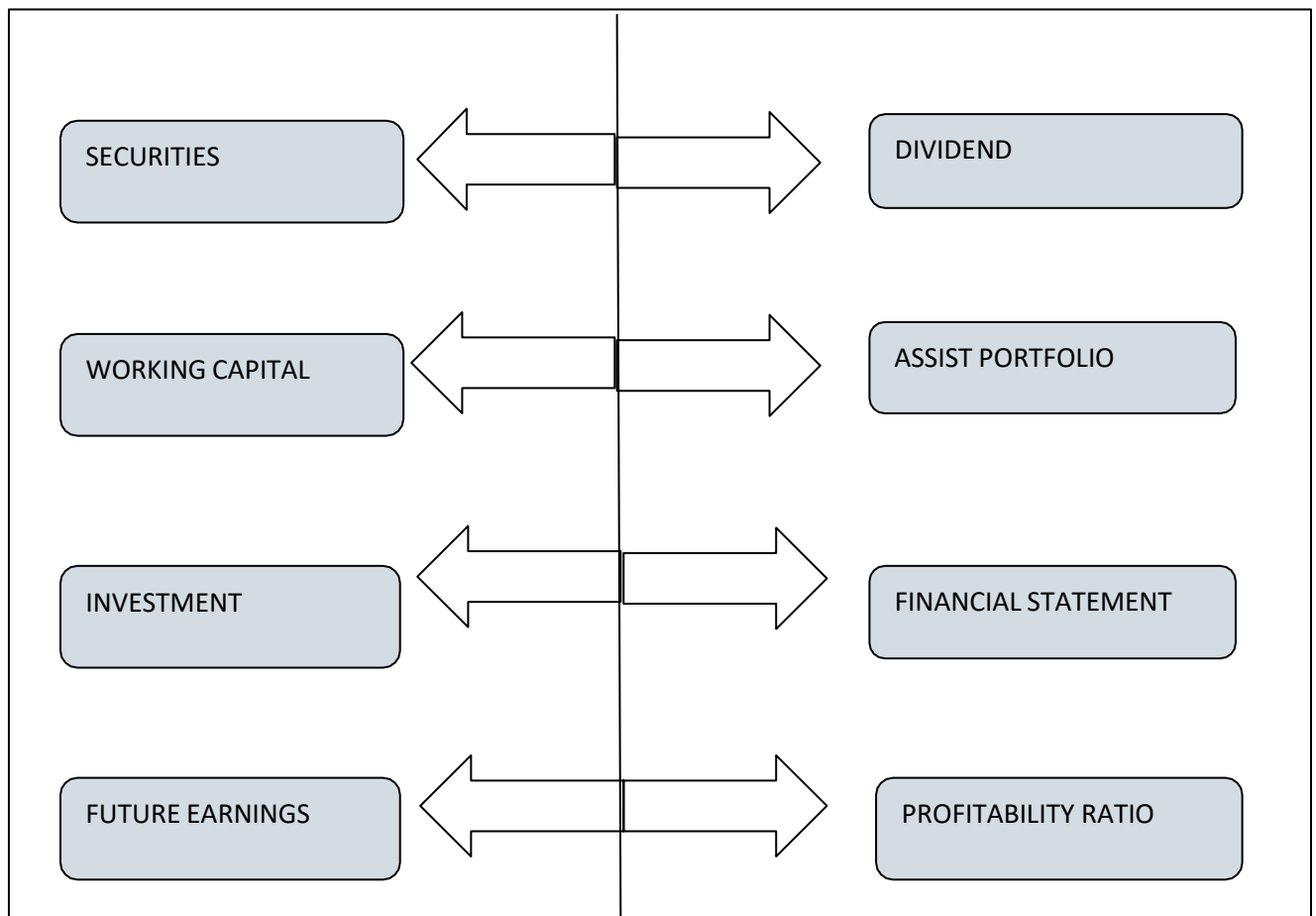
Measurement model:

Here, the research took independent and dependent variables.

The independent variable is the investor's behavior and the dependent variable is the basic information.

Fundamental analysis directly affects investor behavior. In this regard, if the investor is better aware of fundamental analysis, he will benefit more from his investment.

FUNDAMENTAL ANALYSIS



CHAPTER-3
RESEARCH
METHODOLOGY

Research Objectives:

- **Primary objectives:**

The main purpose of this study is to evaluate individual investor patterns for fundamental analysis.

- **Secondary objectives:**

- Identify the elements of the basic factors.
- Examine investor behavior patterns.
- Actions taken by investors to understand and evaluate fundamental analysis.
- To Use various fundamental analysis information available to investors to determine pay call recognition.

Data Collection:

- **Primary data**

Questionnaire

- **Secondary data**

Web site

Reports

Literature review

Sampling Design:

- **Sampling population**

Investor

- **Sampling unit**

Ahmadabad city

- **Sampling Element**

Investor

➤ **Sampling Method**

Non-Probability and convenience sampling method

➤ **Sample Size**

416

➤ **Software Support**

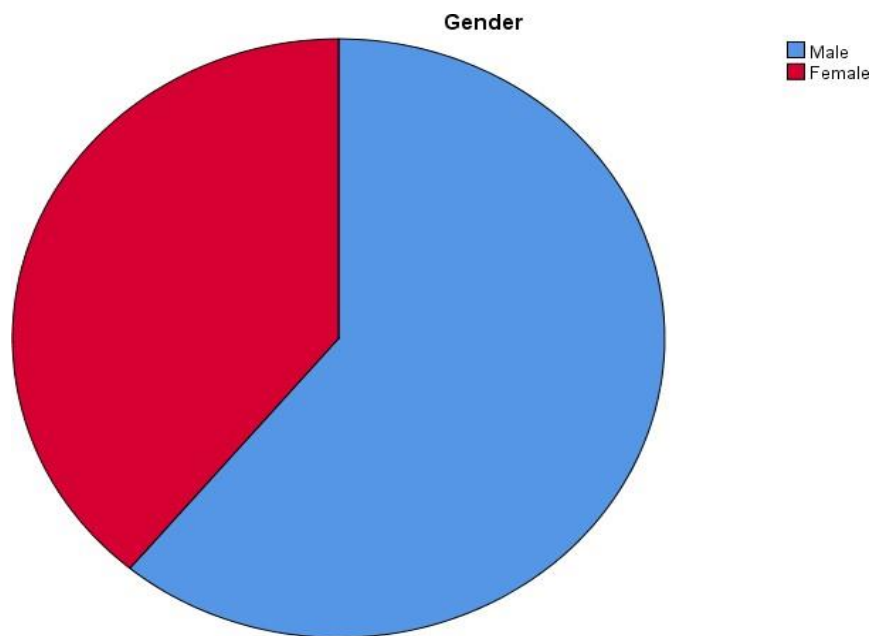
Microsoft Excel and SPSS

CHAPTER-4
DATA
ANALYSIS & INTERPRETATION

4.1 Demographic factor:

Gender:

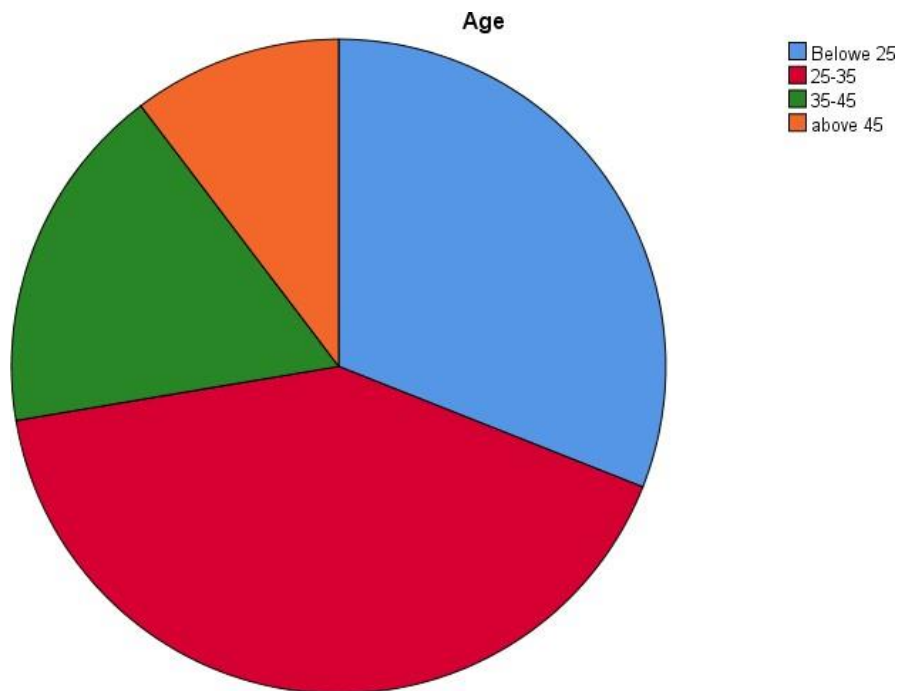
Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	254	61.1	61.1	61.1
	Female	162	38.9	38.9	100.0
	Total	416	100.0	100.0	



Here, the pie chart shows that the majority of men are 61.1% and 38.9% remain female.

AGE:

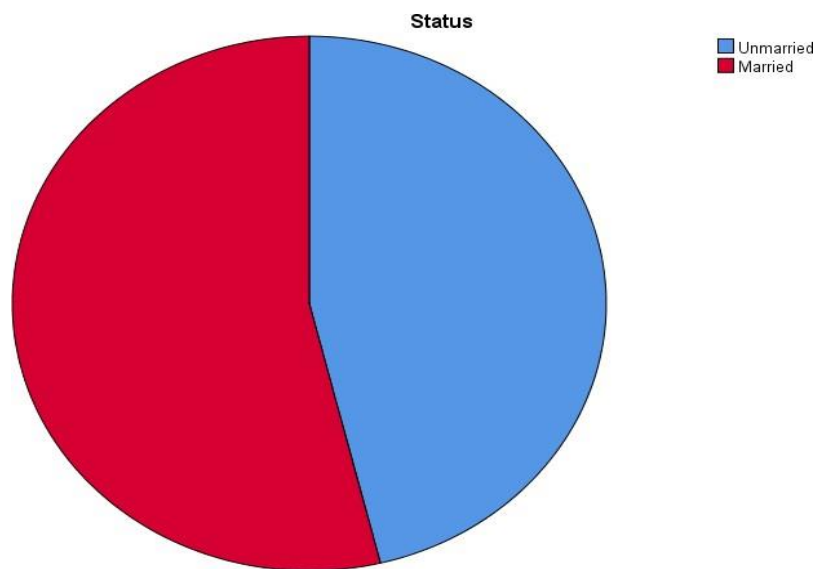
Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25	129	31.0	31.0	31.0
	25-35	172	41.3	41.3	72.4
	35-45	72	17.3	17.3	89.7
	above 45	43	10.3	10.3	100.0
	Total	416	100.0	100.0	



Respondents' ages are displayed above the graph. This means that 31.0% of respondents are under the age of 25. And the majorities indicate 25-35 years old or older, the criteria are 41.3%, 35-45 years old 17.3%, marginal respondents 10.3%, 45 years old or older.

MARITAL STATUS:

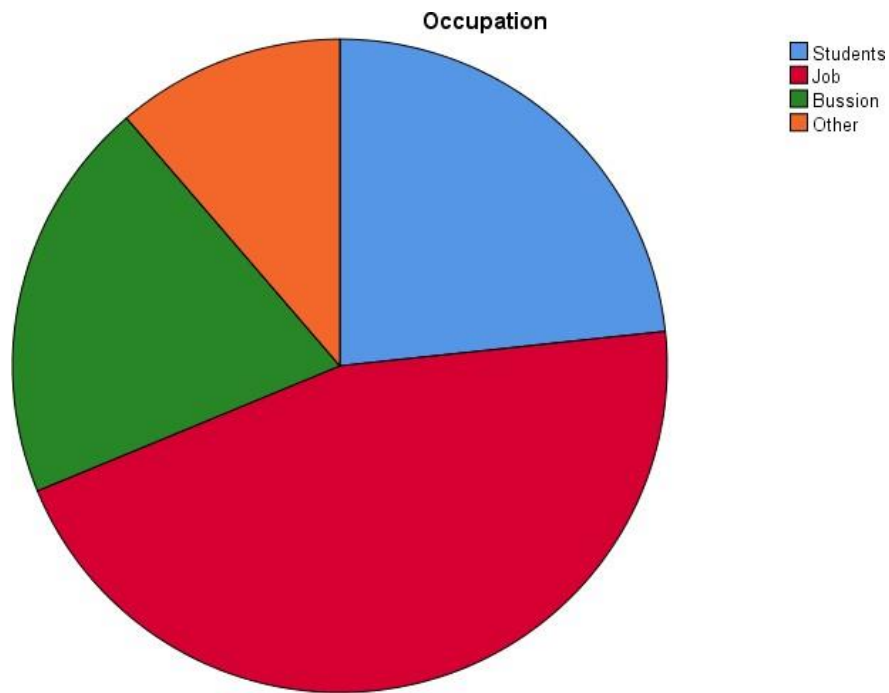
		Status			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unmarried	192	46.2	46.2	46.2
	Married	224	53.8	53.8	100.0
	Total	416	100.0	100.0	



This represents the marriage status of the respondents, with 46.2% unmarried and 53.8% remaining unmarried.

OCCUPATION:

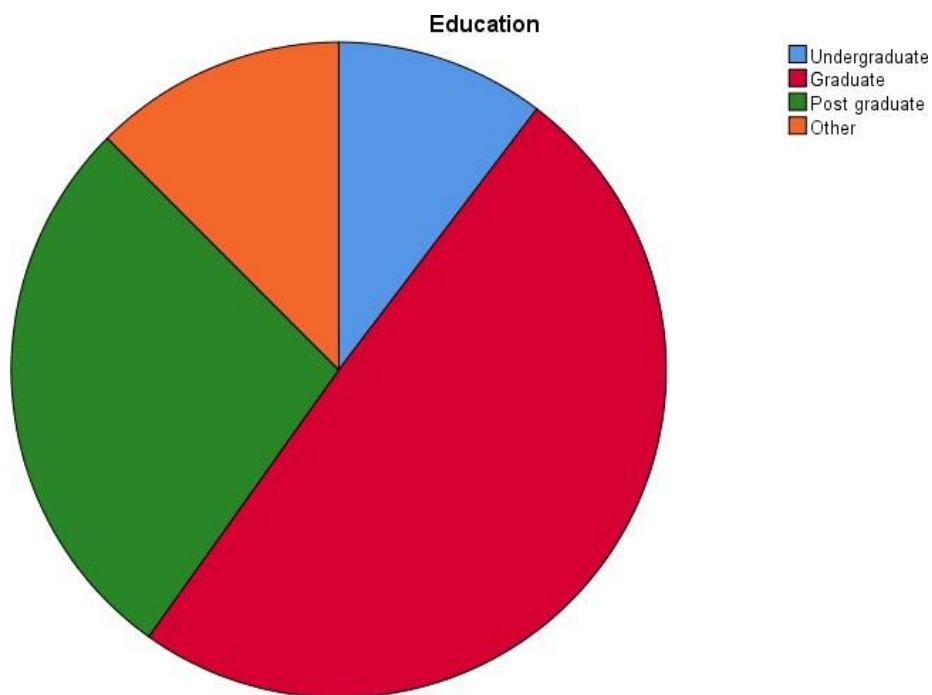
Occupation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Students	97	23.3	23.3	23.3
	Job	189	45.4	45.4	68.8
	Business	83	20.0	20.0	88.7
	Other	47	11.3	11.3	100.0
	Total	416	100.0	100.0	



The majority of the surveyed professions are 45.4%, the second is students, and any branch office is acceptable. 23.3% and 20.00 of the surveyed people have their own business, and 11.3% may be retired or unemployed.

EDUCATION:

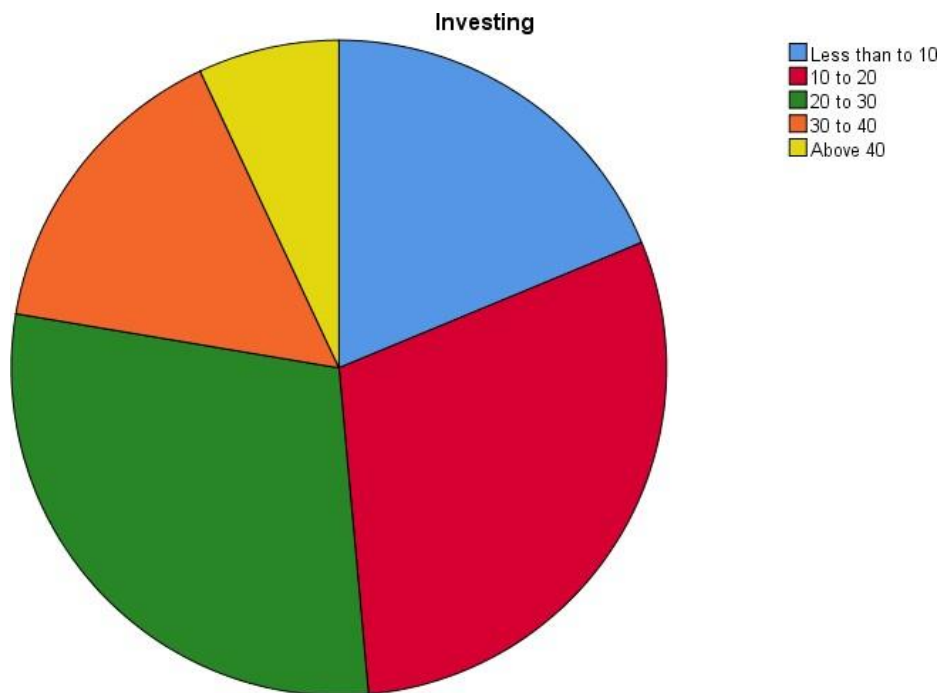
Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undergraduate	43	10.3	10.3	10.3
	Graduate	206	49.5	49.5	59.9
	Post graduate	115	27.6	27.6	87.5
	Other	52	12.5	12.5	100.0
	Total	416	100.0	100.0	



The education of half of the respondents surveyed is academic, which in one direction represents 49.5 percent. And 27.6% are graduate students, and 10.3% are undergraduates who can read or do half of the degree. And that leaves 12.5 percent, which is done any course.

What is the percentage of Investing from your Income:

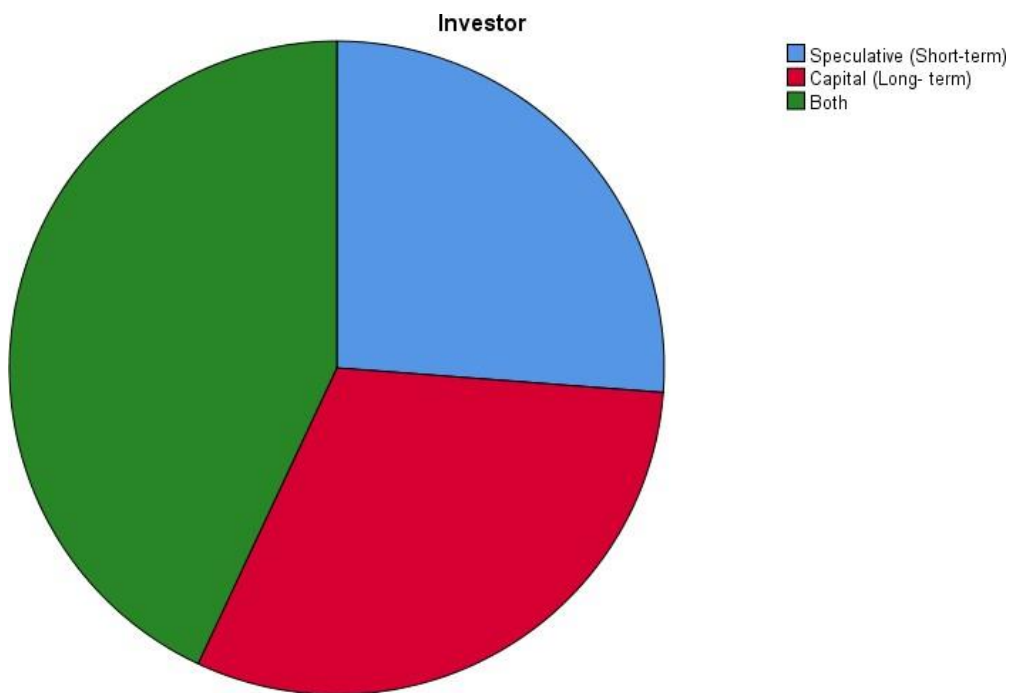
Investing					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than to 10	78	18.8	18.8	18.8
	10 to 20	124	29.8	29.8	48.6
	20 to 30	121	29.1	29.1	77.6
	30 to 40	64	15.4	15.4	93.0
	Above 40	29	7.0	7.0	100.0
	Total	416	100.0	100.0	



Here the pie chart shows that the percentage of investment from income is 18.8%. Respondents invest less than 10 percent of their money. 29.8% to 20-30% of the surveyed people invest their income, and 15.4% of the surveyed people invest 30-40% of their income. And nowadays, more than 40% have invested, only 7% of those surveyed.

Which type of Investor you are:

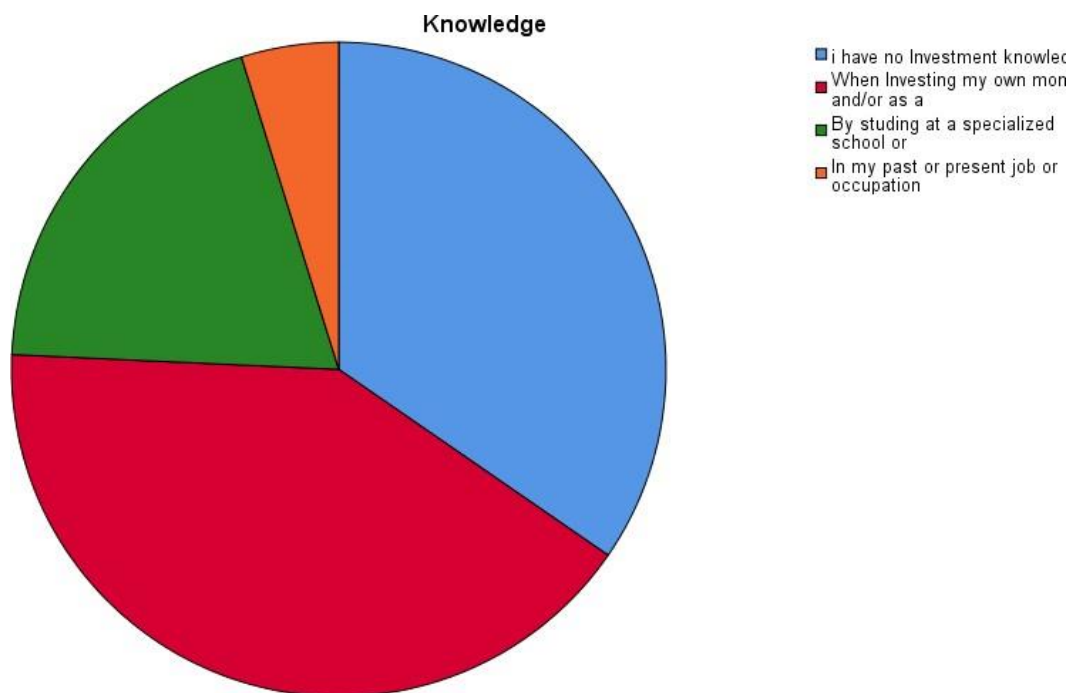
		Investor			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Speculative (Short-term)	109	26.2	26.2	26.2
	Capital (Long-term)	128	30.8	30.8	57.0
	Both	179	43.0	43.0	100.0
	Total	416	100.0	100.0	



The pie chart shows that 26.2% of respondents are speculative (short-term) investors. In other words, the investment period is less than one year. In addition, 30.8% of respondents invest in capital (long-term). In other words, we have invested for over a year. And the majority of respondents are 43.0 percent, both long-term and short-term.

How have you acquiring your investment Knowledge?

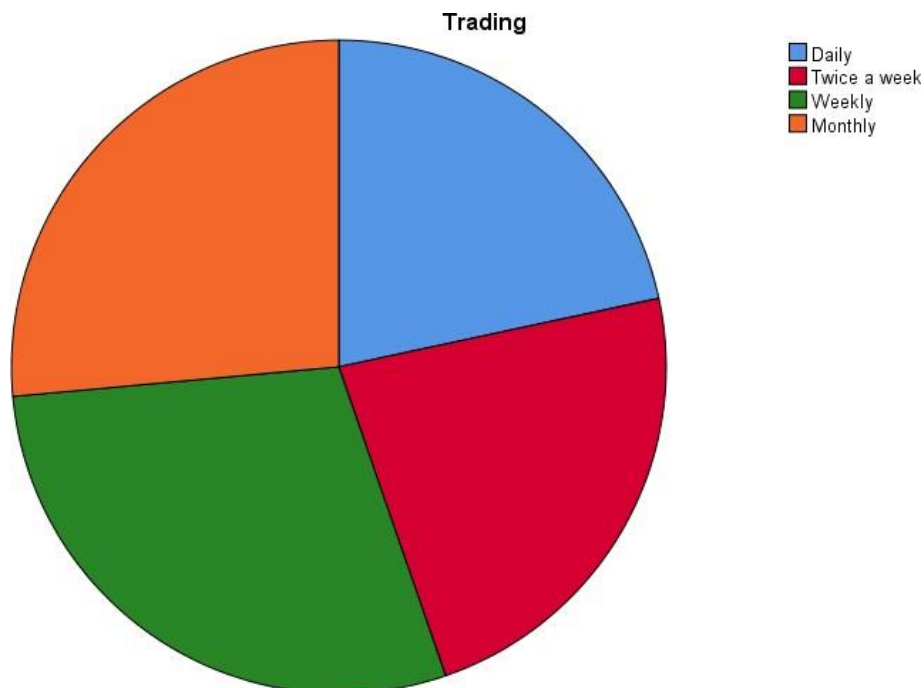
		Knowledge			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I have no Investment knowledge	144	34.6	34.6	34.6
	When Investing my own money and/or as a	171	41.1	41.1	75.7
	By studying at a specialized school or	81	19.5	19.5	95.2
	In my past or present job or occupation	20	4.8	4.8	100.0
	Total	416	100.0	100.0	



Of the respondents who have learned, 34.6% have no actual investment knowledge and 41.1% have their own money or investment experience. 19.5% of the surveyed subjects acquired knowledge through study at a vocational school or course, and the last 4.8% of the surveyed subjects acquired knowledge in their previous or current job or occupation.

How frequently do you Trading in the stock market?

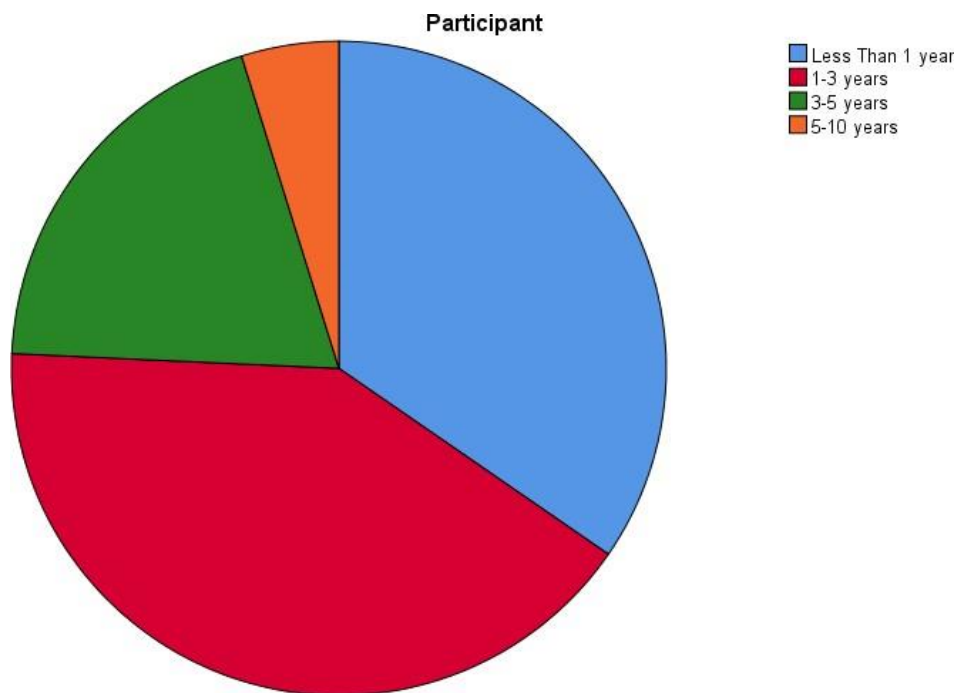
Trading					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Daily	90	21.6	21.6	21.6
	Twice a week	96	23.1	23.1	44.7
	Weekly	120	28.8	28.8	73.6
	Monthly	110	26.4	26.4	100.0
	Total	416	100.0	100.0	



21.6% of respondents use exchange trading on a daily basis, which means they are daytime traders. In addition, 23.1% of those surveyed use it for trading on the stock exchange twice a week. Weekly trading on the stock market is 28.8% of respondents, and the last 26.4% of respondents are, trading the stock market at each month.

How long have you been participant in the stock market?

Participant					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less Than 1 year	144	34.6	34.6	34.6
	1-3 years	171	41.1	41.1	75.7
	3-5 years	81	19.5	19.5	95.2
	5-10 years	20	4.8	4.8	100.0
	Total	416	100.0	100.0	



We find that 34.6% of respondents are unfamiliar with the stock market within a year. And the majority of respondents are involved in the stock market, at 41.1 percent. 19.5% of the participants have 10 years of experience from 5. Very experienced, 4.8% of the surveyed people entered the stock market after 5 to 10 years.

Cross tabs:

Investing * Age * Gender Cross tabulation							
Count							
Gender			Age				Total
			Below 25	25-35	35-45	above 45	
Male	Investing	Less than to 10	23	16	4	2	45
		10 to 20	24	34	10	3	71
		20 to 30	13	36	17	7	73
		30 to 40	6	10	15	11	42
		Above 40	3	5	6	9	23
	Total	69	101	52	32	254	
Female	Investing	Less than to 10	21	8	2	2	33
		10 to 20	19	25	8	1	53
		20 to 30	15	24	5	4	48
		30 to 40	3	12	5	2	22
		Above 40	2	2	0	2	6
	Total	60	71	20	11	162	
Total	Investing	Less than to 10	44	24	6	4	78
		10 to 20	43	59	18	4	124
		20 to 30	28	60	22	11	121
		30 to 40	9	22	20	13	64
		Above 40	5	7	6	11	29
	Total	129	172	72	43	416	

Chi-Square Tests				
Gender		Value	df	Asymptotic Significance (2-sided)
Male	Pearson Chi-Square	60.506 ^b	12	.000
	Likelihood Ratio	56.524	12	.000
	Linear-by-Linear Association	44.836	1	.000
	N of Valid Cases	254		

Female	Pearson Chi-Square	26.855 ^c	12	.008
	Likelihood Ratio	25.590	12	.012
	Linear-by-Linear Association	11.077	1	.001
	N of Valid Cases	162		
Total	Pearson Chi-Square	82.954 ^a	12	.000
	Likelihood Ratio	74.613	12	.000
	Linear-by-Linear Association	58.843	1	.000
	N of Valid Cases	416		
<p>a. 1 cell (5.0%) have expected count less than 5. The minimum expected count is 3.00.</p> <p>b. 2 cells (10.0%) have expected count less than 5. The minimum expected count is 2.90.</p> <p>c. 10 cells (50.0%) have expected count less than 5. The minimum expected count is .41.</p>				

Directional Measures						
Gender				Value	Asymptotic Standard Error ^a	
Male	Ordinal by Ordinal	Somers' d	Symmetric	.358	.049	
			Investing Dependent	.373	.051	
			Age Dependent	.343	.048	
Female	Ordinal by Ordinal	Somers' d	Symmetric	.238	.067	
			Investing Dependent	.255	.073	
			Age Dependent	.223	.063	
Total	Ordinal by Ordinal	Somers' d	Symmetric	.318	.040	
			Investing Dependent	.335	.042	
			Age Dependent	.304	.039	

Symmetric Measures				
Gender			Value	Approximate Significance
Male	Nominal by Nominal	Phi	.488	.000
		Cramer's V	.282	.000
	N of Valid Cases		254	
Female	Nominal by Nominal	Phi	.407	.008
		Cramer's V	.235	.008
	N of Valid Cases		162	
Total	Nominal by Nominal	Phi	.447	.000
		Cramer's V	.258	.000
	N of Valid Cases		416	

H0: There is no significance association in terms of age group and investing with the respect to male.

H1: There is significant association in the terms of age group and investing with respect of male.

INTERPRETATION:

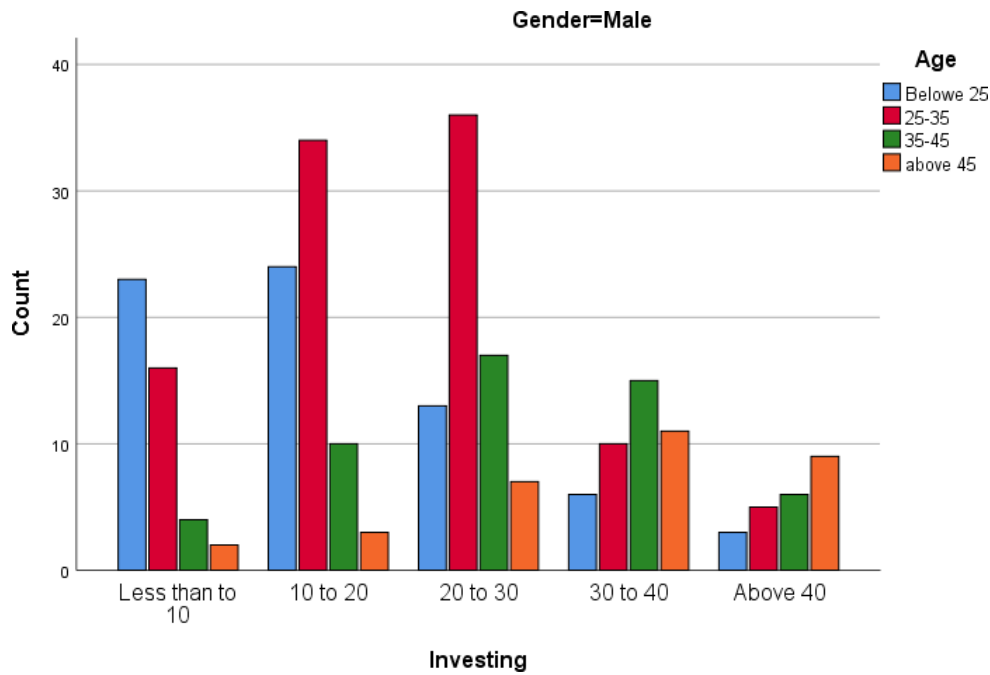
According to the Chi-square table of male the significance value is 0.000 which is less than 0.05 which means that there is significant association between different age group and their investing for male in the terms of investing in the stock market, so (H1) Alternative Hypothesis Accepted.

H0: There is no significant association in term of age group and investing with respect of female.

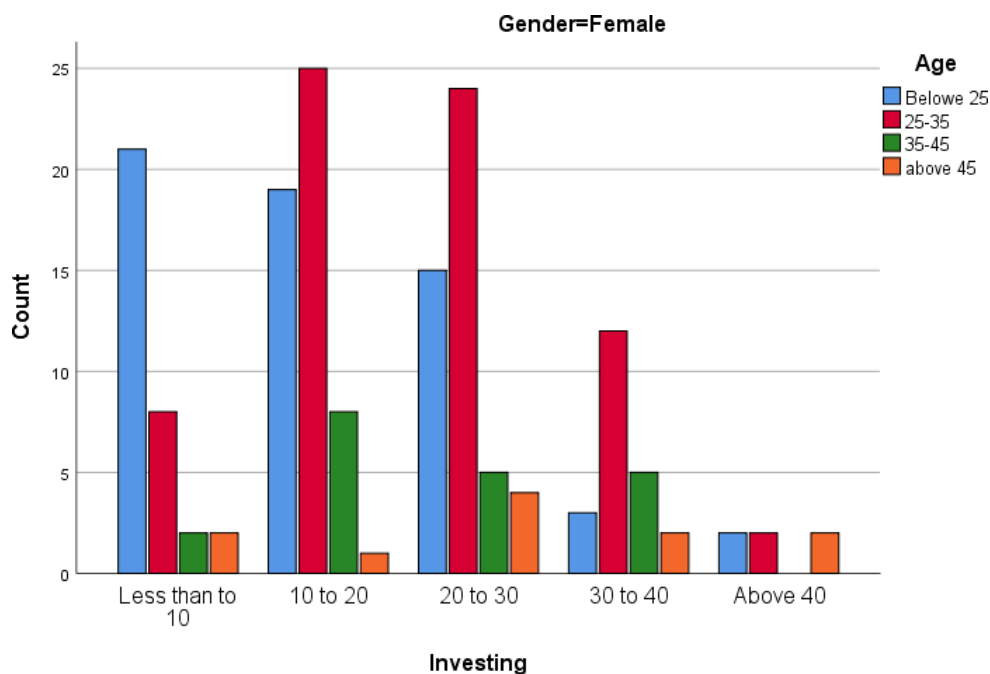
H1: There is significant association in term of age group and income group with the respect of female.

INTERPRETATION:

According to the Chi-square table of female the significant value is 0.012 which is less than 0.05 Which means that there is significant association between different age group and income group for I term of investing in stock market, so (H1) Alternatives hypothesis is accepted.



This graph shows the relationship between male age and investment. That is, less than 10% of investments are primarily from investments under the age of 25. Also, 10-20% of investment is 25-35 years old. Also, 20-30% of investors are 35-45 years old. The last 45% or more investors are over 45 years old.



This graph shows the relationship between female age and investment. Investment less than 10% is primarily due to investments under the age of 25. Investments between 10 and 20

percent come primarily from the age of 25 to 35. In addition, 20-30% of investors come from groups aged 25-35. In addition, there are 30 to 40 percent of investors between the ages of 25 and 35. And the last 40% of investments are from the under 25, 25-35, and 45above age groups.

Education * Knowledge * Age Cross tabulation					
Count					
Age			Knowledge		
			i have no Investment knowledge	When Investing my own money and/or as a	By studying at a specialized school or
Below 25	Education	Undergraduate	16	3	2
		Graduate	42	29	4
		Post graduate	13	11	3
		Other	2	1	1
	Total		73	44	10
25-35	Education	Undergraduate	9	8	0
		Graduate	22	54	9
		Post graduate	12	19	16
		Other	12	8	2
	Total		55	89	27
35-45	Education	Undergraduate	0	1	1
		Graduate	2	13	10
		Post graduate	3	13	9
		Other	5	6	4
	Total		10	33	24
above 45	Education	Undergraduate	0	0	3
		Graduate	2	2	10
		Post graduate	2	2	4

		Other	2	1	3
	Total		6	5	20
Total	Education	Undergraduate	25	12	6
		Graduate	68	98	33
		Post graduate	30	45	32
		Other	21	16	10
	Total		144	171	81

Chi-Square Tests				
Age		Value	df	Asymptotic Significance (2-sided)
Below 25	Pearson Chi-Square	19.259 ^b	9	.023
	Likelihood Ratio	12.632	9	.180
	Linear-by-Linear Association	5.372	1	.020
	N of Valid Cases	129		
25-35	Pearson Chi-Square	29.078 ^c	9	.001
	Likelihood Ratio	28.876	9	.001
	Linear-by-Linear Association	.696	1	.404
	N of Valid Cases	172		
35-45	Pearson Chi-Square	6.583 ^d	9	.680
	Likelihood Ratio	6.454	9	.694
	Linear-by-Linear Association	.691	1	.406
	N of Valid Cases	72		
above 45	Pearson Chi-Square	6.057 ^e	9	.734
	Likelihood Ratio	7.110	9	.626
	Linear-by-Linear Association	.509	1	.476
	N of Valid Cases	43		
Total	Pearson Chi-Square	27.904 ^a	9	.001

	Likelihood Ratio	28.323	9	.001
	Linear-by-Linear Association	9.377	1	.002
	N of Valid Cases	416		

- a. 2 cells (12.5%) have expected count less than 5. The minimum expected count is 2.07.
- b. 9 cells (56.3%) have expected count less than 5. The minimum expected count is .08.
- c. 6 cells (37.5%) have expected count less than 5. The minimum expected count is .10.
- d. 10 cells (62.5%) have expected count less than 5. The minimum expected count is .14.
- e. 13 cells (81.3%) have expected count less than 5. The minimum expected count is .35.

H0: There is no significance association in terms of education and knowledge with the respect to age group

H1: There is significant association in the term of education and knowledge with respect of age group

INTERPRETATION:

According to the Chi-square table of female the significant value is 0.023 which is less than 0.05

Which means that there is significant association between different education and knowledge for below the age of 25 years in term of knowledge of stock market, so (H1) Alternatives hypothesis is accepted?

H0: There is no significant association in terms of education and knowledge with the respect to age group

H1: There is significant association in terms of education and knowledge with respect of age group.

INTERPRETATION:

According to the Chi-square table of female the significant value is 0.023 which is less than 0.05 which means that there is significant association between different education and knowledge for below the age of 25 years in terms of knowledge of stock market, so (H1) Alternative hypothesis is accepted.

H0: There is no significance association in terms of education and knowledge with the respect to age group.

H1: There is significant association in the terms of education and knowledge with respect of Age group.

INTERPRETATION:

According to the Chi-square table of female the significant value is 0.001 which is less than 0.05 which means that there is significant association between different education and knowledge for between the ages of 25 to 35 years in term of knowledge of stock market, so (H1) Alternative hypothesis is accepted.

H0: There is no significance association in terms of education and knowledge with the respect to age group.

H1: There is significant association in the terms of education and knowledge with the respect of Age Group.

INTERPRETATION:

According to the Chi-square table of female the significant value is 0.680 which is more than 0.05 which means that there is significant association between different education and knowledge for below the age of 35 to 45 years in term of knowledge of stock market, so (H0) Null hypothesis is accepted.

H0: There is no significance association in terms of education and knowledge with the respect to age group.

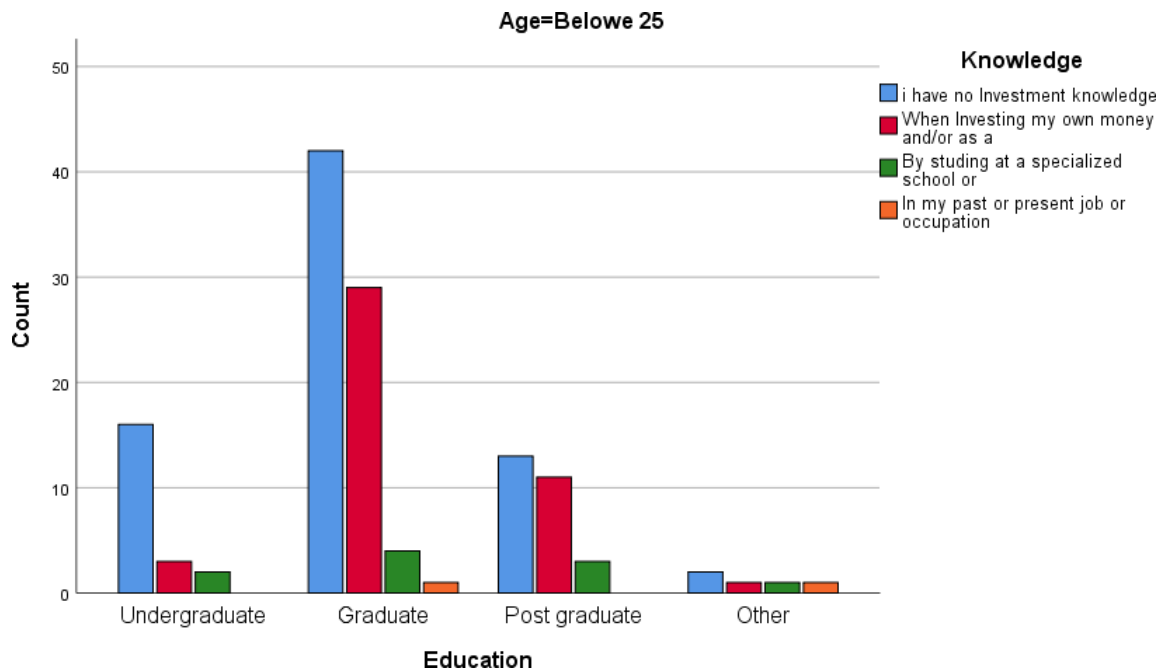
H1: There is significant association in the terms of education and knowledge with respect of Age group.

INTERPRETATION:

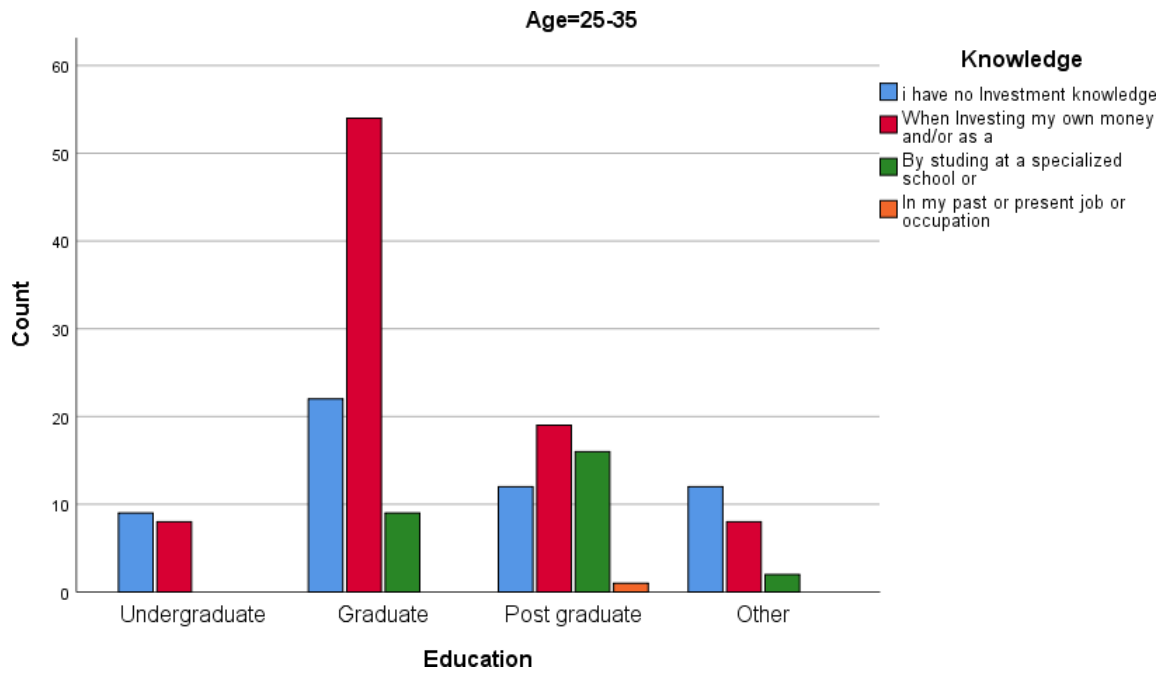
According to the Chi-square table of female the significant value is 0.734 which is more than 0.05 which means that there is significant association between different education and knowledge for above the age of 45 years in terms of knowledge of stock market, so (H0) Null hypothesis is accepted.

Symmetric Measures				
Age			Value	Approximate Significance
Below 25	Nominal by Nominal	Phi	.386	.023
		Cramer's V	.223	.023
		Contingency Coefficient	.360	.023
	N of Valid Cases		129	
25-35	Nominal by Nominal	Phi	.411	.001
		Cramer's V	.237	.001
		Contingency Coefficient	.380	.001
	N of Valid Cases		172	
35-45	Nominal by Nominal	Phi	.302	.680
		Cramer's V	.175	.680
		Contingency Coefficient	.289	.680
	N of Valid Cases		72	
above 45	Nominal by Nominal	Phi	.375	.734
		Cramer's V	.217	.734
		Contingency Coefficient	.351	.734
	N of Valid Cases		43	
Total	Nominal by Nominal	Phi	.259	.001
		Cramer's V	.150	.001

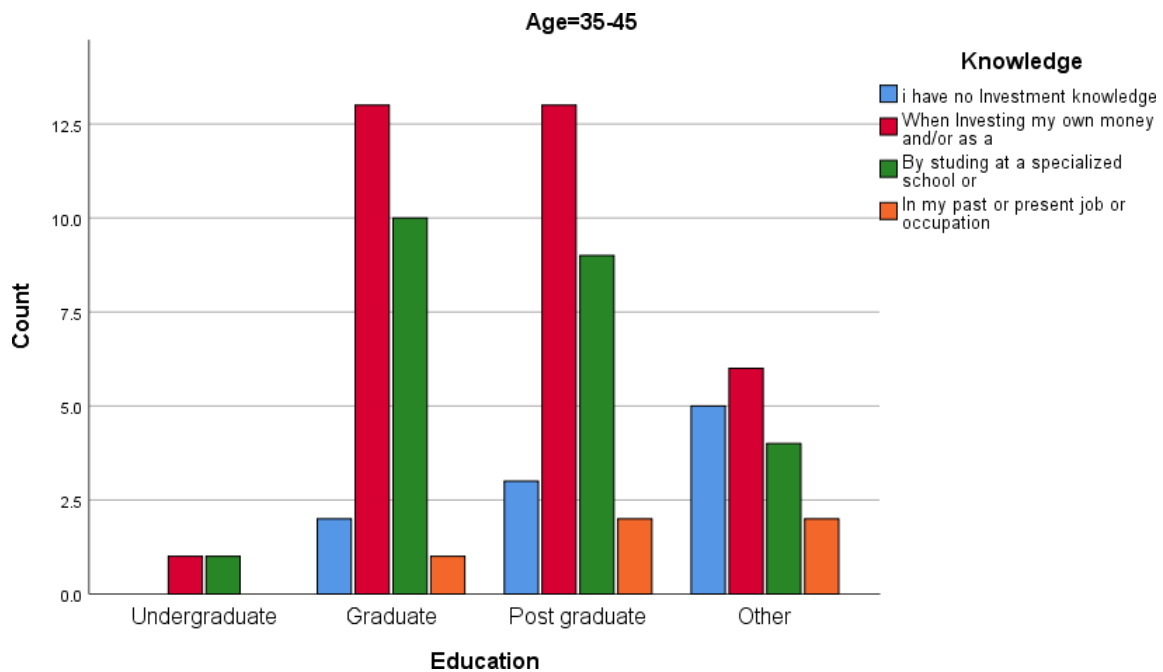
	Contingency Coefficient	.251	.001
	N of Valid Cases	416	



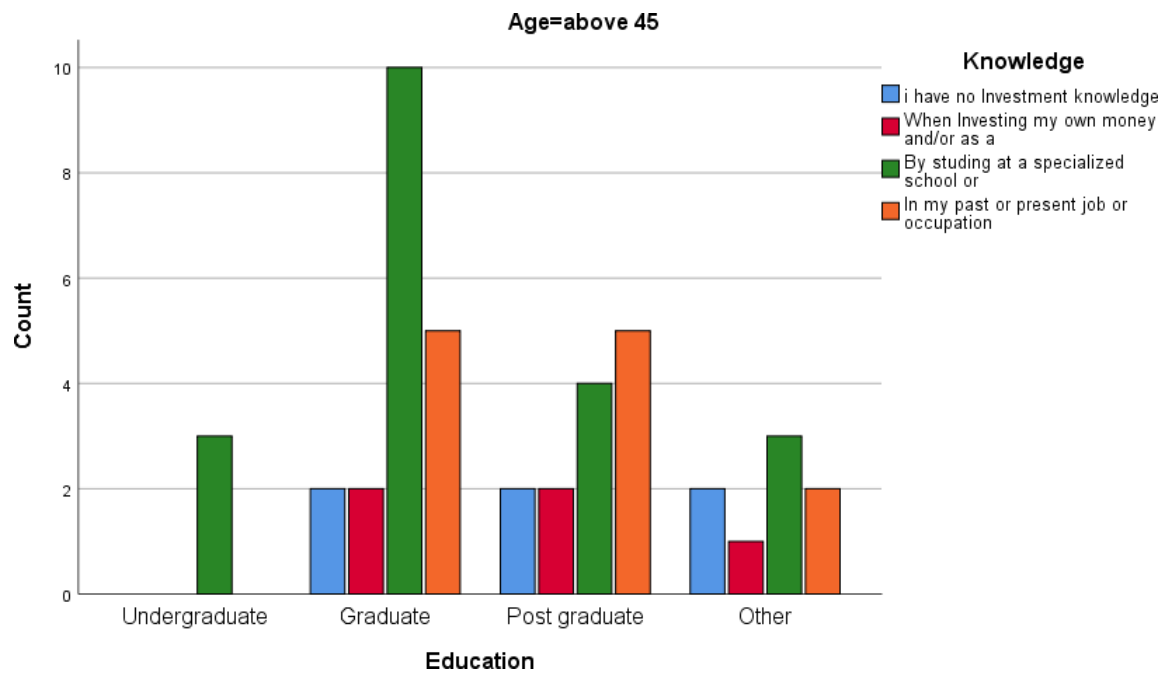
Here, graph is showing the ratio between the age of below the 25, education and their knowledge about the investment. Most of the age below the 25 who's undergraduate, graduate, post graduate and other profile having no investment knowledge.



This graph shows us the ratio between the age of 25 to 35 year, their education and knowledge of the investment. In this age undergraduate are having minorly having No investment knowledge and investing their own money and /or as a graduate people mainly experience their knowledge by investing their own money and/or as a knowledge. Pot graduate people also experience their knowledge by investing their own money and/or as another educated people having no investment knowledge.



This graph shows a ratio between age of 35 to 45, Education and their Knowledge of the investment. The undergraduate educated people invest their own money as a when investing their own money and/or as by studying at a specialized school. The graduate educated people are experience their knowledge by investing their own money and or as a post graduate people are investing their own money and/or as a and also other people are getting knowledge by investing their own money or as a.



In this graph the showing the ratio between age of above 45 years, education and their knowledge of investment. The undergraduate people have knowledge by studying at a specialized school. Graduate also having their knowledge by studying at a specialized school and the post graduate people having their knowledge by their past or present job or occupation which shows their experience and the last one other educated people are in investing their own money by studying at a specialized school.

T-Test:

OAN: Analysing

OPR: Prefer

OLI: Like

Group Statistics					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
OAN	Female	162	4.0885	1.37200	.10779
	Male	254	4.6010	.93442	.05863
OPR	Female	162	3.7479	1.47140	.11560
	Male	254	4.3530	1.03456	.06491
OLIK	Female	162	4.3025	.97819	.07685
	Male	254	4.5354	.93183	.05847

Independent Samples Test					
		Levene's Test for Equality of Variances		t-test for Equality of Means	
		F	Sig.	t	df
OAN	Equal variances assumed	16.875	.000	-4.531	414
	Equal variances not assumed			-4.177	256.089
OPR	Equal variances assumed	20.600	.000	-4.920	414
	Equal variances not assumed			-4.564	261.961
OLIK	Equal variances assumed	3.263	.072	-2.439	414
	Equal variances not assumed			-2.412	330.783

H0: There is no significance association in terms of group and analyzing the market.

H1: There is significant association in the terms of group and analyzing the market.

INTERPRETATION:

According to the Chi-square of female the significant value is 0.000 which is less than 0.05 which means that there is significant association between different group and analyzing in term of analyzing the market, so (H1) Alternative hypothesis is accepted.

H0: There is no significance association in terms of group and analyzing the market.

H1: There is significant association in the terms of group and analyzing the market.

INTERPRETATION:

According to the Chi-square table of female the significant value is 0.000 which is less than 0.05 which means that there is significant association between different group and analyzing in term of analyzing the market, so (H1) Alternative hypothesis is accepted.

H0: There is no significant association in terms of group and analyzing the market.

H1: There is significant association in the terms of group and analyzing the market.

INTERPRETATION:

According to the Chi-square table of female the significant value is 0.072 which is more than 0.05 which means that there is significant association between different group and analyzing in terms of analyzing the market, so (H0) Null hypothesis is accepted.

One-way ANOVA:

When it is required to compare more than two variants at the same time need to be ANOVA is useful for it. To examine the number of factors influencing the dependent variable with the help of ANOVA, differences amongst category within the individual factors can also be explored.

OAN: Analyzing

OPR: Prefer

OLIK: Like

Descriptive						
		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean
		Lower Bound				
OAN	Students	97	4.4880	1.21722	.12359	4.2426
	Job	189	4.5203	.98468	.07162	4.3790
	Business	83	4.2651	1.25993	.13830	3.9899
	Other	47	3.9858	1.33687	.19500	3.5933
	Total	416	4.4014	1.15117	.05644	4.2905
OPR	Students	97	4.5241	1.12371	.11410	4.2976
	Job	189	4.1605	1.18144	.08594	3.9910
	Business	83	3.8373	1.30741	.14351	3.5519

	Other	47	3.5993	1.44658	.21100	3.1746
	Total	416	4.1174	1.25686	.06162	3.9963

INTERPRETATION:

In this Descriptive Table, it shows the variant OAN means Analyzing the market and we can say that people whose profile is Student, Job, Business and other are completely agree with the analyzing market. Variant OPR derived from the preference of the tool we can say that people whose profile is Student, Job, Business and other are completely agree with the preference of the most in fundamental analysis.

Test of Homogeneity of Variances					
		Levene Statistic	df1	df2	Sig.
OA N	Based on Mean	2.267	3	412	.080
	Based on Median	1.852	3	412	.137
	Based on Median and with adjusted df	1.852	3	403.691	.137
	Based on trimmed mean	2.249	3	412	.082
OPR	Based on Mean	.851	3	412	.467
	Based on Median	.817	3	412	.485
	Based on Median and with adjusted df	.817	3	403.354	.485
	Based on trimmed mean	.828	3	412	.479

H0: There is no significance difference between the variant.

H1: There is significant difference between the variant.

INTERPRETATION:

According to the table of test of Homogeneity of variant shows the significant value is mean and median is more than 0.05 so we can say that we can't reject the (H1) Null hypothesis of

the analysis to the market. And preference of any particular shows the significant value is mean and median is more than 0.05 it shows that we can't reject the (H1) Null hypothesis of preference of the most in fundamental analysis.

ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
O A N	Between Groups	13.058	3	4.353	3.340	.019
	Within Groups	536.901	412	1.303		
	Total	549.959	415			
O P R	Between Groups	35.518	3	11.839	7.867	.000
	Within Groups	620.055	412	1.505		
	Total	655.573	415			

H0: There is no significance difference between the variant.

H1: There is significant difference between the variant.

INTERPRETATION:

According to the ANOVA table there is significant value of OAN is 0.019 is less than the 0.05 which means there is no significant difference between the analyses of the market, so (H0) Alternative hypothesis accepted.

H0: There is no significance difference between the variant.

H1: There is significant difference between the variant.

INTERPRETATION:

According to the ANOVA table there is significant value of OPR is 0.000 is less than 0.5 which means there is no significant difference between the preference tools for the fundamental analysis, so (H0) Alternative Hypothesis Accepted.

Robust Tests of Equality of Means					
		Statistical	df1	df2	Sig.
OAN	Welch	2.780	3	143.011	.043
OPR	Welch	7.366	3	148.008	.000

H0: There is no significance difference between the variant.

H1: There is significant difference between the variant.

INTERPRETATION:

According to the Robust Tests of Equality of means table there is significant value of OAN is 0.043 is less than 0.05 which means there is no significant difference between the Analysis of the market, so (H0) Alternative hypothesis accepted.

H0: There is no significance difference between the variant.

H1: There is significant difference between the variant.

INTERPRETATION:

According to the Robust Tests of Equality of Means table there is significant value of OPR is 0.000 is less than 0.05 which means there is no significant difference between the preference tools for the fundamental analysis, so (H0) Alternative Hypothesis accepted.

Post Hoc Tests:

Multiple Comparisons					
Tukey HSD					
Dependent Variable	(I) Occupation	(J) Occupation	Mean Difference (I-J)	Std. Error	Sig.
OAN	Students	Job	-.03231	.14258	.996
		Business	.22291	.17069	.560

		Other	.50216	.20288	.065
	Job	Students	.03231	.14258	.996
		Business	.25522	.15032	.326
		Other	.53447*	.18607	.022
	Business	Students	-.22291	.17069	.560
		Job	-.25522	.15032	.326
		Other	.27924	.20839	.538
	Other	Students	-.50216	.20288	.065
		Job	-.53447*	.18607	.022
		Business	-.27924	.20839	.538
OPR	Students	Job	.36356	.15323	.084
		Business	.68671*	.18343	.001
		Other	.92476*	.21803	.000
	Job	Students	-.36356	.15323	.084
		Business	.32314	.16154	.189
		Other	.56120*	.19996	.027
	Business	Students	-.68671*	.18343	.001
		Job	-.32314	.16154	.189
		Other	.23806	.22395	.712
	Other	Students	-.92476*	.21803	.000
		Job	-.56120*	.19996	.027
		Business	-.23806	.22395	.712

Homogeneous Subsets:

OAN			
Tukey HSD ^{a,b}			
Occupation	N	Subset for alpha = 0.05	
		1	2
Other	47	3.9858	
Business	83	4.2651	4.2651
Students	97		4.4880
Job	189		4.5203
Sig.		.400	.482

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 81.758.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

H0: There is no significance difference between the variant.

H1: There is significant difference between the variant.

INTERPRETATION:

According to the table of OAN there is significant value of based of profile is 0.400 is more than 0.05 which means there is significant difference between profile base preference, so (H1) Null hypothesis accepted.

OPR				
Tukey HSD ^{a,b}				
Occupation	N	Subset for alpha = 0.05		
		1	2	3
Other	47	3.5993		
Business	83	3.8373	3.8373	
Job	189		4.1605	4.1605
Students	97			4.5241
Sig.		.601	.333	.232

Means for groups in homogeneous subsets are displayed.

- a. Uses Harmonic Mean Sample Size = 81.758.
- b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

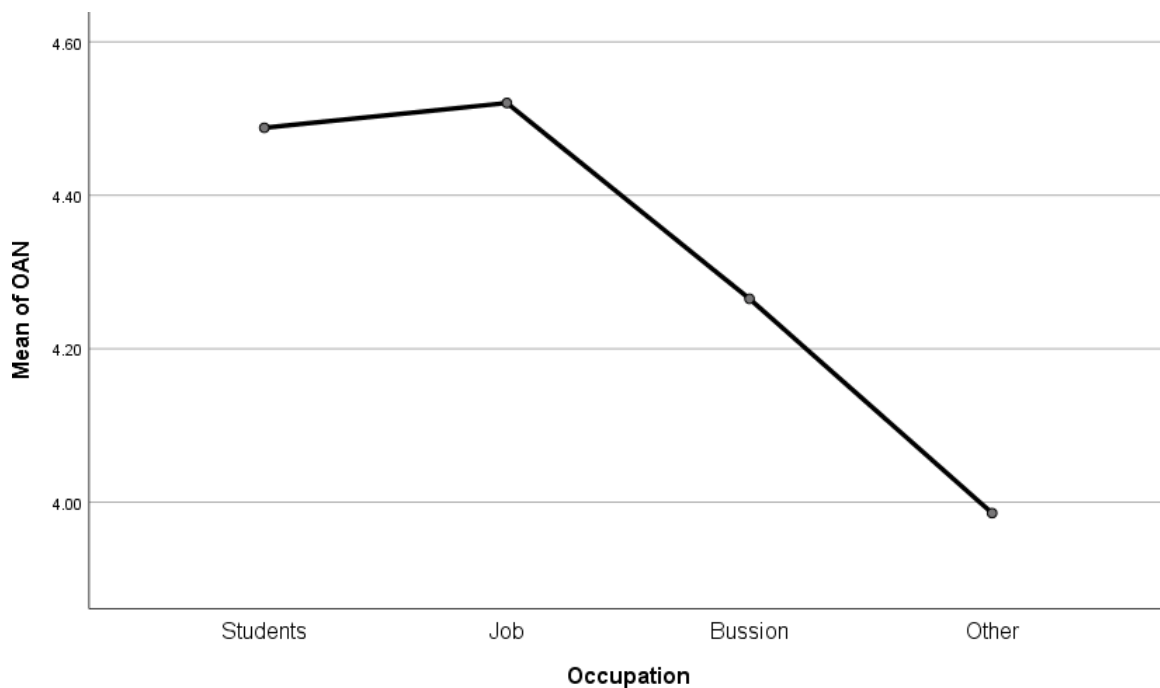
H0: There is no significance difference between the variant.

H1: There is significant difference between the variant.

INTERPRETATION:

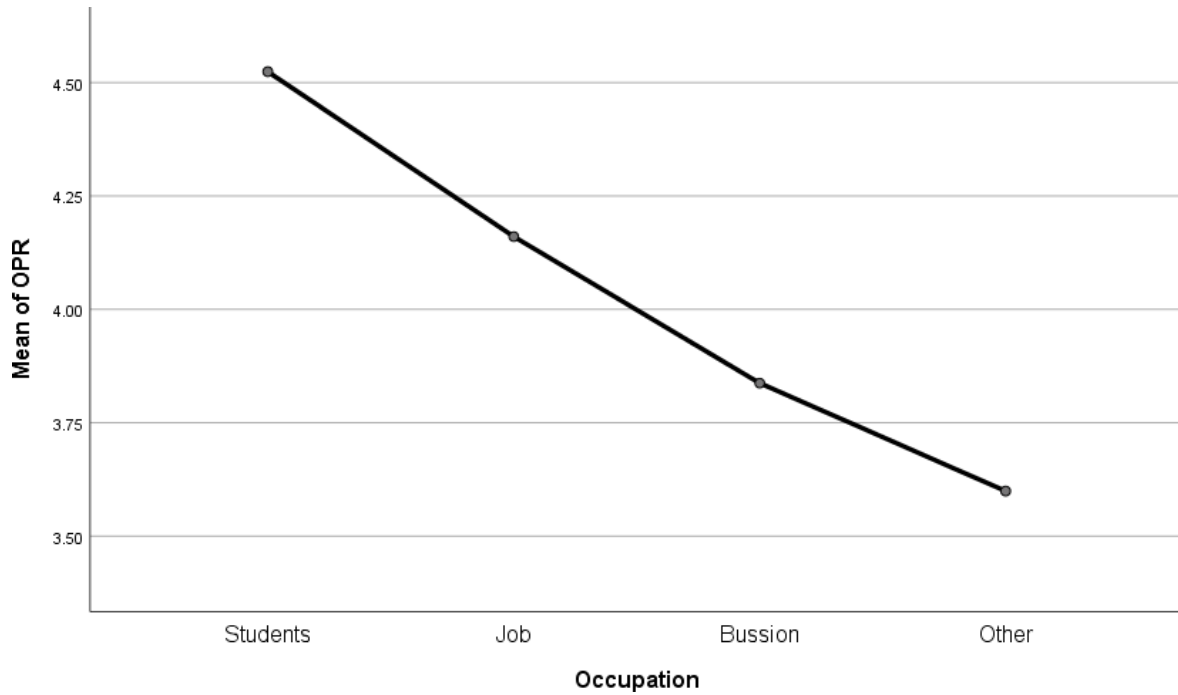
According to the table of OPR there is significant value of based of profile is 0.601 is more than 0.06 which means there is significant difference between profile base preference, so (H1) Null Hypothesis accepted.

Means Plot:



INTERPRETATION:

Here this graph shows the occupation of respondents and their preference of OAN means analysis. Job based profile are majority agree with that and other based profile lower base of agedness.



INTERPRETATION:

This graph represents the occupation of respondents and mean of OPR means preference of tool in fundamental analysis which shows the highly agree respondent’s majority are students and lower agree with that is other based profile.

Descriptive						
		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean
		Lower Bound				
OA N	Undergraduate	43	4.2093	.93158	.14207	3.9226

	Graduate	206	4.5550	.95874	.06680	4.4233
	Post graduate	115	4.3797	1.19607	.11153	4.1588
	Other	52	4.0000	1.69839	.23552	3.5272
	Total	416	4.4014	1.15117	.05644	4.2905
OP R	Undergraduate	43	3.9729	1.24612	.19003	3.5894
	Graduate	206	4.2492	1.21839	.08489	4.0818
	Post graduate	115	4.1551	1.19039	.11100	3.9352
	Other	52	3.6314	1.45234	.20140	3.2271
	Total	416	4.1174	1.25686	.06162	3.9963

INTERPRETATION:

In this Descriptive Table shows the variant OAN means analysing the market and we can say that people whose undergraduate, graduate, post graduate and other are completely agree with the analysing the market. Variant OPR derived from the preference of the tool we can say that people whose profile undergraduate, graduate, post graduate and other are completely agree with the preference of the most in fundamental analysis.

Test of Homogeneity of Variances					
		Levene Statistic	df1	df2	Sig.
OA N	Based on Mean	1.343	4	411	.253
	Based on Median	1.084	4	411	.364
	Based on Median and with adjusted df	1.084	4	360.133	.364
	Based on trimmed mean	1.135	4	411	.340
OPR	Based on Mean	2.164	4	411	.072
	Based on Median	.889	4	411	.470
	Based on Median and with adjusted df	.889	4	340.500	.471
	Based on trimmed mean	1.523	4	411	.195

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
OAN	Between Groups	21.611	4	5.403	4.203	.002
	Within Groups	528.348	411	1.286		
	Total	549.959	415			
OPR	Between Groups	28.497	4	7.124	4.669	.001
	Within Groups	627.076	411	1.526		
	Total	655.573	415			

Robust Tests of Equality of Means					
		Statistical	df1	df2	Sig.
OAN	Welch	4.806	4	134.566	.001
OPR	Welch	6.254	4	140.703	.000

a. Asymptotically F distributed.

Test of Homogeneity of Variances					
		Levene Statistic	df1	df2	Sig.
OAN	Based on Mean	10.515	3	412	.000
	Based on Median	5.555	3	412	.001
	Based on Median and with adjusted df	5.555	3	297.796	.001
	Based on trimmed mean	9.602	3	412	.000
OPR	Based on Mean	.980	3	412	.402
	Based on Median	.833	3	412	.476
	Based on Median and with adjusted df	.833	3	399.614	.476

	Based on trimmed mean	1.016	3	412	.386
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MULTIPLE COMPARISONS:

Multiple Comparisons							
Tukey HSD							
Dependent Variable	(I) Investing	(J) Investing	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
OAN	Less than 10	10 to 20	-.52226*	.16385	.013	-.9712	-.0733
		20 to 30	-.02229	.16464	1.000	-.4734	.4288
		30 to 40	-.08040	.19123	.993	-.6043	.4435
		Above 40	-.37386	.24660	.553	-1.0495	.3018
	10 to 20	Less than 10	.52226*	.16385	.013	.0733	.9712
		20 to 30	.49998*	.14488	.006	.1030	.8969
		30 to 40	.44187	.17451	.086	-.0363	.9200
		Above 40	.14841	.23387	.969	-.4924	.7892
	20 to 30	Less than 10	.02229	.16464	1.000	-.4288	.4734
		10 to 20	-.49998*	.14488	.006	-.8969	-.1030
		30 to 40	-.05811	.17524	.997	-.5383	.4220
		Above 40	-.35157	.23442	.563	-.9939	.2907

	30 to 40	Less than to 10	.08040	.191 23	.993	-.4435	.6043
		10 to 20	-.44187	.174 51	.086	-.9200	.0363
		20 to 30	.05811	.175 24	.997	-.4220	.5383
		Above 40	-.29346	.253 80	.776	-.9889	.4019
	Above 40	Less than to 10	.37386	.246 60	.553	-.3018	1.0495
		10 to 20	-.14841	.233 87	.969	-.7892	.4924
		20 to 30	.35157	.234 42	.563	-.2907	.9939
		30 to 40	.29346	.253 80	.776	-.4019	.9889
OPR	Less than to 10	10 to 20	- .71719*	.178 51	.001	- 1.2063	-.2281
		20 to 30	-.40572	.179 36	.160	-.8972	.0857
		30 to 40	-.42401	.208 33	.251	-.9948	.1468
		Above 40	- .80099*	.268 65	.025	- 1.5371	-.0649
	10 to 20	Less than to 10	.71719*	.178 51	.001	.2281	1.2063
		20 to 30	.31147	.157 84	.281	-.1210	.7439
		30 to 40	.29318	.190 12	.536	-.2277	.8141
		Above 40	-.08380	.254 79	.997	-.7819	.6143
	20 to 30	Less than to 10	.40572	.179 36	.160	-.0857	.8972
		10 to 20	-.31147	.157 84	.281	-.7439	.1210
		30 to 40	-.01829	.190 92	1.00 0	-.5414	.5048

		Above 40	-.39527	.255 38	.532	- 1.0950	.3045
	30 to 40	Less than to 10	.42401	.208 33	.251	-.1468	.9948
		10 to 20	-.29318	.190 12	.536	-.8141	.2277
		20 to 30	.01829	.190 92	1.00 0	-.5048	.5414
		Above 40	-.37698	.276 50	.651	- 1.1346	.3806
	Above 40	Less than to 10	.80099*	.268 65	.025	.0649	1.5371
		10 to 20	.08380	.254 79	.997	-.6143	.7819
		20 to 30	.39527	.255 38	.532	-.3045	1.0950
		30 to 40	.37698	.276 50	.651	-.3806	1.1346

*. The mean difference is significant at the 0.05 level.

Homogeneous Subsets:

OAN		
Tukey HSD ^{a,b}		
Investing	N	Subset for alpha = 0.05
		1
Less than to 10	78	4.2009
20 to 30	121	4.2231
30 to 40	64	4.2813
Above 40	29	4.5747
10 to 20	124	4.7231
Sig.		.075

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 63.086.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

H0: There is no significant difference between the variant.

H1: There is significant difference between the variant.

INTERPRETATION:

According to table of OAN of there is significant value of based of profile is 0.075 is more than 0.05 which means there is significant difference between profile base preference, so (H1) Null hypothesis accepted.

OPR			
Tukey HSD ^{a,b}			
Investing	N	Subset for alpha = 0.05	
		1	2
Less than to 10	78	3.6645	
20 to 30	121	4.0702	4.0702
30 to 40	64	4.0885	4.0885
10 to 20	124		4.3817
Above 40	29		4.4655
Sig.		.304	.377

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 63.086.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

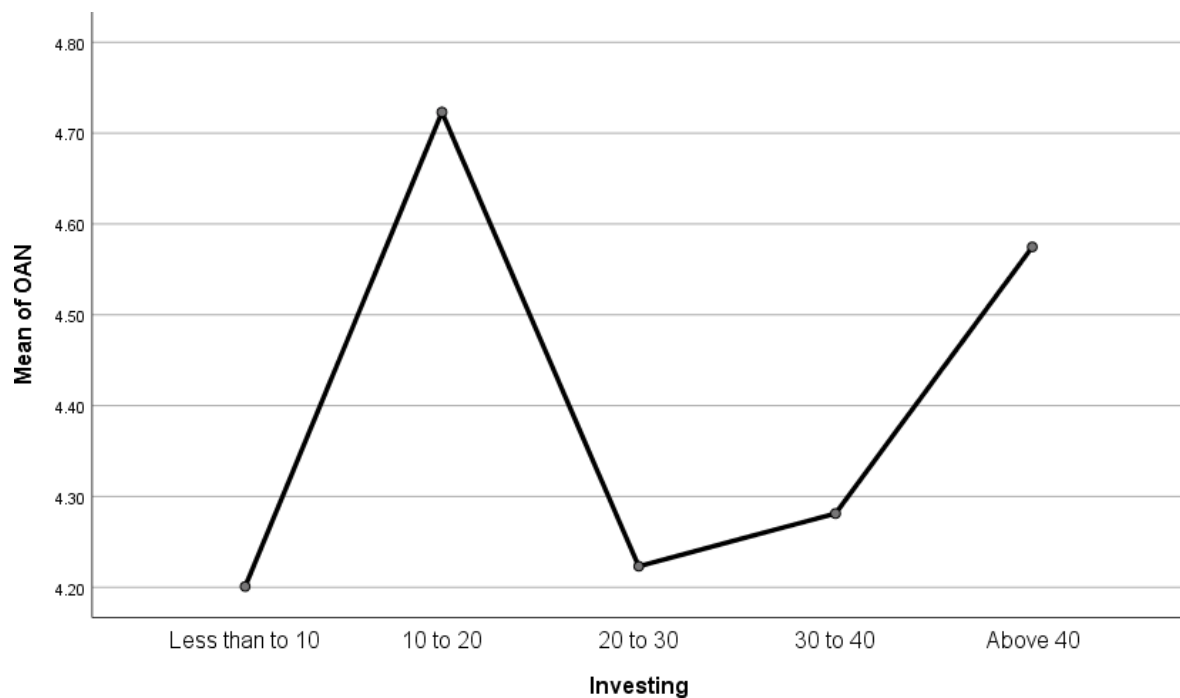
H0: There is no significance difference between the variant.

H1: There is significant difference between the variant.

INTERPRETATION:

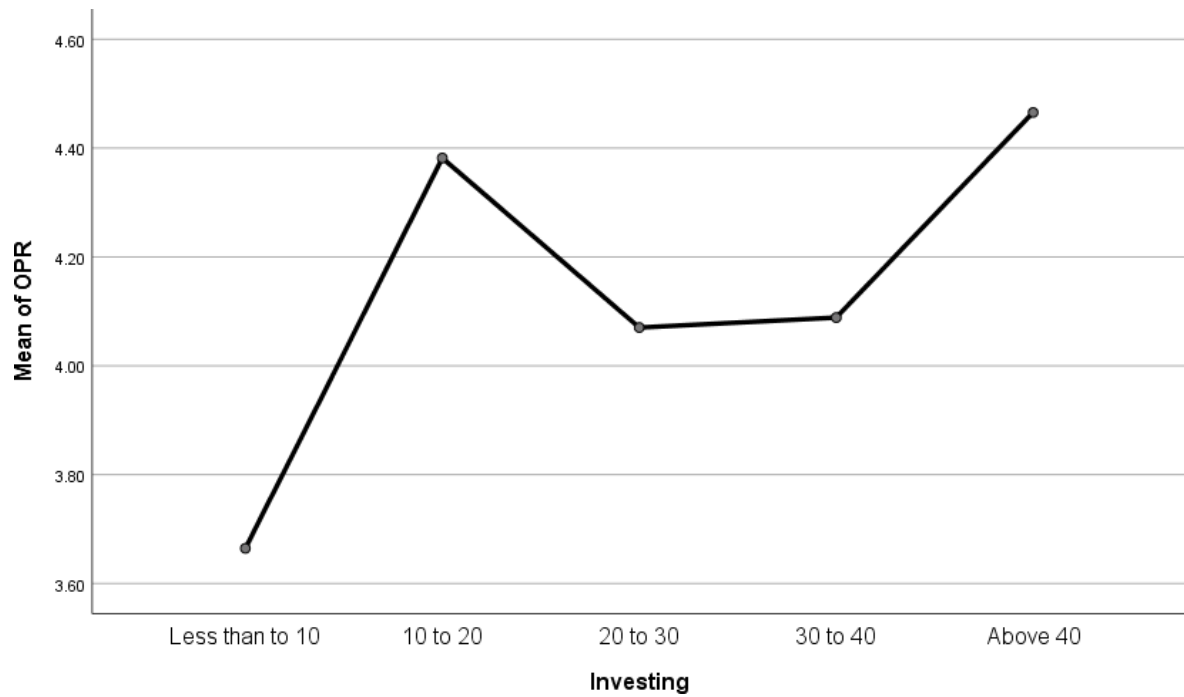
According to table of OPR of there is significant value of based of profile is 0.304 is more than 0.05 which means there is significance difference between profile base preference, so (H1) Null hypothesis accepted.

Means Plots:



INTEREPRETATION:

Here this graph shows the investing in stock market of respondent and their preference of OAN means Analysis. 10 to 20 percent investing based profile are majority agree with that. And 20 to 30 percent of investing based profile lower base of agedness.



INTERPRETATION:

This graph represents the investing in stock market of respondents and mean of OPR means preference of tool in fundamental analysis. Which shows the highly agree respondent majority is 10 to 20 percent investing and lower of agree with that is 20 to 30 and 30 to 40 percent of investing based profile.

Regression:

Descriptive Statistics

	Mean	Std. Deviation	N
OLIK	4.4447	.95577	416
OAN	4.4014	1.15117	416
OPR	4.1174	1.25686	416

Correlations

		OLIK	OAN	OPR
Pearson Correlation	OLIK	1.000	.379	.430
	OAN	.379	1.000	.567
	OPR	.430	.567	1.000
Sig. (1-tailed)	OLIK	.	.000	.000
	OAN	.000	.	.000
	OPR	.000	.000	.
N	OLIK	416	416	416
	OAN	416	416	416
	OPR	416	416	416

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change
1	.461 ^a	.212	.208	.85043	.212	55.592

INTERPRETATION:

According to model summary table show the co-relation (R) which is 0.461 it means there is medium co-relation between the variable.

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	80.411	2	40.206	55.592	.000 ^b
	Residual	298.692	413	.723		
	Total	379.103	415			

a. Dependent Variable: OLIK

b. Predictors: (Constant), OPR, OAN

H0: There is no significance difference between the variant.

H1: There is significant difference between the variant.

INTERPRETATION:

According to the ANOVA table there is significant value of 0.000 is less than 0.05 which means there is no significant difference between variables, so (H0) Alternative hypothesis accepted.

Coefficients

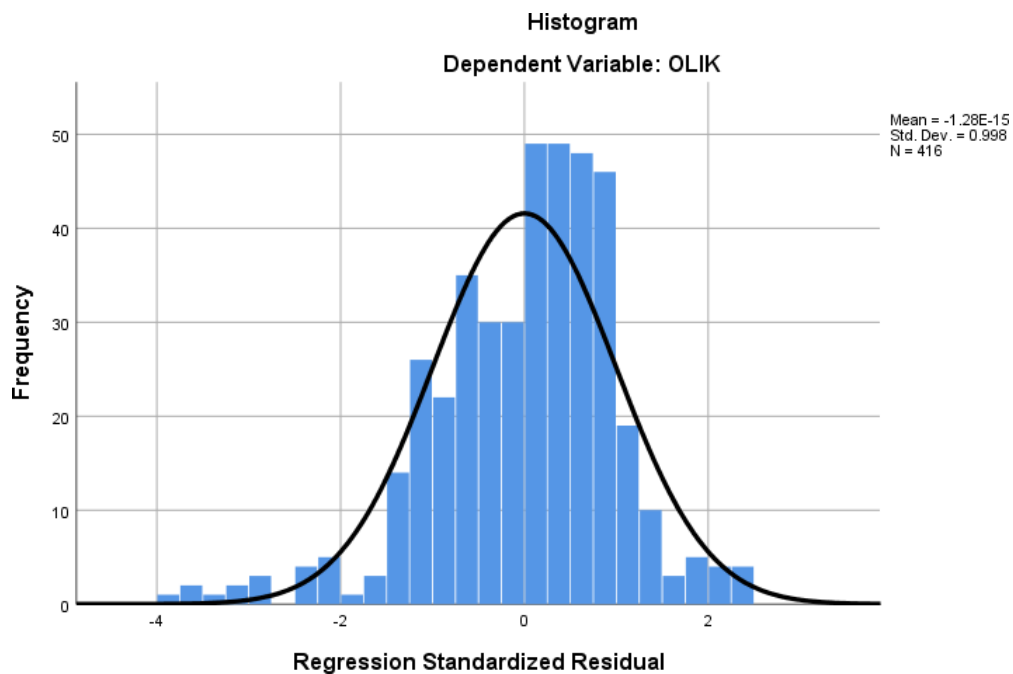
Model		Unstandardized Coefficients	Standardized Coefficients	t	Sig.
		B	Beta		
			Std. Error		
1	(Constant)	2.723	.174	15.622	.000

OAN	.166	.044	.200	3.767	.000
OPR	.241	.040	.317	5.978	.000

INTERPRETATION:

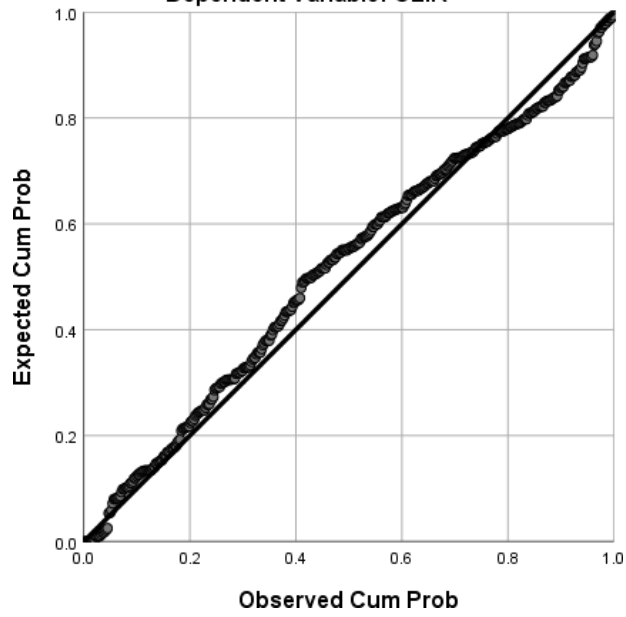
According to the coefficients table shows the standardize coefficient which is OAN means analysing the stock market 200 which is if dependent variable OLIK (Like) changes the effect of the OAN by 0.200 and OPR which means preference changes than effect of the OLIK (Like) affecting on the preference by 0.317.

Charts:



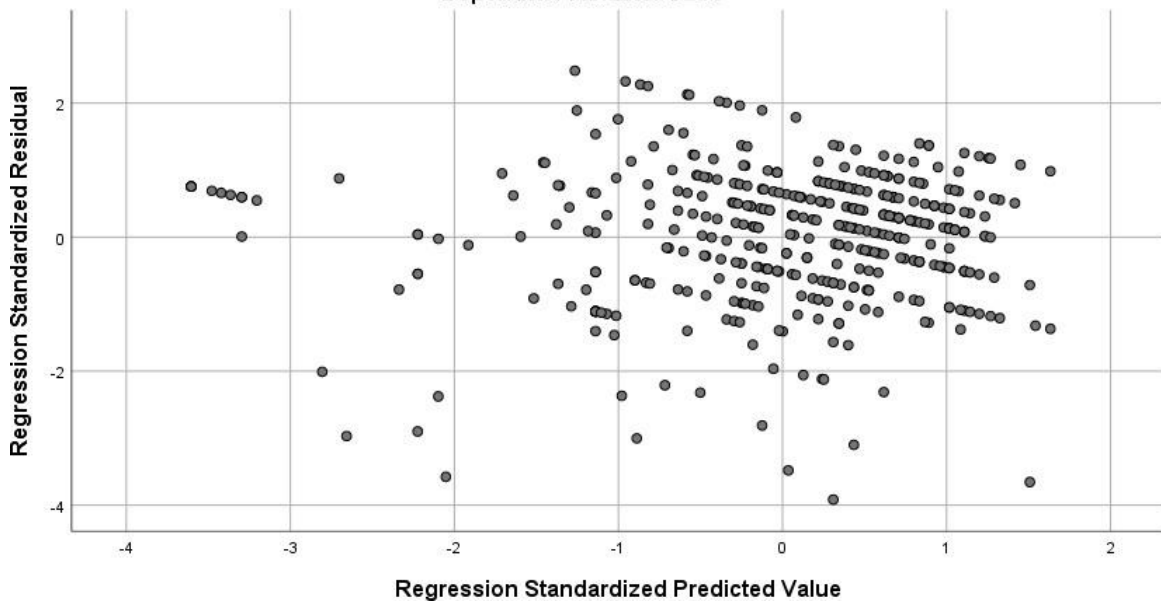
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: OLIK



Scatterplot

Dependent Variable: OLIK



CHAPTER-5
FINDINGS
THEOTICALS
PRACTICAL
IMPLIMENTATION

Results:

Results from demographic factor:

- The 416 respondents, the largest number of respondents was mainly 254 males (61.1%) and 162 females (38.9%).
- There are 129 respondents under the age of 25, 31%. The majority of respondents are between the ages of 25 and 35, with 172 respondents which is 41.3%. Respondents between the ages of 35 and 45 are 72 years old, or 17.3 percent of the respondents. And the lowest respondents are over 45%, which is only 10.3% of the respondents.
- The status of unmarried respondents is 192. Respondents cover 46.2% and married respondent's cover 224, or 53.8%.
- The occupation of respondents is 97, and the number of students is 23.3%. The majority of respondents are 45.4%, which means that 189 respondents are doing job. There are 83 respondents doing business, which is 20 percent. And the last low of the polled ones is 47, which is 11.3 percent is another.
- There are 109 speculative (short-term) investors, which is 26.2% of the respondents. This type of investor investing in capital has 126 respondents, which is 30.8 percent. And both types of investors have 179 respondents, which is 43 percent.
- Undergraduate respondents have the lowest education level, 43 respondents, or 10.3 percent. Most respondents are graduate, which is 49.5 percent. There are 115 respondents are post graduated which 27.6% is and last other respondents are 52 which is 12.5%.
- Respondents trade daily. This is 90 respondents, 21.6%. 96 respondents are twice a week, or 23.1 percent. The most trader respondents trade weekly, with 120 respondents which is 28.8%. And with a basic monthly transaction, there are 210 respondents, or 26.4 percent.
- The participant in stock market less than 1 year of respondents is 144 which is 34.6 percent. There are 13 years participated respondents are 171 which is highest criteria by 41.1 percent. 35 years participated in stock market respondents are 19.5 percent which are 81 respondents. And the lowest respondents are 4.8 percent which are 20 respondents of 510 years of participated.
- The knowledge of the Invest are getting from that they have no investment knowledge respondents are 144 which 34.6 percent. At 171, 41.1% are the highest when investing

their own money and / or as respondents. Study at a vocational school or respondents are 81, or 19.5 percent. In my past or present job or profession, there were 20 respondents, a minimum of 4.8%.

Chi-square table:

Investing * Age * Gender: According to the Chi-square table of male the significance value is 0.000 which is less than 0.05 which means that there is significant association between different age group and their investing for male in the terms of investing in the stock market. Female the significant value is 0.012 which is less than 0.05 which means that there is significant association between different age group and income group for male I term of investing in stock market.

Education * Knowledge * Age: According to the Chi-square table of female the significant value is 0.023 which is less than 0.05 which means that there is significant association between different education and knowledge for below the age of 25 years in term of knowledge of stock market. Female the significant value is 0.001 which is Less than 0.05 which means that there is significant association between different education and knowledge for between the age if 25to 35 years in terms of knowledge of stock market. Female the significant value is 0.680 which is more than 0.05 which means that there is significant association between different education and knowledge for below the age of 35 to 45 years in term of knowledge of stock market. Female the significant value is 0.734 which is more than 0.05 which means that there is significant association between different education and knowledge for above the age of 45 years in term of knowledge of stock market.

T-TEST:

- Female the significant value is 0.000 which is less than 0.05 which means that there is significant association between different groups and analysing in term of analysing the market. Female the significant value is 0.000 which is less than 0.05 which means that there is significant association between different group and analysing in term of analysing the market. Female the significant value is 0.072 which is more than 0.05

which means that there is significant association between different group and analysing in term in term of analysing the market.

ANOVA:

- According to the ANOVA table is significant value of OAN is 0.010 is less than 0.05 which means there is no significant difference between the analysis of the market the ANOVA table there is significant value of OPR is 0.013 is less than 0.05 which means there is no significant difference between the preference tools for the fundamental analysis.

Regression:

- According to Model Summary Table show the Co-relation R which is 0.461 it means there is medium co relation between the variable.
- According to the coefficients table shows the standardize coefficient which is OAN Means Analysing the stock market .200 which is if dependent variable OLIK (Like) Changes the effect of the OAN by 0.200 And OPR which means preference changes the effect of the OLIK (Like) affecting on the preference by 0.317.

PRACTICAL IMPLICATION:

- This Study will help in understanding the importance aspects of the fundamental analysis for the investor. Strategy formulators will be able to frame the strategies according to get the benefit and retain the investor which will enhance their investing power. This will help to know the investors perception toward the fundamental analysis.
- The entire consideration factor in correlation analysis i.e. Analysis, Preference and like all are the strongly positive correlated.

CHAPTER-6:
RECOMMENDATION,
LIMITATION;
FUTURE SCOPE

RECOMMENDATION:

FOR INVESTOR:

- Investor need to be focus on the all related factor of the fundamental analysis which is concluding in the company`s Portfolio.
- Fundamental analysis is just a scenario of the Company that had been showing by numbers but investor have find the Vision or mission of the company which is pick by their self.
- Investor has to educate their self to analysing company by their self and aware about the fake recommendation toward the market.
- If the fair market value is higher than the market price, the stock is deemed to be undervalued and a buy recommendation is given.
- In contrast, technical analysts ignore the fundamentals in favour of studying the historical price trends of the stock.
- Investor should know to how to find a better industry for future portfolio and analyse with proper comparison.

FOR COMPANY:

- Companies need to publish their original value in markets that lead to an ethical position in the industry.
- The company did not have to manipulate the actual value on the balance sheet or income statement. The operation has been used by companies that do not have credit in the market.
- Company fundamentals that really help you get the right information and market value that leads to better growth methods.

LIMITATION:

- This study examined the model considering the stock market and investors' investment in the stock market.
- The findings were conducted with the Indian portfolio in mind.
- Due to the pandemic, the survey was distributed in GOOGLEFORMS format via Smartphone.
- The survey will be verified in the city of Ahmadabad. Others, or different dynamic areas of the city.

FUTURE SCOPE:

- The basics of business must be flexible enough to understand everything. This is convenient for investors
- Fundamental analysis helps investors invest in the stock market with minimum risk.
- Fundamental analysis includes a portfolio of companies that can help you get the most out of your information using some tools.
- Fundamental analysis tools help you compare variables.
- The tools of fundamental analysis used for the only company's preference which is better to comparison with other company.

CHAPTER -7
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QUESTIONNAIRE

A Study on Fundamental Analysis Behaviour of investor

1. Name:

2. Gender:

Male

Female

3. Age in year:

Below 25

25-35

35-45

Above 45

4. Marital Status:

Married

Unmarried

5. Occupation:

Student

Job

Business

Other

6. Educational Qualification:

Undergraduate

Graduate

Postgraduate

Others

7. What is the percentage of Investing of your income:

Percentage of savings	Frequency
Less than to 10	<input type="checkbox"/>
10 to 20	<input type="checkbox"/>
20 to 30	<input type="checkbox"/>
30 to 40	<input type="checkbox"/>
Above 40	<input type="checkbox"/>

8. What kind of an investor you are:

- Speculative (short term)
- Capital (long term)
- Both

9. How frequently do you Trading in the stock market?

- Daily
- Twice a week
- Weekly
- Monthly

10. What sectors do you prefer to invest in?

- Banking
- Infrastructure
- IT
- FMCG

11. How long have you been participant in the stock market (in year)?

- Less than 1
- 1-3
- 3-5
- 5-10

- More than 10

12. What attracts you the most to equity market (Multiple choice):

- Dividend
- Capital appreciation
- Quick gain
- Tax benefit
- Diversification of asset holding

13. How have you acquiring your investment knowledge?

- I have no investment knowledge
- When investing my own money and/or as a
- By studying at a specialized school or
- In my past or present job or occupation
- Father as a mentor

(SD- Strongly disagree, D- Disagree, SWD- Somewhat disagree, N- Neutral, SWA- Somewhat agree, A- Agree, SA- Strongly agree)

14. When analysing the market:

NO	Particular	SD	D	S	N	S	A	SA
				W		W		
				D		A		

15.1 I consider carefully the price change of stock that intend to invest in

15.2 Market information is the important of my stock investment

15.3 I put the past trends of stock under my consideration of my investment

15. What you prefer the most in fundamental Analysis?

NO	Particular	SD	D	S	N	S	A	SA
				W		W		
				D		A		
	Earnings per share							
	Price to Earning							
	Project earning growth							
	Dividend pay Out							
	Dividend Yield							
	Return on Equity							

16. What you like the most in the Fundamental analysis?

NO	Particular	SD	D	S	N	S	A	SA
				W		W		
				D		A		
17.1	Economic Analysis							
17.2	Industry Analysis							
17.3	Company Analysis							
17.4	Profit Outlook							

A FIELD PROJECT REPORT

ON

"A STUDY ON FUNDAMENTAL ANALYSIS OF RELIANCE INDUSTRIES LIMITED"

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

(MANDADAPU DIVYA, BANKA FINNEY VARDHAN, NUNE SAI JAYADEEP, CHAPARALA HARISH,

GOGIREDDY BHARGAVIPHANI)

(Regd. No. 211FC01053, 211FC01055, 211FC01056, 211FC01057, 211FC01058)

Under the esteemed guidance of

Mr. S. Sudheer

Assistant Professor



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



VIGNAN'S

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DEPARTMENT OF MANAGEMENT STUDIES

PERMISSION LETTER

Following are the students **MANDADAPU DIVYA, BANKA FINNEY VARDHAN, NUNE SAI JAYADEEP, CHAPARALA HARISH, GOGIREDDY BHARGAVIPHANI** of II MBA bearing Regd. No. **211FC01053, 211FC01055, 211FC01056, 211FC01057, 211FC01058** were permitted to do a field project on the topic **“A STUDY ON FUNDAMENTAL ANALYSIS OF RELIANCE INDUSTRIES LIMITED”**.

GUIDE

HOD/MBA



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **A STUDY ON FUNDAMENTAL ANALYSIS OF RELIANCE INDUSTRIES LIMITED** submitted by **MANDADAPU DIVYA, BANKA FINNEY VARDHAN, NUNE SAI JAYADEEP, CHAPARALA HARISH, GOGIREDDY BHARGAVIPHANI** bearing the Regd. No. **211FC01053, 211FC01055, 211FC01056, 211FC01057, 211FC01058** from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

GUIDE

HOD/MBA

A Study on Fundamental Analysis of Reliance Industries Limited

Abstract : Fundamental are associated with the economic health of a company. The fundamental tells you the financial position of a company. We can say a company is having healthy fundamentals if it is growing at a nice pace, generating a profit, has limited debts and abundant cash. The project work is an outcome of “**A study on fundamental analysis of Reliance industries limited**”. The study was carried out for the period of five years (2014-2018) to analyze the financial performance of the Reliance industries. The tools used for analysis is ratio analysis and the trend analysis. The findings from the analysis were discussed in detail a suggestions for corrective action like maintaining good solvency in order to meet short term and long term obligations were given wherever applicable.

Index Terms - Fundamental analysis, ratios, trend, Reliance industries.

I. INTRODUCTION

Reliance Industries Limited (RIL) is an Indian conglomerate holding company headquartered in Mumbai, Maharashtra, India. Reliance owns businesses across India engaged in energy, petrochemicals, textiles, natural resources, retail, and telecommunications. Reliance is one of the most profitable companies in India. The company's equity shares are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited. Its debt securities are listed at the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited (NSE). The number of shares of RIL are approx.

3.1 billion. The promoter group, Ambani family, holds approx. 46.32% of the total shares whereas the remaining 53.68% shares are held by public shareholders, including FII and corporate bodies. Life Insurance Corporation of India is the largest non-promoter investor in the company, with 7.98% shareholding.

J. OBJECTIVES

1. To find the trend of the reliance industries using the trend analysis.

K. RESEARCH METHODOLOGY

A research methodology involves specific techniques that are adopted in research process to collect, assemble and evaluate data. It defines those tools that are used to gather relevant information in a specific research study. It is the systematic investigation into and study of materials and sources in order to establish facts and reach new conclusions

Tools used for the analysis

1. Trend analysis
The above tool is used for the study.

L. LIMITATIONS OF THE STUDY

1. The data used for the study is from secondary sources so that the accuracy may lack in this case.
 2. The study is confined to only 5 years of data that has been used for the fundamental analysis.
-

M. REVIEW OF LITERATURE

N. Hema and V.Ariram (2016), “Fundamental analysis with special reference to pharmaceutical companies listed in NSE”, this study is focused on the fundamental analysis of 3 randomly selected pharmaceutical companies that are listed in the NSE. The data for the analysis is collected for a period of 5 years from 2011 to 2015. The fundamental analysis consists of 3 parts namely EIC analysis. Ratio analysis (EPS, DPS, Net profit margin and Debt to equity ratio) is used as the tool to conclude the result of the study. Industrial analysis shows that the Indian Pharmaceutical industry has high growth rate. Company analysis revealed that Lupin and Torrent pharma are financially stable during the study period. The economic analysis indicates the factors that influence the security market.

Keerthi Gururaj Kulakarani and Gururaj Anand Kulkarani (2013-2014), “Fundamental analysis vs technical analysis: a choice of sectoral analysis”, the paper explores the analytical tools in evaluating the sectoral stocks. It makes a comparison on the fundamental analysis and the technical analysis to find out the importance of them in the decision of making investments in the securities. The study was conducted on the IT sectors, Automobile sectors, real estate sector, oil and natural gas sector and the banking sector of India. The period of the secondary data that are collected is limited to 1 year. Primary data are also used for the analysis. The study concludes that fundamental analysis is considered to be the most preferred analysis in choosing stocks to get higher returns. Real estate is the most preferred stock as per the result of the study.

A.S.Suresh (2013), “A study on the fundamental and technical analysis”, estimates the stock price changes by studying the forces operating in the overall economy, as well as influences peculiar to industries and the companies. This study helps in selecting the right time and the right securities for the investment. It predicts the direction of the national economy because economic activity affects the corporate profit, investors attitude and security prices. Fundamental analysis is made on the 3 phase approach that is the EIC (economy, industry, company) approach. The technical analysis is done using Dow theory, charting, trends, moving average, relative strength, break-out theory. The study considers the risk and the return as the two most important characteristics of any investment. According to the analysis, the objectives of the investors is specified as the maximization of return and minimization of risks.

VI. ANALYSIS AND INTERPRETATION

TREND ANALYSIS

A) TREND PERCENTAGES OF CURRENT RATIO OF RIL

Table 1.1

Year	Current ratio	Trend percentage
2013 - 2014	1.416	100%
2014 - 2015	1.288	90.9%
2015 - 2016	0.74	52.2%
2016 - 2017	0.695	49.1%
2017 - 2018	0.6499	45.8%

Interpretation

The current ratio of the reliance industries company is not satisfying the 2:1 ratio which is considered as the healthy financial status of a company. But the reliance's current ratio have a decreasing trend from 1.416 to 0.6499 for the five financial years (2014 - 2018). Thus the Reliance company is failing to payout the debt with its current assets. The liability of the Reliance company is increasing than the assets of the company over the last 3 years.

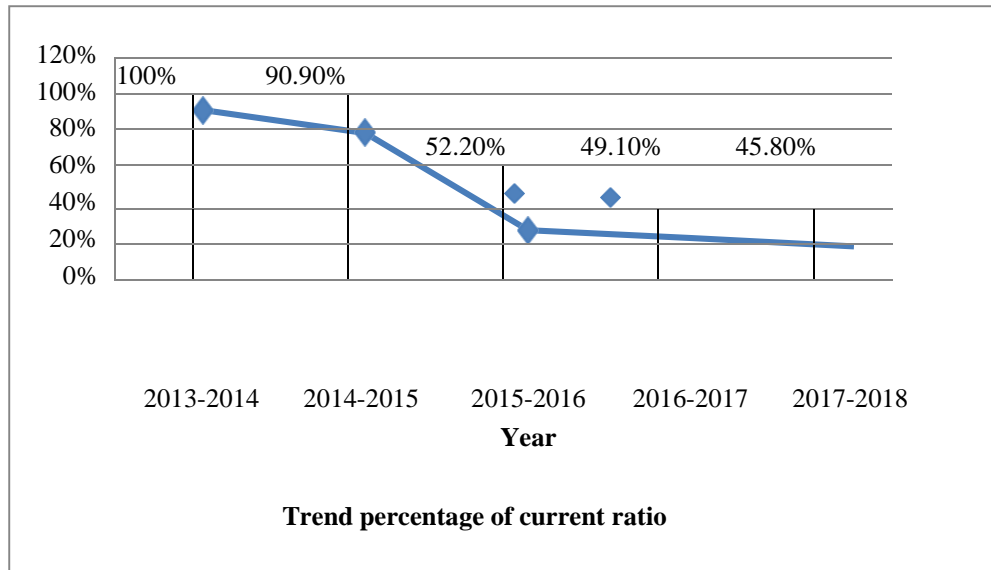


Figure1.1

B) TREND PERCENTAGES OF SALES OF RIL

Table 1.2

Year	Sales (in cr)	Trend percentage
2013-2014	390117	100%
2014-2015	320976	84.35%
2015-2016	233158	59.75%
2016-2017	242025	62.03%
2017-2018	290042	74.34%

Interpretation

By using trend analysis it has been found that the sales of reliance industries limited is on decreasing trend till 2015-2016 and thereafter the sales trend increases from the financial year 2019 – 2018.

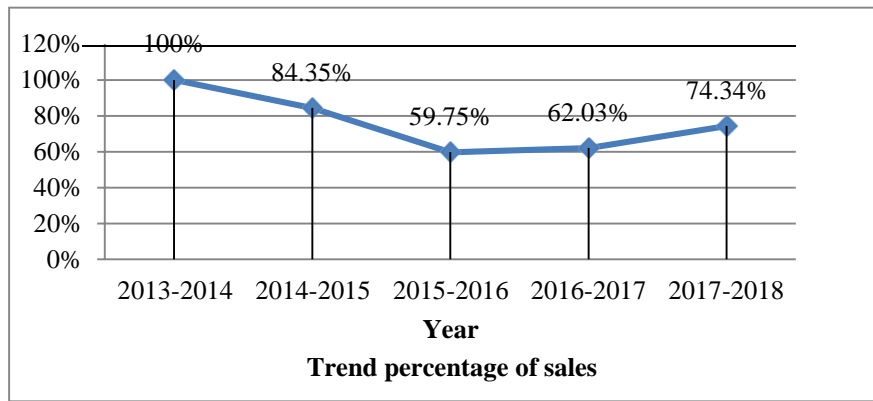


Figure 1.2

C) TREND PERCENTAGES OF PROFIT AFTER TAX OF RIL

Table 1.3

Year	Sales (in cr)	Trend percentage
2013-2014	390117	100%
2014-2015	320976	84.35%
2015-2016	233158	59.75%
2016-2017	242025	62.03%
2017-2018	290042	74.34%

Interpretation

The profit after tax of reliance industries limited experiences an increasing trend over the past five financial years. This indicates that the net profit of reliance industries limited is in a positive direction.

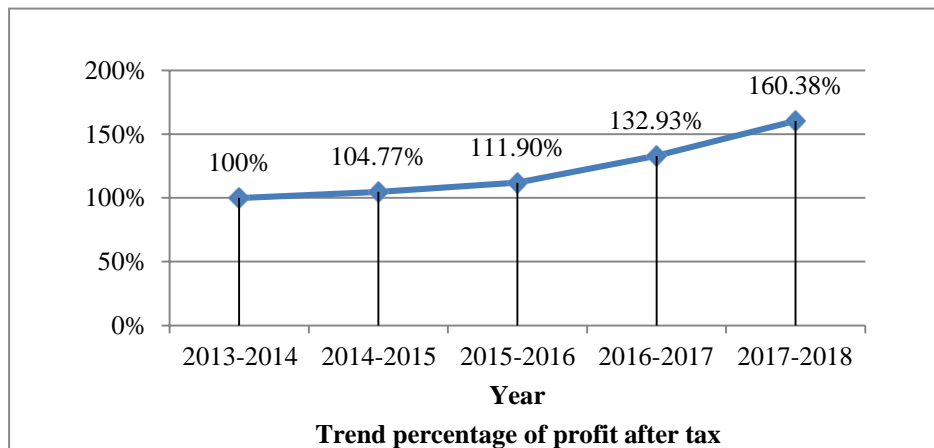


Figure 1.3

D) TREND PERCENTAGES OF DIVIDEND PER SHARE OF RIL

Table 1.4

Year	Profit (in cr)	Trend percentage
2013-2014	22493	100%
2014-2015	23566	104.77%
2015-2016	25171	111.9%
2016-2017	29901	132.93%
2017-2018	36075	160.38%

Interpretation

It is interpreted from the above table that reliance industries limited's dividend per share has an increasing trend till 2017 and the trend of the year 2018 moves downwards as the dividend has been decreased in the financial year.

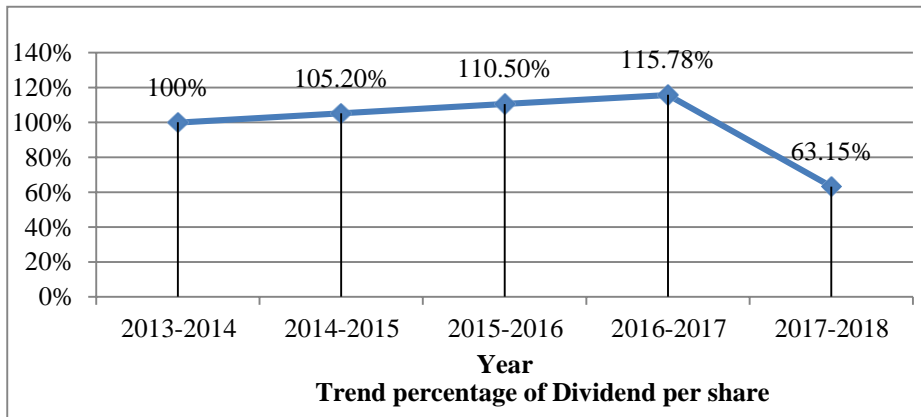


Figure 1.4

VII. FINDINGS

- The current ratio of the reliance industries company is not satisfying the 2:1 ratio which is considered as the healthy financial status of a company. But the reliance's current ratio have a decreasing trend from 1.416 to 0.6499 for the five financial years (2014 - 2018). Thus the Reliance company is struggling to payout the debt with its current assets. The liability of the Reliance company is increasing than the assets of the company over the last 3 years.
- From the trend analysis of sales, it is found that the sales of the Reliance industries limited is decreasing from the year 2014 – 2016 (390117 – 242025 crores). It may be due to the low demand level over the products of the reliance industries. As a result of the increase in demand (2018), the production has been increased to increase the inventories level. Thus the sales of the year 2018 is increased than the 2 previous years. It has been found that the demand may be increased due to the invention of the Telecommunication industries in the year 2017 – 2018.
- The trend of the profit of Reliance industries is attaining a increasing movement, which reveals the positive action of the company.
- The introduction of reliance telecommunication services may have a high impact for the profit of the firm. The analysis has found that there is a great difference between their profit to their DPS. Even though there is an increase in the net profit during the period of 2017-2018, such profits were used for other factors ignoring the wealth-maximization. The DPS is considered to have an adverse effect on the shareholders of the firm. Thus the net profit does not relate to the dividend distribution in the firm, creating a declination.

VIII. SUGGESTIONS

- To improve the liquidity position of the company they may adopt the measure of selling the unproductive assets which are lying useless as fixed assets of the company. When those assets are sold, the cash balance of the company may go up and also the expenses in case of depreciation would also be eliminated. This may help the company to increase its cash and bank balances. The other measure could be the elimination of the long term debtors and converting them to be the short term receivables which could help for the immediate cash earning capacity of the company.
 - The Reliance company have to focus on the wealth maximization than profit maximization. When the shareholders are benefited through the wealth maximization then automatically the share value of the company may increase in the market.
-

IX. CONCLUSION

Fundamental analysis is the strong theory accepted worldwide. Some investor strongly believes on fundamentals of company and some believe technical plays very important role in investing. But it is mainly depends on demand and supply for the stocks in the stock market, an effort is made to make understand the investors about fundamental analysis by using the financial data of the company. Reliance industries have negative result in maintaining the solvency position and distribution of dividends to the shareholders. The profit of Reliance industries is increasing gradually which is a merit to the company.

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A FIELD PROJECT REPORT

ON

“A STUDY ON CUSTOMER SATISFACTION TOWARDS ONLINE SHOPPING”

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

**(KONURU NAGA BHARGAVI, GHANTA DIVA KRUPA RANI, TANNERU VENKATA PRASANNA,
KOVELAMUDI SAI TEJA, PANNALA VENKATA SAIVAMSIKRISHNA)
(Regd. No. 211FC01028, 211FC01029, 211FC01030, 211FC01031, 211FC01033)**

Under the esteemed guidance of

Mr. S. Sudheer

Assistant Professor



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA -522213

APRIL-2023



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(Deemed to be University)

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DEPARTMENT OF MANAGEMENT STUDIES

PERMISSION LETTER

Following are the students **KONURU NAGA BHARGAVI, GHANTA DIVA KRUPA RANI, TANNERU VENKATA PRASANNA, KOVELAMUDI SAI TEJA, PANNALA VENKATA SAIVAMSIKRISHNA** of II MBA bearing Regd. No. **211FC01028, 211FC01029, 211FC01030, 211FC01031, 211FC01033** were permitted to do a field project on the topic “**A STUDY ON CUSTOMER SATISFACTION TOWARDS ONLINE SHOPPING**”.

GUIDE

HOD/MBA



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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **A STUDY ON CUSTOMER SATISFACTION TOWARDS ONLINE SHOPPING** submitted by **KONURU NAGA BHARGAVI, GHANTA DIVA KRUPA RANI, TANNERU VENKATA PRASANNA, KOVELAMUDI SAI TEJA, PANNALA VENKATA SAIVAMSIKRISHNA** bearing the Regd. No. **211FC01028, 211FC01029, 211FC01030, 211FC01031, 211FC01033** from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

GUIDE

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CHAPTER I
INTRODUCTION

INTRODUCTION

Online shopping is the process whereby consumers directly buy goods, services etc. from a seller interactively in real-time without an intermediary service over the internet. Online shopping is the process of buying goods and services from merchants who sell on the internet. Since the emergence of the World Wide Web, merchants have sought to sell their products to people who surf the internet. Shoppers can visit web stores from the comfort of their homes and shop as they sit in front of the computer. Consumers buy a variety of items from online stores.

In fact, people can purchase just anything from companies that provide their products online. Books, clothing, household appliances, toys, hardware, software and health insurance are just some of the hundreds of products consumers can buy from an online store.

Many people choose to conduct online shopping because of the convenience. Online shopping allows you to browse through endless possibilities, and even offers merchandise that is unavailable in stores.

Shopping via internet eliminates the need to shift through a store's products with potential buys like pants, shirts, belts and shoes all slung over one arm. Online shopping also eliminates the catchy, yet irritating music, as well as the hundreds, if not thousands, of other like-minded individuals who seem to have decided to shop on the same day.

The central concept of the application is to allow the consumer to shop virtually using the Internet and allow customers to buy the items and articles of their desire from the store. The information pertaining to the products are stores on the server side (store). The Server process the customers and the customers and the items are shipped to the address submitted by them. The

application was designed into two modules first is for the customers who wish to buy the articles. Second is for the storekeepers who maintains and updates the information pertaining to the articles and those of the customers.

The end user of this product is departmental store where the application is hosted on the web and the administrator maintains the database. The application which is deployed at the customer database, the details of the items are brought forward from

the database for the customer view based on the selection through the menu and the database of all the products are updated at the end of each transaction. Data entry into the application can be done through various screens designed for various level of users. Once the authorized personnel feed the relevant data into the system, several reports could be generated as per the security.

REVIEW OF LITERATURE

The studies on consumer's perception on online shopping and other related topic in the Indian context are limited as the online shopping has entered into the market only a few years only. The literatures so far reviewed relates to the studies conducted outside India especially in the United States where the online shopping is a big hit. As taken the case of Indian scenario where the online shopping has just entered into the market and already it has been climbing the ladder. Though there are certain literature reviews by the context of Indian consumers.

Benedict et al (2001) study reveals that perceptions toward online shopping and intention to shop online are not only affected by ease of use, usefulness, and enjoyment, but also by exogenous factors like consumer traits, situational factors, product characteristics, previous online shopping experiences, and trust in online shopping.

Susan Rose, Nell Hair and Moira Clark (2011) identified online purchase in particular continues to rise, as adoption and penetration levels of Internet technology continuously increase. By 2007, European Internet penetration stood at 43% of the population with a 23% usage growth year on year. In North America, penetration was at 71% of the population with 120% growth (Internet World Stats 2007). This is also evidenced by increasing levels of online sales, which in the US reached US\$128.1bn in 2007 and were projected to reach US\$165.9bn by 2009 (source: US Census Bureau 2009).

Peterson et al. (1997) commented that it is an early stage in Internet development in terms of building an appropriate dedicated model of consumer buying behavior. Decision sequences will be influenced by the starting point of the consumer, the relevant market structures and the characteristics of the product in question.

Consumers' attitude towards online shopping is a prominent factor affecting actual buying behavior.

Sultan and Henrichs (2000) in his study concluded that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness.

Vijay, Sai. T. & Balaji, M. S. (May 2009) - They revealed that Consumers, all over the world, are increasingly shifting from the crowded stores to the one-click online shopping format.

Rashant Singh (2014) in his study on Consumer's Buying Behavior Towards Online Shopping, The main aim of study was to examine and analyze the consumers' buying behavior pattern towards online shopping in Lucknow.

STATEMENT OF THE PROBLEM

Marketing basically helps to fulfill the needs of the consumers more effectively and efficiently with good products/services with affordable price and delivery. In recent days, the concept of online shopping has gained a lot of importance in retail marketing. In India, almost 75% of online users are in the age group of 15 – 34 years since India is one of the youngest demography globally. This trend is expected to be continuing in the forthcoming years, given the age distribution in India. The present study entitled "Customer satisfaction towards online shopping with special reference to Mavelikara thaluk" focuses on the satisfaction of customers in Mavelikara thaluk on online shopping and services provided by them. The study considers the concerns of customers due to the data privacy and safety measures provided.

NEED AND SIGNIFICANCE OF THE STUDY

The need of this study is to know the brand loyalty of the online shoppers and consumers. It includes the ideas such as to identify the most preferred purchase method. This study also helps to find out the reason for buying products online.

Through this study we tried to find the price range people prefer the most and also to know which features they admire in buying online.

OBJECTIVES OF THE STUDY

- To find out the satisfaction level of the customer from online purchase
- To know the specific reasons for which the customers prefer online shopping.
- To find out the customer satisfaction level for services provided through the online shopping.
- To find out the type of goods purchased more through online shopping.
- To identify the age group among which the online shopping is more popular.
- To identify the price range of the goods purchased through online shopping.
- To identify the influence of online shopping during the pandemic period.

RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problems. It is conducted as studying how research is done systematically. The research adopted the following methodology for the study.

The Research Design Used for the Study

The study is explorative as well as comparative in nature. It intends to explore the customer's perception on online shopping. A direct survey in the form of Google Form was used to collect the data for this study.

Population Size

A research population is a well-designed collection of individuals or objects known to have similar characteristics. In the present study of population was users of online shopping. There were 50 respondents who live in Mavelikara Thaluk.

Sample Size

The sample size used for the study is 50.

Sample Design

A sample design is a definite plan for obtaining a sample from the given population. The respondents are selected based on convenient sampling.

Statistical Tools

The data collected through questionnaires were analyzed using simple percentage analysis, graphs, charts, tables and diagrams.

1.6.5 Source of data

For this study, the data were compiled from primary data and secondary data.

Primary Data

Primary data consists of original information gathered from sample size of 50 respondents residing in Mavelikara, Kerala.

Secondary Data

Secondary data are those informations that are already published. For the study the data collected from secondary sources are;

- 1 Internet
- 2 Websites
- 3 Existing research and scholarly work.

LIMITATIONS OF THE STUDY

- The study is confined to Mavelikara Thaluk only.
- The study is based upon the consumer behaviors of online shopping.
- The data collected for the research is fully on primary data given by the respondents. There is chance for personal bias.
- Due to shortage of time and other constraints, the study has been limited to 50 respondents only.

CHAPTERISATION

The whole project is divided into five chapters:

1. Introduction
2. Theoretical Background
3. Data analysis and Interpretation
4. Summary of Findings, Suggestions and Conclusions

CHAPTER II
THEORETICAL BACKGROUND
AND
SECONDARY DATA

E-COMMERCE

Ecommerce is the buying and selling of goods or services on internet. It encompasses a wide variety of data, systems, and tools for online buyers and sellers, including mobile shopping and online payment encryption.

Most business with ecommerce presence uses an ecommerce store or an ecommerce platform to conduct online marketing and sales activities and to oversee logistics and fulfilment.

ONLINE SHOPPING

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

An online shop evokes the physical analogy of buying products or services at a regular "bricks-and-mortar" shopping center; the process is called business-to-consumer (B2C) online shopping. When an online store is set up to enable businesses to buy from another business, the process is called business-to-business (B2B) online shopping. A typical online store enables the customer to browse the firm's range of products and services, view photos or images of the products, along with information about the product specifications, features and prices.

Online stores usually enable shoppers to use "search" features to find specific models, brands or items. Online customers must have access to the Internet and a valid method of payment in order to complete a transaction, such as a credit card, a debit card. Most famous online shopping apps are Flipkart, Amazon, Ajo, Myntra etc.

HISTORY OF ONLINE SHOPPING

One of the earliest forms of trade conducted online was IBM's (International Business Machines) Online Transaction Processing (OLTP) developed in the 1960s and it allowed the processing of financial transactions in real-time. The Computerized

Ticket Reservation System developed for American Airlines was one of its applications.

The emergence of online shopping as we know today developed with the emergence of the Internet. Initially, this platform only functioned as an advertising tool for companies, providing information about its products. It quickly moved on from this simple utility to actual online shopping transaction due to the development of interactive Web pages and secure transmissions. Researchers found that having products that are appropriate for e-commerce was a key indicator of Internet success. Many of these products did well as they are generic products which shoppers did not need to touch and feel in order to buy. But also importantly, in the early days, there were few shoppers online and they were from a narrow segment.

GROWTH IN ONLINE SHOPPERS

Throughout the world online buying has grown exponentially. Growth of online shopping has been characterised by strong consumer demands & the increasing number and type of good available. As the number of smartphone and internet users increased, the horizons of online marketing has been widened. According to researchers, Indians are increasingly demonstrating their increased acceptance of mobile based payment methods. More over the number of consumers has increased drastically.

GROWTH OF ONLINE SHOPPING IN INDIA IN 2020-21

The online shopping sector has seen a boom in the Asian region in the recent years. India, the south east Asian country, had the fastest growing online retail market in 2020-21. The number of digital buyers across the country was estimated to be approximately 330 million in 2021. Almost 71 percent of internet users in the region will have purchased products online for the mentioned time period. The sector is driven by personalised advertisements, attractive discounts, quick delivery and return infrastructure and a high penetration rate of smartphones. This online shopping system combined with the comfort of being at home and getting all your choices delivered to your doorstep has turned the tables for the online shopping sector quite significantly.

CUSTOMERS

Online customers must have access to the Internet and a valid method of payment in order to complete a transaction. Generally, higher levels of education and personal income correspond to more favourable perceptions of shopping online. Increased exposure to technology also increases the probability of developing favourable attitudes towards new shopping channels.

CUSTOMER'S BUYING BEHAVIOUR IN DIGITAL ENVIRONMENT

The marketing around the digital environment, customer's buying behavior may not be influenced and controlled by the brand and firm, when they make a buying decision that might concern the interactions with search engine, recommendations, online reviews and other information. With the quickly separate of the digital device environment, people are more likely to use their mobile phones, computers, tablets and other digital devices to gather information. In other words, the digital environment has a growing effect on consumer's mind and buying behavior. In an online shopping environment, interactive decision may have an influence on aid customer decision making. Each customer is becoming more interactive, and though online reviews customers can influence other potential buyers' behaviors. In addition, not only those reviews, people more rely on other people's post information about product commends on social media. There will shows common problems in the past and some solutions or comments of the merchants will be attached for customer reference.

E-commerce has made life simple and innovative of individuals and groups; consumer Behavior in online shopping is different from the physical market where he has access to see the product. Price, time saving and convenience were identified as important factors which affects the consumer's behavior.

PRODUCT SELECTION

Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine. Once a particular product has been found on the website of the seller, most online retailers use shopping cart software to allow the consumer to accumulate multiple items and to

adjust quantities, like filling a physical shopping cart or basket in a conventional store. A “checkout” process follows in which payment and delivery information is collected, if necessary. Some stores allow consumers to sign up for a permanent online account so that some or all of this information only needs to be entered once. The consumer often receives an e-mail confirmation once the transaction is complete.

PAYMENT

Online shoppers commonly use a credit card or a PayPal account in order to make payments. However, some systems enable users to create accounts and pay by alternative means, such as:

- Billing to mobile phones and landlines
- Bitcoin or other crypto currencies
- Cash on delivery (C.O.D.)
- Cheque/ Check
- Debit card
- Direct debit in some countries
- Electronic money of various types
- Gift cards
- Postal money order
- Wire transfer/delivery on payment

PRODUCT DELIVERY

While free shipping remains important, consumers increasingly want convenience, including being able to pick up orders at local stores or lockers. Loyalty programs with shipping perks are popular, and many are concerned about how delivery choices affect the environment.

An effective product delivery process increases quality and improve the satisfaction of the client and enhance the product’s agility.

SHOPPING CART SYSTEMS

Simple shopping cart systems allow the off-line administration of products and categories. The shop is then generated as HTML files and graphics that can be uploaded to a web space. The systems do not use an online database. A high-end solution can be bought or rented as a stand-alone program or as an addition to an enterprise resource planning program. It is usually installed on the company's web server and may integrate into the existing supply chain so that ordering, payment, delivery, accounting and warehousing can be automated to a large extent. Other solutions allow the user to register and create an online shop on a portal that hosts multiple shops simultaneously from one back office.

DESIGN

Customers are attracted to online shopping not only because of high levels of convenience, but also because of broader selections, competitive pricing, and greater access to information. Business organizations seek to offer online shopping not only because it is of much lower cost compared to bricks and mortar stores, but also because it offers access to a worldwide market, increases customer value, and builds sustainable capabilities.

Information load

Designers of online shops are concerned with the effects of information load. Information load is a product of the spatial and temporal arrangements of stimuli in the web store. Compared with conventional retail shopping, the information environment of virtual shopping is enhanced by providing additional product information such as comparative products and services, as well as various alternatives and attributes of each alternative, etc. Two major dimensions of information load are complexity and novelty. Complexity refers to the number of different elements or features of a site, often the result of increased information diversity. Novelty involves the unexpected, suppressed, new, or unfamiliar aspects of the site. The novelty dimension may keep consumers exploring a shopping site, whereas the complexity dimension may induce impulse purchases.

Consumer needs and expectations

According to the output of a research report by Western Michigan University published in 2005, an e-commerce website does not have to be good looking with listing on a lot of search engines. It must build relationships with customers to make money. The report also suggests that a website must leave a positive impression on the customers, giving them a reason to come back. However, recent research has proven that sites with higher focus on efficiency, convenience, and personalized services increased the customers motivation to make purchases.

User interface

The most important factors determining whether customers return to a website are ease of use and the presence of user-friendly features.^[40] Usability testing is important for finding problems and improvements in a web site. Methods for evaluating usability include heuristic evaluation, cognitive walkthrough, and user testing. Each technique has its own characteristics and emphasizes different aspects of the user experience.

MARKET SHARE

The popularity of online shopping continues to erode sales of conventional retailers. For example, Best Buy, the largest retailer of electronics in the U.S. in August 2014 reported its tenth consecutive quarterly dip in sales, citing an increasing shift by consumers to online shopping. Amazon.com has the largest market share in the United States. As of May 2018, a survey found two-thirds of Americans had bought something from Amazon (92% of those who had bought anything online), with 40% of online shoppers buying something from Amazon at least once a month. The survey found shopping began at amazon.com 44% of the time, compared to a general search engine at 33%. It estimated 75 million Americans subscribe to Amazon Prime and 35 million more use someone else's account.

There were 242 million people shopping online in China in 2012. For developing countries and low-income households in developed countries, adoption of e-commerce in place of or in addition to conventional methods is limited by a lack of affordable Internet access.

MARKET ANALYSIS

The online shopping sector in India is being driven by the growing internet penetration in the country, along with a rise in digital awareness. India has more than 430 million internet users, and the number of internet users is expected to increase to about 635.8 million by 2021. The online shopping industry in India is also likely to be aided by the increasing availability of cheaper smartphones and declining data tariffs. With the government promoting digital literacy and the digital economy framework, the industry will receive a further impetus for its growth. The industry is expected to be aided by the consumers in Tier-1 cities who are more adaptable to online shopping due to their availability of highspeed internet, better adaptability to mobile devices, and the logistical simplicity.

ADVANTAGES

Besides being able to shop from the comfort of your home, many online stores offer low or no shipping charges and free ship-to-store options.

Other advantages of shopping online include:

1. Always being open

We can always buy products from online platforms around the clock. Consumers can buy products at the time of their convenience.

2. Saving on transportation cost

Through online purchases we can reduce the cost of transportation for travelling to the stores.

No need of physical location

Since the transaction and market place is virtual, there is no need for any physical locations.

4. No aggressive salespeople or annoying crowds

People and consumers who don't want to interact with crowds can easily adapt to online shopping.

5. No waiting in long lines to check out

Consumers do not have to wait in long lines to purchase or pay for products. They can buy products quickly and don't have to waste any time.

6. Being able to read reviews about the products being purchased

The consumers can review the product and its quality before buying any product. They can choose the best product among various options.

7. More choices for buying products

Consumers have a choice to choose between variety of products and they can access to a large variety of products. They can also find many substitutes in online platforms.

8. Low purchase price

Many online shops sell products at low prices because of lack of money spent on overheads such as rent, water etc.

DISADVANTAGES

1. Fraud in online shopping

Online platforms are prone to many fraudulent activities. Although they provide security services it is not completely free from fraud.

2. Delay in delivery

The delivery of products cannot be always in time. It depends on the factors such as mode of transportation, natural phenomenon like rain, storms etc.

3. No physical contact

The consumers cannot physically touch or feel the product before attainment. This is a major drawback of online shopping.

4. No bargaining power

Although the prices are comparatively low, consumers don't hold bargaining power on the sellers.

5. Hide cost & shipping charges

Usually the online platforms provide purchase prices, they don't clearly specify the shipping charges and other additional charges. The consumers have to proceed to further steps to identify the charges.

6. Lack of interaction

Consumers and sellers don't have any direct contact in online shopping. Since the transactions take place in virtual platforms, they find it difficult to trust the other party completely.

7. Difficulty in return advantages

The products or services provided from online shopping don't specify any particular place and may be they are provided from abroad or different countries around the world. Therefore the return of the product is difficult and the consumers may not get any return advantages.

AGGREGATION

High-volume websites, such as Yahoo!, Amazon.com, and eBay, offer hosting services for online stores to all size retailers. These stores are presented within an integrated navigation framework, sometimes known as virtual shopping malls or online marketplaces.

IMPACT OF REVIEW ON CUSTOMER BEHAVIOUR

Through the study we can find that, how product attributes, average consumer ratings, and single affect-rich positive or negative consumer reviews influenced hypothetical online purchasing decisions of consumers. After the study, we can find that the younger generation clearly preferred products with better attributes and with higher average consumer ratings. If making a choice was difficult because it involved trade-offs between product attributes, most consumers chose the higher-rated product. The preference for the higher-rated product, however, could be overridden by a single affect-rich negative or positive review. These results suggest that consumers consider aggregated consumer information and positive reviews focusing on positive experiences with the product, but are easily swayed by reviews reporting negative experiences.

BEST ONLINE SHOPPING SITES IN INDIA

1. Amazon India
2. Flipkart
3. Snapdeal
4. eBay (Now 2GUD)
5. SHEIN
6. Myntra
7. Shopclues
8. H&M
9. Infibeam
10. FirstCry

DIGITAL PRODUCTS

Digital products or e-goods are any products that exist in digital form. Common examples are different types of digital media (books, music, images

tickets, software). Professional services can also be sold as digital products. We can also sell online courses and class sessions digitally.

BEST E-COMMERCE PLATFORMS TO SELL DIGITAL PRODUCTS

1. Sellfy
2. Podia
3. BigCommerce
4. Thinkific
5. PayHip
6. SendOwl
7. Gumroad
8. Shopify
9. MemberPress
10. Teachable

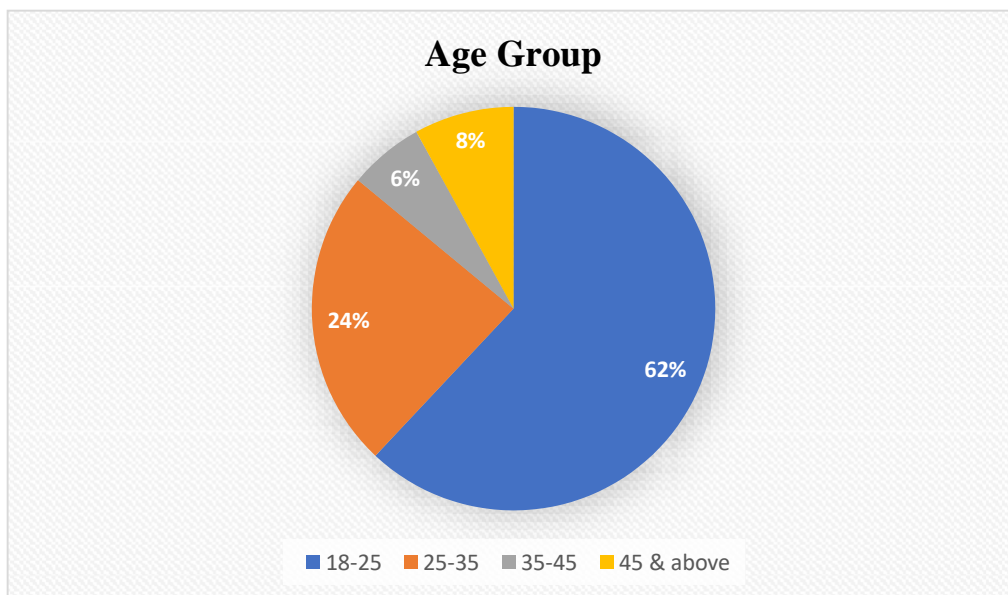
CHAPTER III
DATA ANALYSIS AND
INTERPRETATION

Table 3.1

Age Group

Age Group	Frequency	Percentage
18-25	31	62
25-35	12	24
35-45	3	6
45 & above	4	8

Figure 3.1.1



Source: Primary data

Interpretation

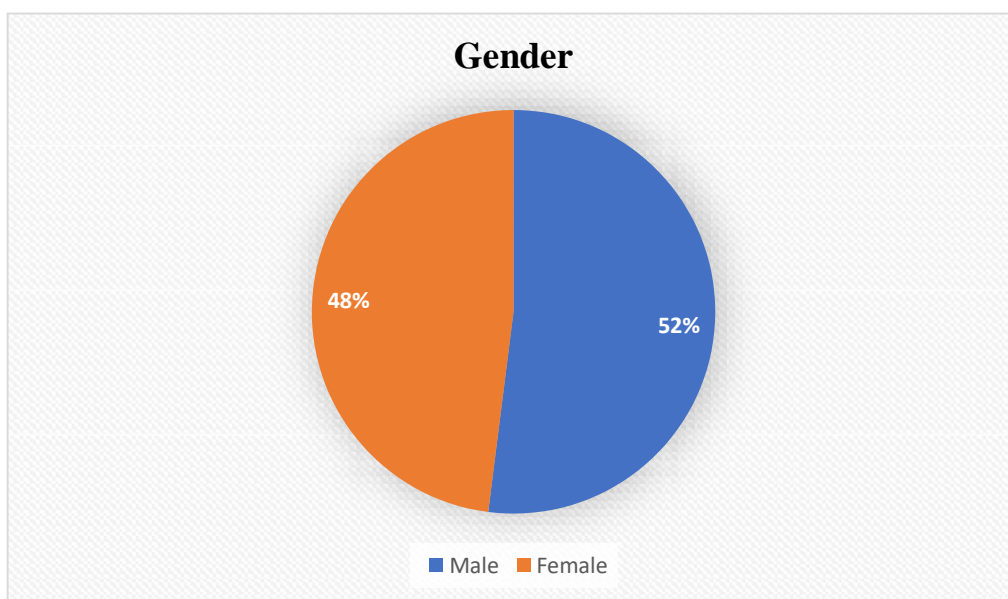
From the table 3.1, it shows that majority of respondents are in age group 18-25 with a majority of 62%.

Table 3.2

Gender

Gender	Frequency	Percentage
Male	26	52
Female	24	48

Figure 3.2.1



Source: Primary data

Interpretation

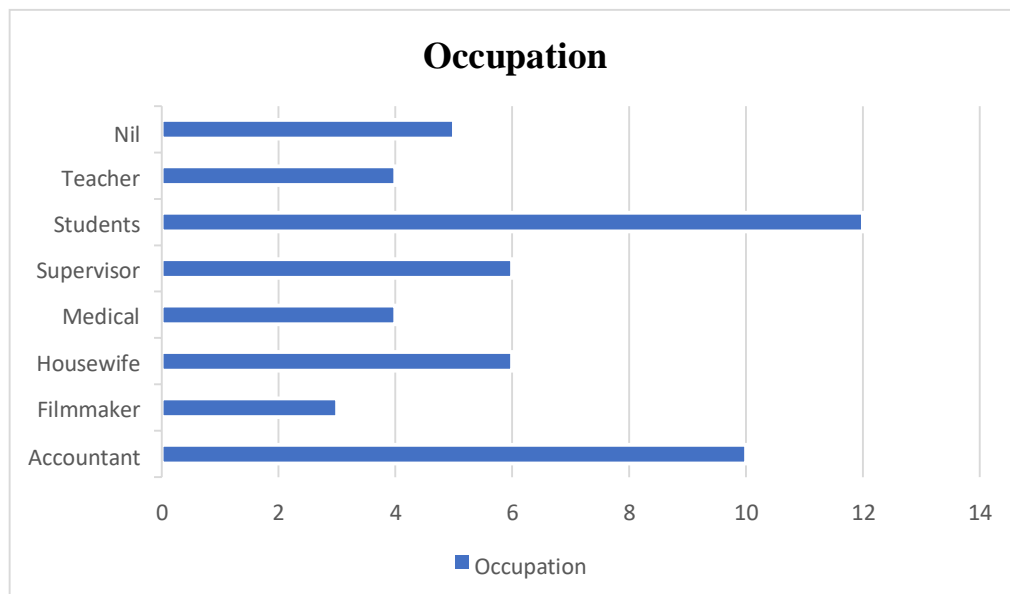
From table 3.2, it is clear that 52% of respondents were males while 48% were females. By analysing this fact, it can be seen that majority of respondents are males.

Table 3.3
Occupation of respondents

Occupation	Frequency	Percentage
Accountant	10	20
Filmmaker	3	6
Housewife	6	12
Medical	4	8
Supervisor	6	12
Students	12	24
Teacher	4	8
Nil	5	10

Source: Primary data

Figure 3.3.1



Interpretation

From the table 3.3, it shows that majority of respondents are students with majority of 24%.

Table 3.4

Reason for choosing online shops

Reason for choosing online shops	Frequency	Percentage
Convenient & time saving	35	70
Low price	6	12
Good quality	6	12
Others	3	6



Source: Primary data

Interpretation

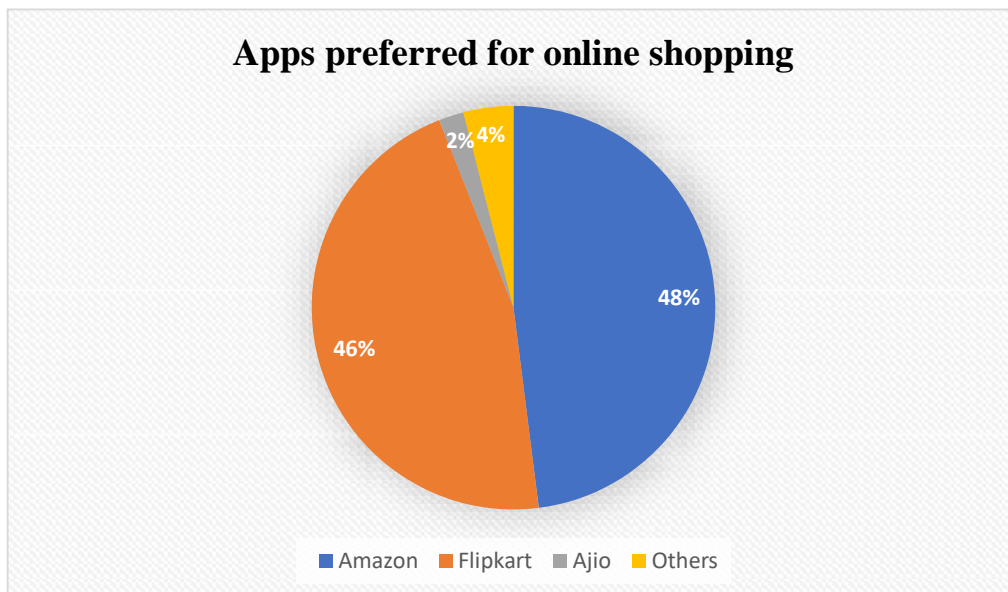
From table 3.4, it reveals that majority of respondents find online shopping convenient .

Table 3.5

Apps preferred for online shopping

Apps preferred for online shopping	Frequency	Percentage
Amazon	24	48
Flipkart	23	46
Ajio	1	2
Others	2	4

Figure 3.5.1



Source: Primary data

Interpretation

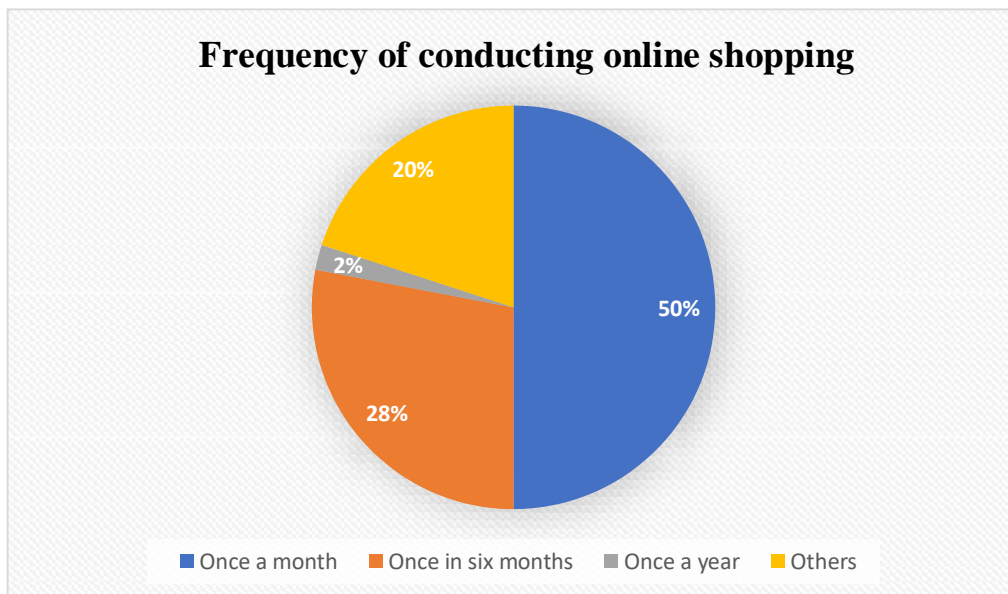
From the above table, it shows that majority of the respondents prefer amazon for online shopping.

Table 3.6

Frequency of conducting online shopping

Frequency of conducting online shopping	Frequency	Percentage
Once a month	25	50
Once in six months	14	28
Once a year	1	2
Others	10	20

Figure 3.6.1



Source: Primary data

Interpretation

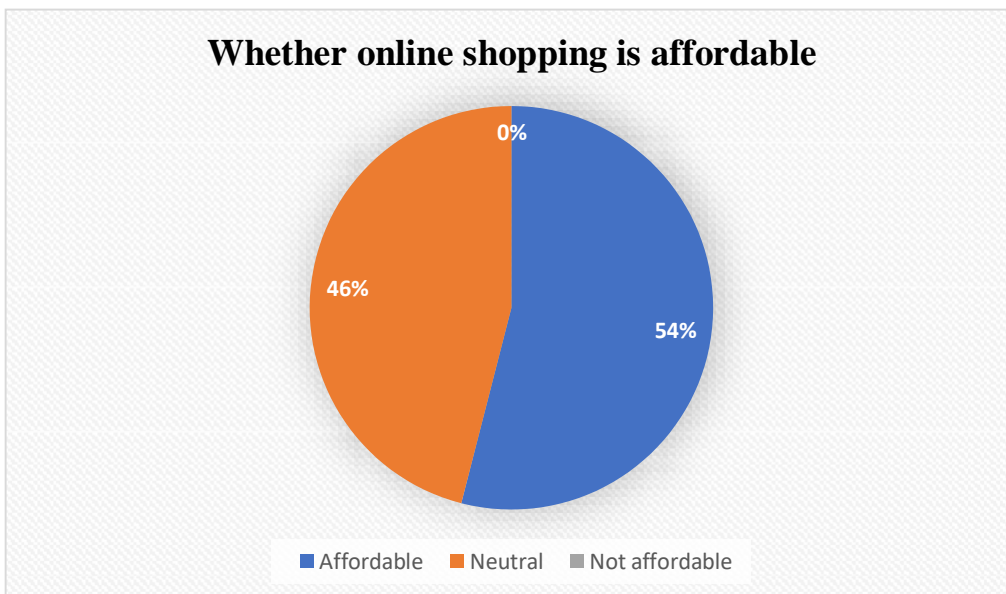
Table 3.6 shows that majority of respondents conduct online shopping once a month with a majority of 50%.

Table 3.7

Whether online shopping is affordable

Whether online shopping is affordable	Frequency	Percentage
Affordable	27	54
Neutral	23	46
Not affordable	0	0

Figure 3.7.1



Source: Primary data

Interpretation

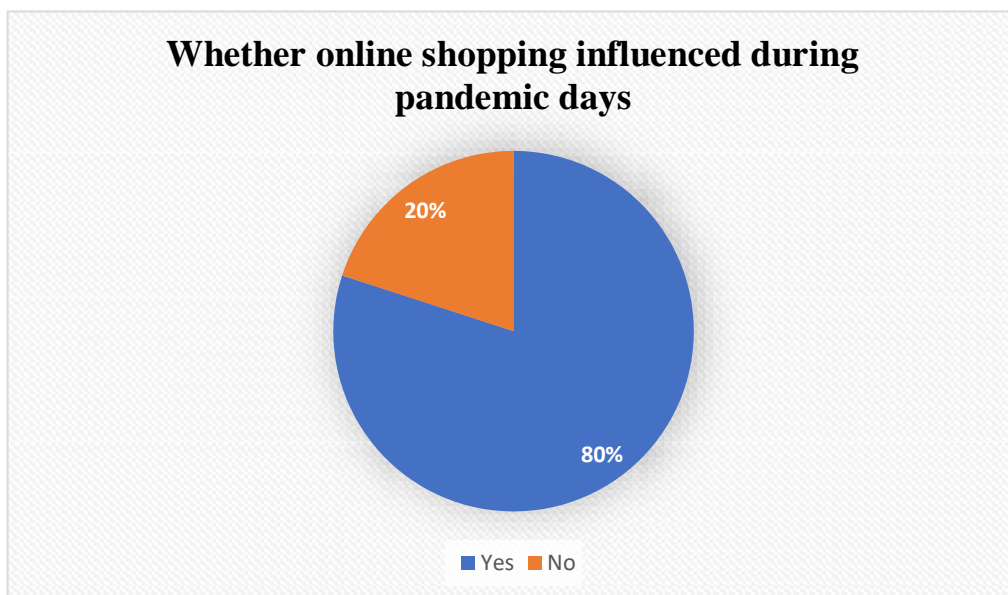
From the above table 3.7, it shows that majority of respondents find online shopping affordable with a majority of 54%.

Table 3.8

Whether online shopping influenced during pandemic days

Whether online shopping influenced during pandemic days	Frequency	Percentage
Yes	40	80
No	10	20

Figure 3.8.1



Source: Primary data

Interpretation

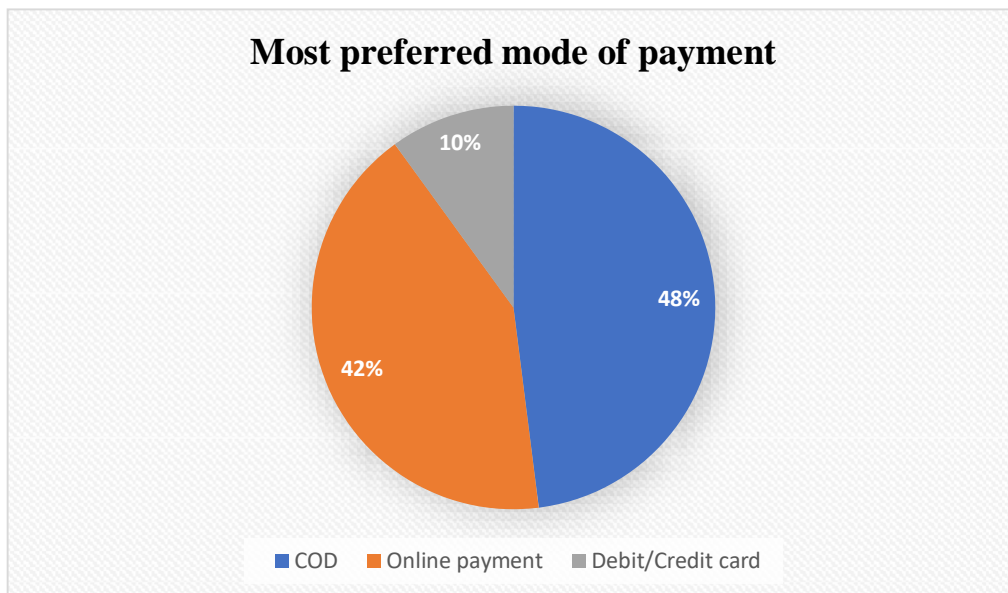
Table 3.8 shows that online shopping influenced majority of respondents during pandemic days.

Table 3.9

Most preferred mode of payment

Most preferred mode of payment	Frequency	Percentage
COD	24	48
Online payment	21	42
Debit/Credit card	5	10

Figure 3.9.1



Source: Primary data

Interpretation

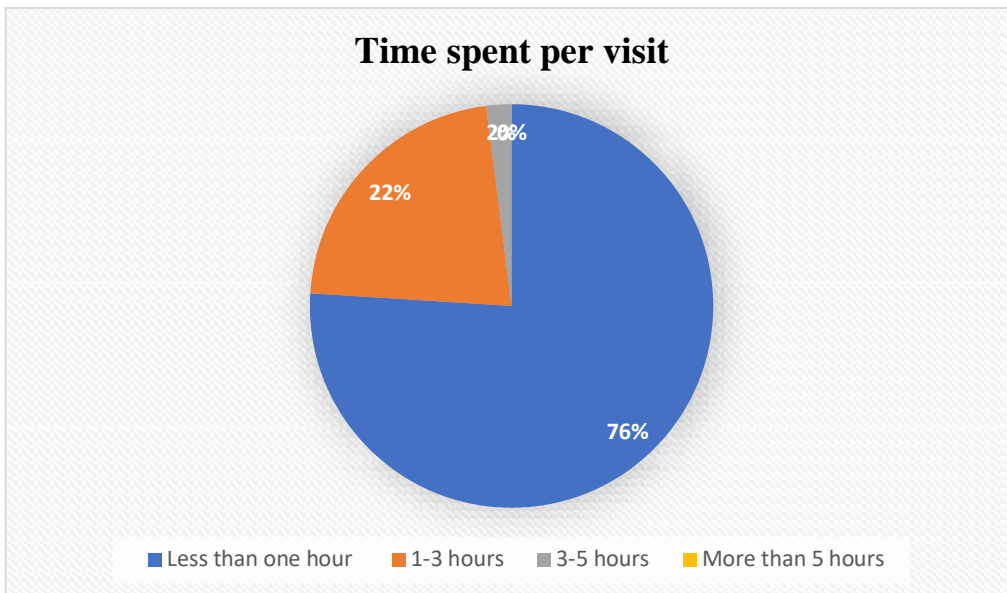
Table 3.9 shows that majority of respondents prefer COD (Cash On Delivery) as mode of payment.

Table 3.10

Time spent per visit

Time spent per visit	Frequency	Percentage
Less than one hour	38	76
1-3 hours	11	22
3-5 hours	1	2
More than 5 hours	0	0

Figure 3.10.1



Source: Primary data

Interpretation

From the above table 3.10, it reveals that majority of respondents spend less than one hour in online shopping.

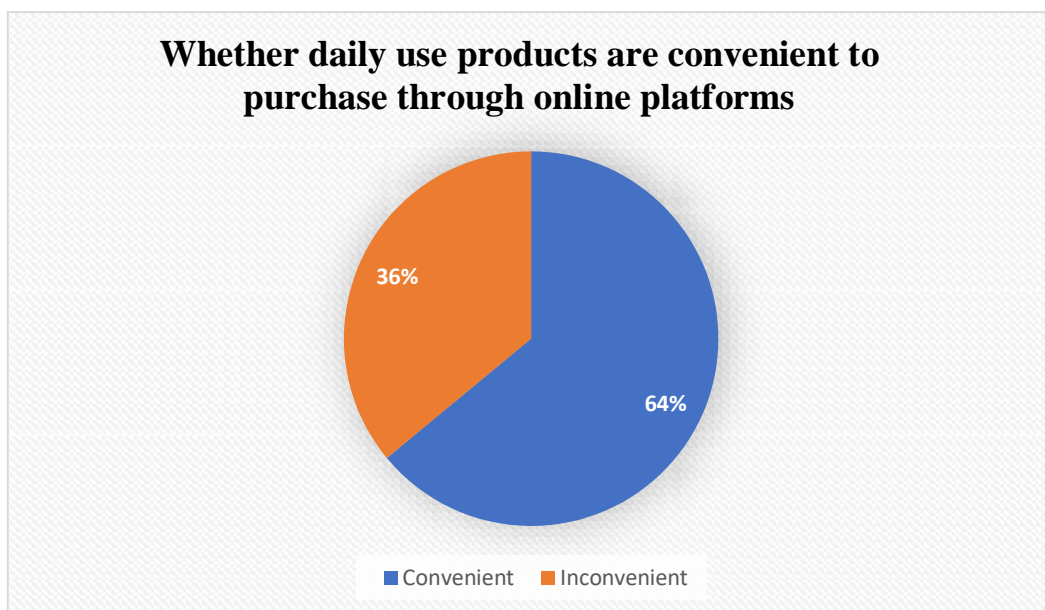
Table 3.11

Whether daily use products are convenient to purchase through online platforms

Whether daily use products are convenient to purchase through online platforms	Frequency	Percentage
Convenient	31	63.3
Inconvenient	18	36.7

Source: Primary data

Figure 3.11.1



Interpretation

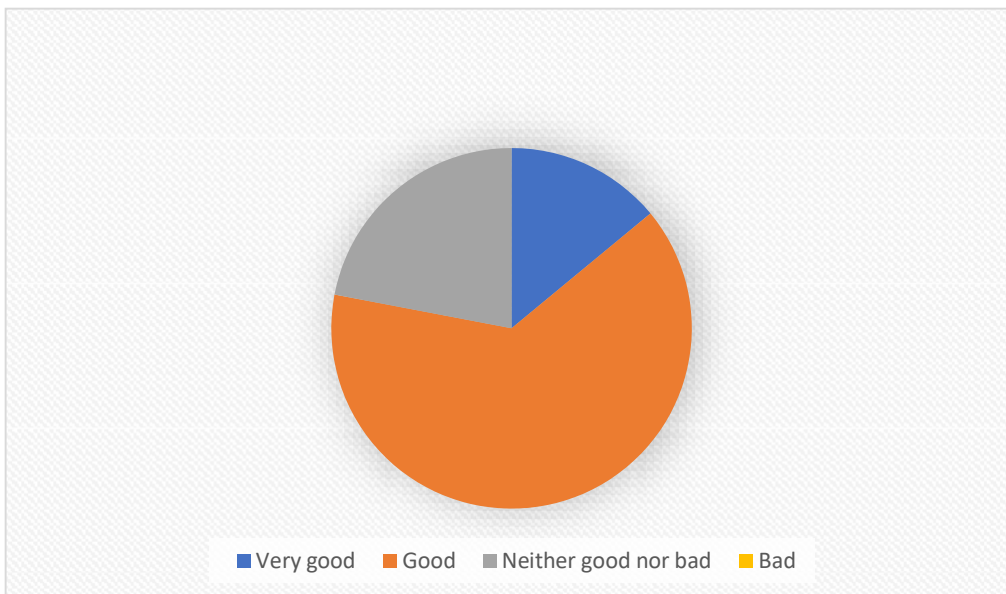
Table 3.11 reveals that majority of respondents find online shopping convenient to purchase daily use products through online platforms.

Table 3.12

Rating of the quality of the products bought online

Rating of the quality of the products bought online	Frequency	Percentage
Very good	7	14
Good	32	64
Neither good nor bad	11	22
Bad	0	0

Figure 3.12.1



Source: Primary data

Interpretation

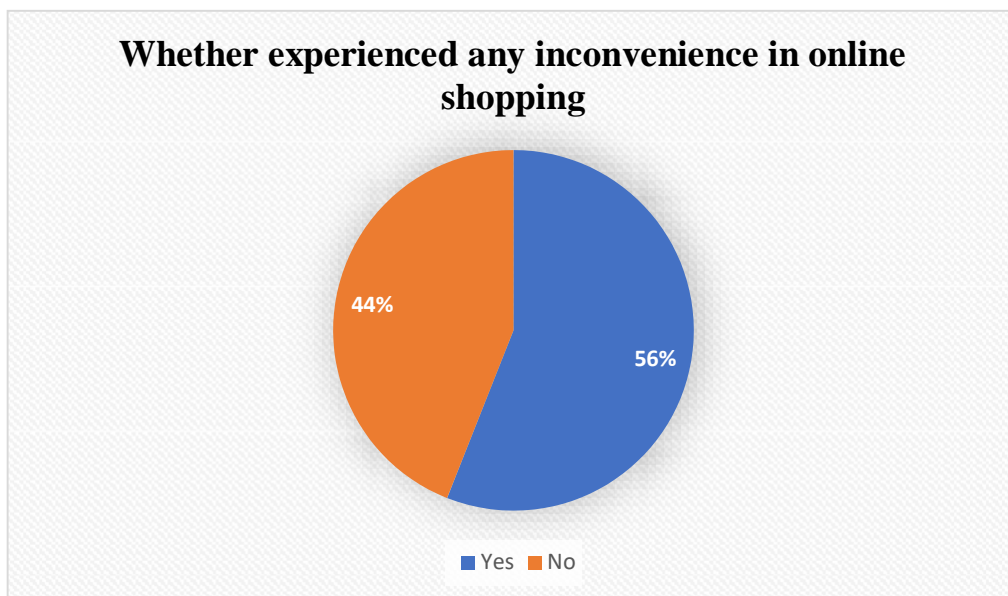
From the above table 3.12, it shows that majority of respondents rated the quality of products bought online as good with a majority of 64%, whereas no one rated the quality of the products bad.

Table 3.13

Whether experienced any inconvenience in online shopping

Whether experienced any inconvenience in online shopping	Frequency	Percentage
Yes	28	56
No	22	44

Figure 3.13.1



Source: Primary data

Interpretation

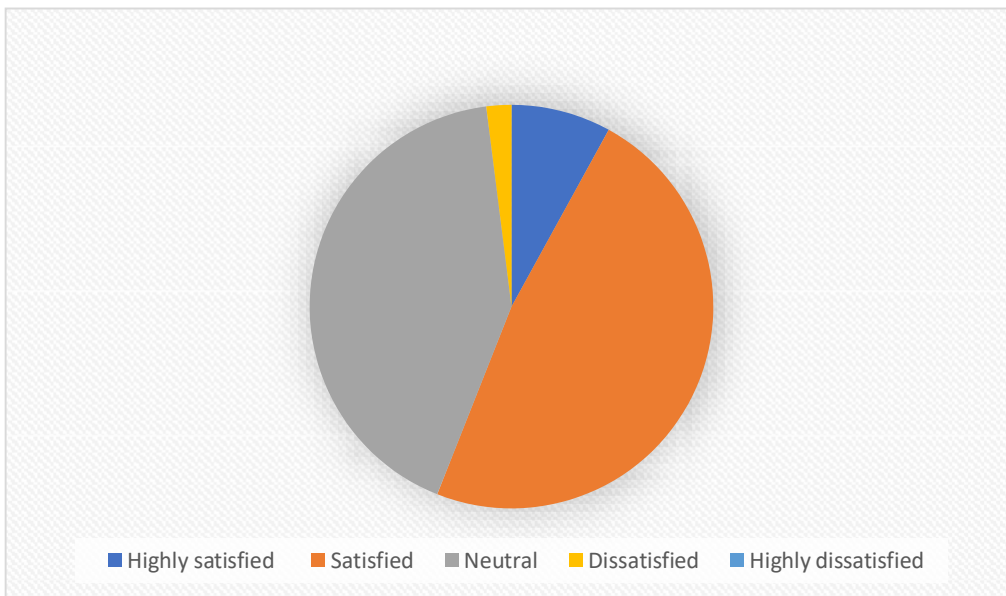
From table 3.13, it reveals that majority of respondents experienced inconvenience in online shopping with majority of 56%.

Table 3.14

Satisfaction from online shopping

Satisfaction form online shopping	Frequency	Percentage
Highly satisfied	4	8
Satisfied	24	48
Neutral	21	42
Dissatisfied	1	2
Highly dissatisfied	0	0

Figure 3.14.1



Source: Primary data

Interpretation

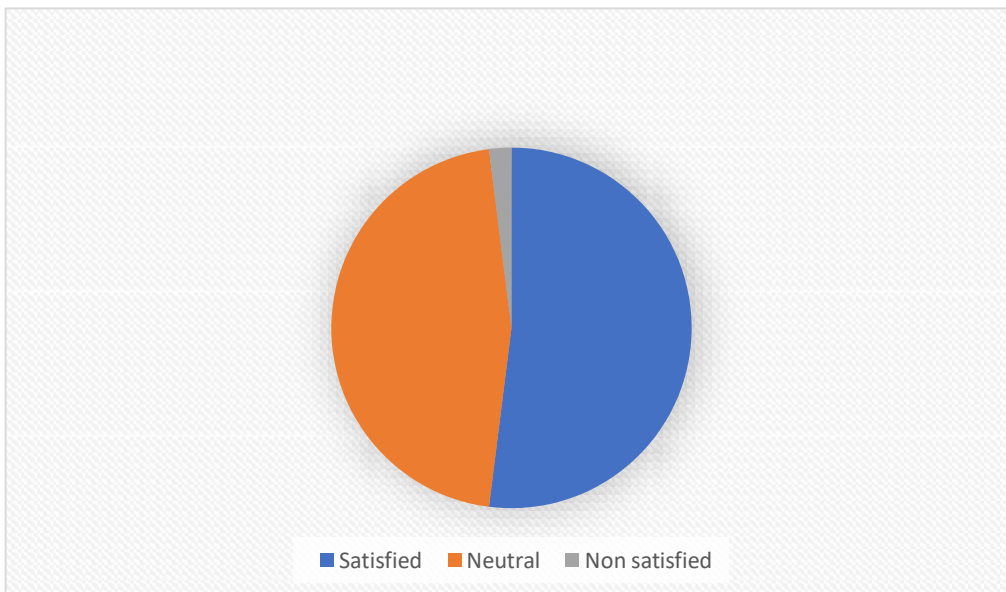
From the above table 3.14, it shows that majority of respondents are satisfied with online shopping.

Table 3.15

Satisfaction from the speed of delivery of the products

Satisfaction from the speed of delivery of the products	Frequency	Percentage
Satisfied	26	52
Neutral	23	46
Non satisfied	1	2

Figure 3.15.1



Source: Primary data

Interpretation

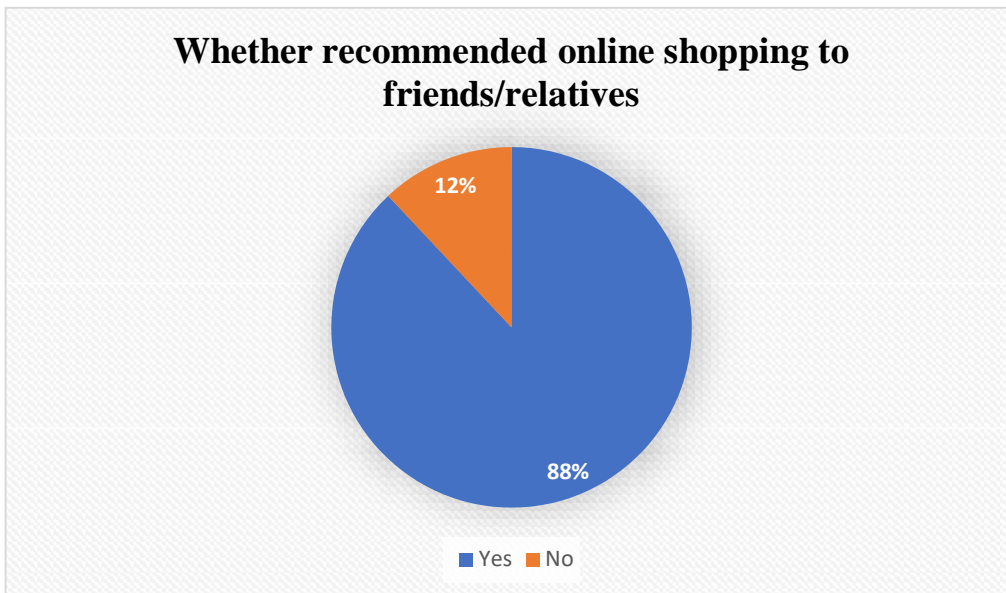
Table 3.15 shows that majority of respondents are satisfied with the speed of delivery of the products.

Table 3.16

Whether recommended online shopping to friends/relatives

Whether recommended online shopping to friends/relatives	Frequency	Percentage
Yes	44	88
No	6	12

Figure 3.16.1



Source: Primary data

Interpretation

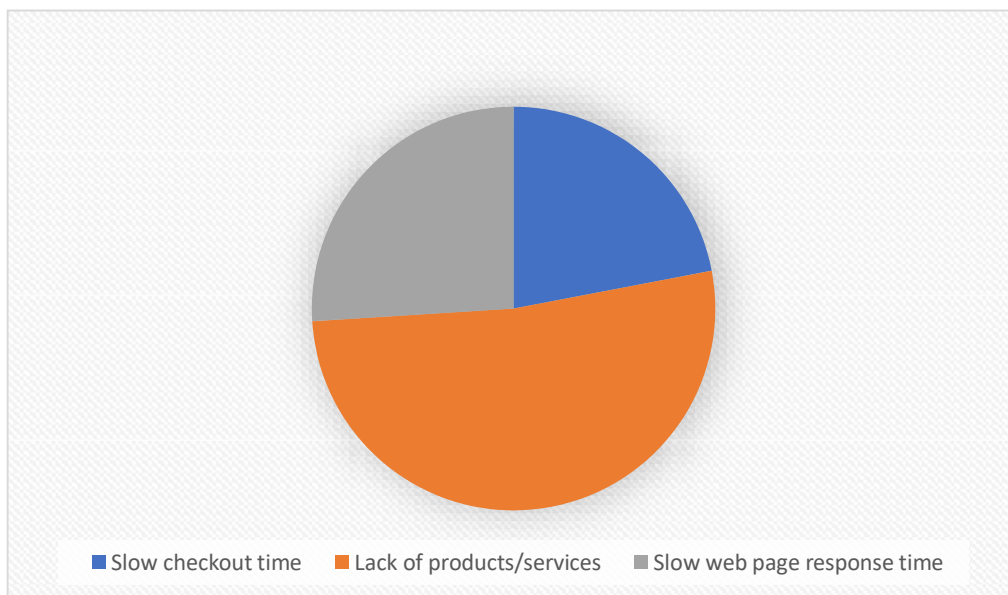
From the above table 3.16, it reveals that majority of respondents recommended online shopping to their friends and relatives.

Table 3.17

Biggest challenge faced in online shopping

Biggest challenge faced in online shopping	Frequency	Percentage
Slow checkout time	11	22
Lack of products/services	26	52
Slow webpage response time	13	26

Figure 3.17.1



Source: Primary data

Interpretation

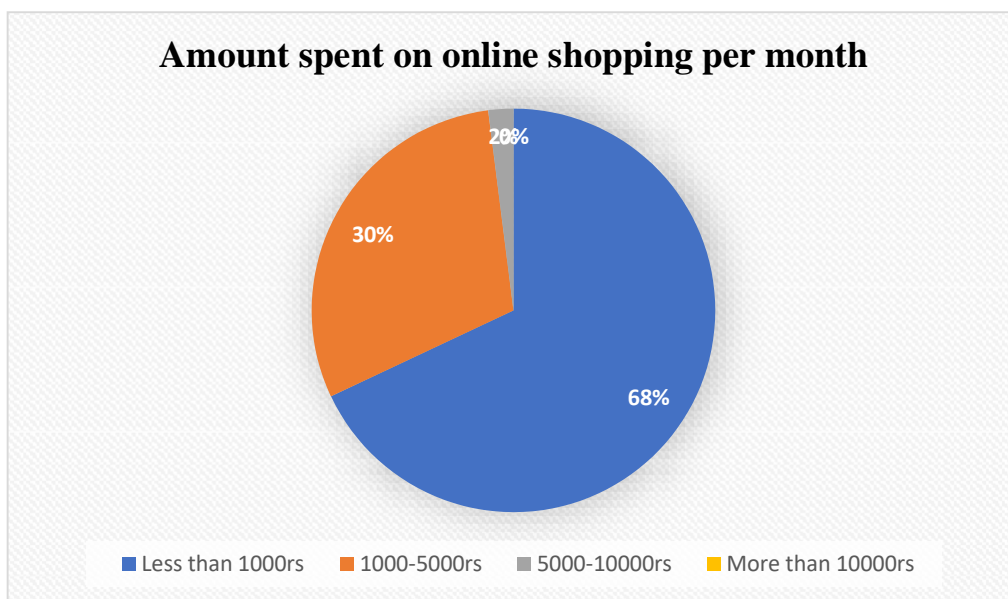
From the above table 3.17, it shows that the biggest challenge faced by majority of respondents in online shopping is lack of products/services.

Table 3.18

Amount spent on online shopping per month

Amount spent on online shopping per month	Frequency	Percentage
Less than 1000rs	34	68
1000-5000rs	15	30
5000-10000rs	1	2
More than 10000rs	0	0

Figure 3.18.1



Source: Primary data

Interpretation

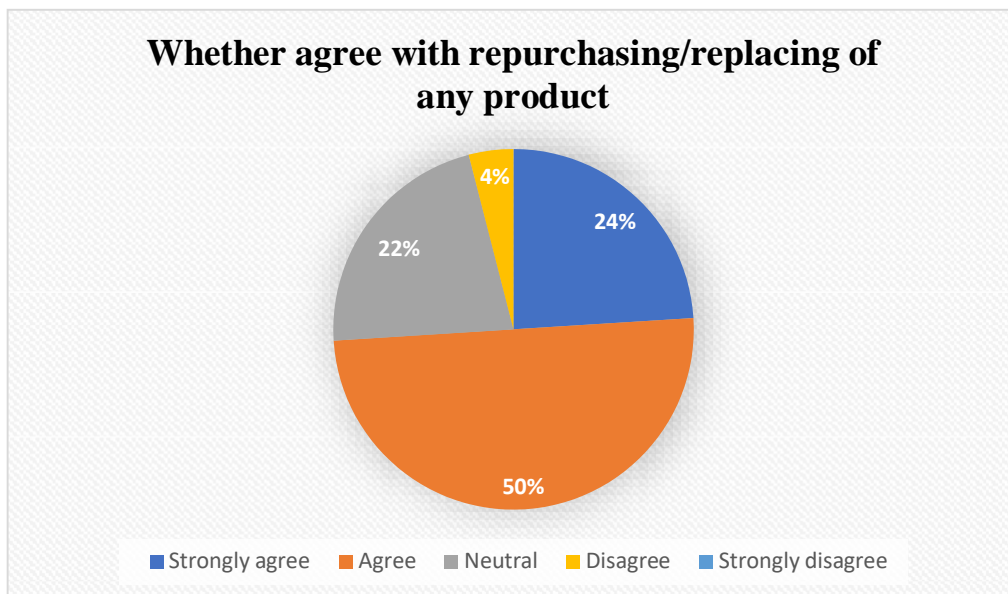
Table 3.18 shows that majority of respondents spent less than 1000 rupees in online shopping per month.

Table 3.19

Whether agree with repurchasing/replacing of any product

Whether agree with repurchasing/replacing of any product		
Strongly agree	12	24
Agree	25	50
Neutral	11	22
Disagree	2	4
Strongly disagree	0	0

Figure 3.19.1



Source: Primary data

Interpretation

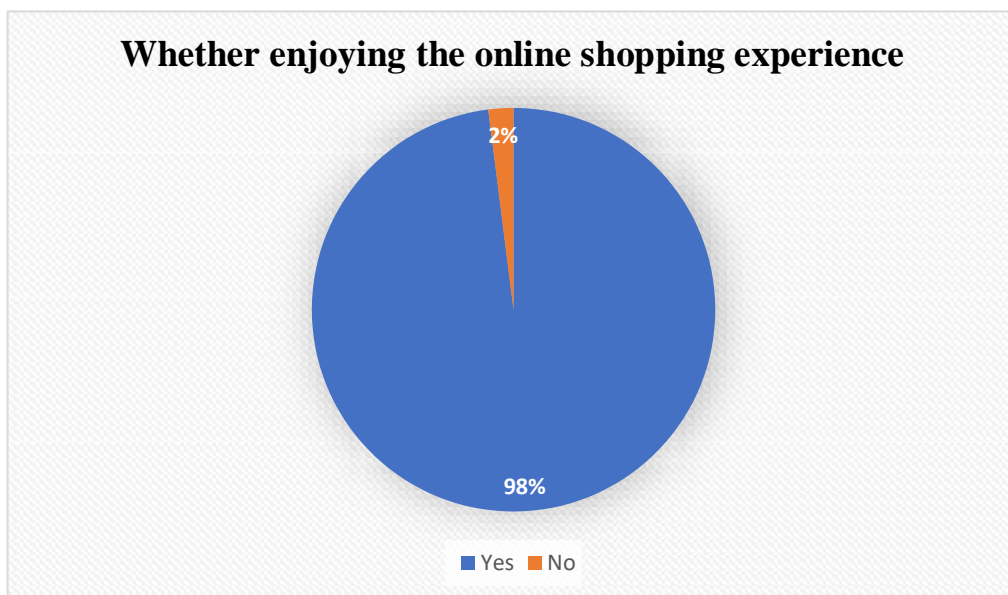
The table 3.19 shows that majority of respondents agree with repurchasing/replacing of any products.

Table 3.20

Whether enjoying the online shopping experience

Whether enjoying the online shopping experience	Frequency	Percentage
Yes	49	98
No	1	2

Figure 3.20.1



Source: Primary data

Interpretation

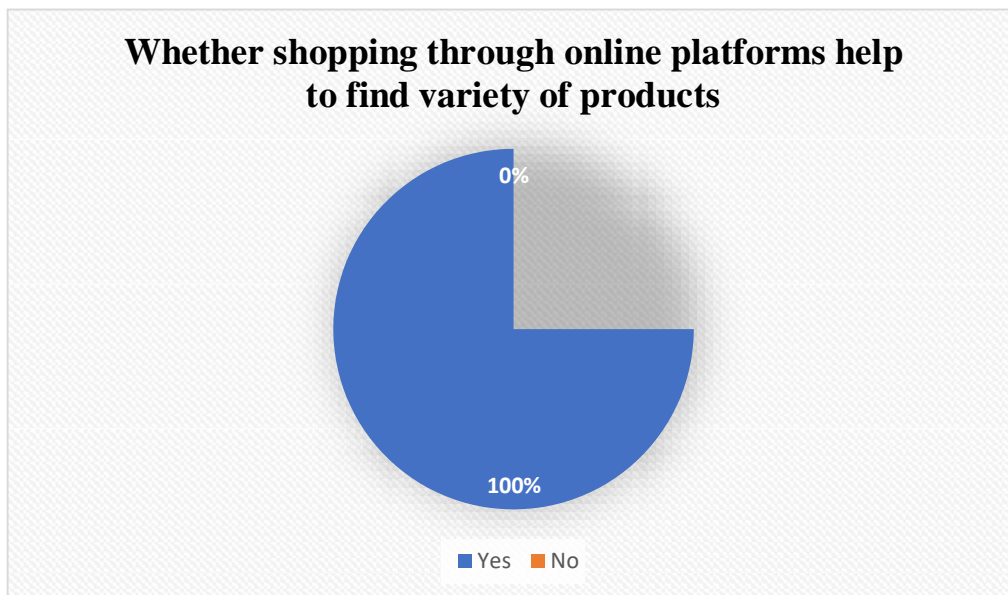
Table 3.20 reveals that majority of respondents enjoy the online shopping experience with a majority of 98%.

Table 3.21

Whether shopping through online platforms help to find variety of products

Whether shopping through online platforms help to find variety of products	Frequency	Percentage
Yes	50	100
No	0	0

Figure 3.21.1



Source: Primary data

Interpretation

Table 3.21 shows that, shopping through online platforms help every respondent to find variety of products.

CHAPTER IV
FINDINGS, SUGGESTIONS AND CONCLUSIONS

FINDINGS OF THE STUDY

1. The study reveals that 52% are males and 48% are females.
2. Most of the respondents are using amazon for online shopping.
3. From the study, it is seen that majority portion of respondents are satisfied with online shopping.
4. Most of the respondents find online shopping as affordable.
5. The study shows that most of the respondents prefer Cash On Delivery (COD).
6. Majority of respondents spend less than one hour in online shopping.
7. The study shows that it is convenient to purchase daily use products through online shopping.
8. From this survey, we can find that majority of the consumers are satisfied with the speed of delivery of products.
9. Most of the respondents state that the quality of the products is good and not bad.
10. Majority of the respondents agree with the repurchasing/replacing of products in online shopping.
11. From the response of majority of respondents, it is seen that most of them recommend online shopping to their friends and relatives.
12. From this survey, it is clear that majority of the respondents enjoy online shopping experience.
13. Every respondent finds online shopping very helpful to find variety of products.

SUGGESTIONS OF THE STUDY

After analysing the data collected from various users of online shopping, the following suggestions and recommendation are made for their improving: -

1. The speed of loading in websites should be increased in order to make online shopping easier for consumers.
2. The response time of clicks in online shopping sites should be reduced.
3. Consumers should be provided with their desired products and services.
4. The reviews should be authentic and honest.
5. The additional and shipping charges should be reduced.
6. Sellers should make reliable remarks on the quality of products.
7. Shop assistant services should be provided in online shopping facilities.
8. Visuals should be provided without filters and edits.
9. The sellers should provide proper and best details of the products or services.
10. More personalized/customized products should be provided.
11. Shopping should be carried on out of the box media. It should be available in social media and other facilities.
12. Increase the visibility of products and services by reducing or eliminating unnecessary ads.

CONCLUSION

The consumer's satisfaction on online shopping varies from individual to individual and the perception is limited to a certain extent with the availability of the proper connectivity and the exposure to the online shopping. The Satisfaction of the consumer also has similarities and difference based on their personal characteristics. The study reveals that mostly the youngsters are attached to the online shopping and hence the elder people don't use online shopping much as compared to the younger ones. The study highlights the fact that the youngsters between the age of 18-25 are mostly interested in online shopping. It is also found that the majority of the people who shop online buys daily use products online as it is cheaper compared to the market price with various discounts and offers. The study also reveals that the price of the products has the most influencing factor on online purchase.

The study reveals that majority of the respondent's buys products from Amazon India which is thus one of the leading online shopping sites in India. On top of that the most of the customers finds online shopping affordable.

In nutshell, through this study it is found that majority of respondents of Mavelikara Thaluk are well aware of the online shopping and 90% of them have made online purchase which indicates the growing popularity of the online shopping within the people. Transformation in the trends of shopping is occurring because of the changing lifestyle of the consumers in India and expansion in online activity. Major draw card of online Shopping is the security issues of sites.

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APPENDIX

A STUDY ON CUSTOMER SATISFACTION TOWARDS ONLINE SHOPPING WITH SPECIAL REFERENCE TO MAVELIKARA

THALUK

QUESTIONNAIRE

This study is done as a part of the final year B. com project work of students of Mar Ivanios college, Mavelikara in partial fulfilment of the award of B. com degree of University of Kerala. We assure that the information collected will remain fully confidential and will be used for educational purpose only.

NAME: _____

- 1) Age group
 - 18-25 25-35
 - 35-45 45 and above
- 2) Gender
 - Male Female
- 3) Occupation: _____
- 4) Why do you choose online shops?
 - Convenient and time saving Low price
 - Good quality Others
- 5) Which app do you prefer for online shopping?
 - Amazon Flipkart
 - Ajo Others
- 6) How frequently do you conduct online shopping?
 - Once a month Once in six month
 - Once a year Others
- 7) Is online shopping affordable?
 - Affordable
 - Neutral
 - Not affordable

- 8) Did online shopping influence you during pandemic days?
 Yes No
- 9) Which mode of payment do you prefer the most?
 COD
 Online payment
 Debit/Credit card
- 10) How much time do you spend in every visit?
 Less than one hour 1-3 hours
 3-5 hours More than 5 hours
- 11) Are daily use products convenient to purchase through online platforms?
 Convenient Inconvenient
- 12) How would you rate the quality of the products bought from online?
 Very good Good
 Neither good nor bad Bad
- 13) Have you ever experienced any inconvenience in online shopping?
 Yes No
- 14) Are you satisfied with online shopping?
 Highly satisfied Satisfied
 Neutral Dissatisfied
 Highly dissatisfied
- 15) Are you satisfied with the speed of delivery of products?
 Satisfied
 Neutral
 Not satisfied
- 16) Have you ever recommended online shopping to your friends/relatives?
 Yes No
- 17) What is the biggest challenge you have faced in online shopping?
 Slow check out time
 Lack of products/services
 Slow webpage response time

18) How much do you spend on online shopping every month?

- Less than 1000rs 1000-5000rs
 5000-1000rs More than 10000rs

19) Do you agree with repurchasing/replacing any product you get?

- Strongly agree Agree
 Neutral Disagree
 Strongly disagree

20) Do you enjoy the online shopping experience?

- Yes No

21) Do shopping through online platforms help to find variety of products?

- Yes No

A FIELD PROJECT REPORT

ON

“CUSTOMER SATISFACTION ON KFC”

Submitted to

DEPARTMENT OF MANAGEMENT STUDIES

Submitted By

**(KAKARLA REVATHI, SENAPATHI VIJAYA KAVYASRI, BOLAMALA EMILY PRIYA, PALURI
SNEHA, TUMMALAPENTA PUJA)**

(Regd. No. 211FC01035, 211FC01036, 211FC01037, 211FC01038, 211FC01039)

Under the esteemed guidance of

Mr. S. Sudheer

Assistant Professor



VIGNAN'S

Foundation for Science, Technology & Research

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DEPARTMENT OF MANAGEMENT STUDIES

Vignans' Foundation for Science Technology & Research

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



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DEPARTMENT OF MANAGEMENT STUDIES

PERMISSION LETTER

Following are the students **KAKARLA REVATHI, SENAPATHI VIJAYA KAVYASRI, BOLAMALA EMILY PRIYA, PALURI SNEHA, TUMMALAPENTA PUJA** of II MBA bearing Regd. No. . **211FC01035, 211FC01036, 211FC01037, 211FC01038, 211FC01039** were permitted to do a field project on the topic “CUSTOMER SATISFACTION ON KFC”.

GUIDE

HOD/MBA



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DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled **CUSTOMER SATISFACTION ON KFC** submitted by **MAMIDI PAVAN NAGA SAI, NARRA PRAPHUL CHAND, AVULA KALPANA, MOHAMMAD AFREEN, PATTI SRI LAKSHMI** bearing the Regd. No. **201FC01071, 201FC01073, 201FC01074, 201FC01075, 201FC01076** from the Department of Management Studies, Vignan & Foundation for Science Technology and Research. And I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

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ABSTRACT

Because it's cheap, quick, and convenient, fast food has become a way of life for many people. Kentucky fried chicken is one of the many fast-food establishments in City (KFC). KFC, which has three locations in City, is the subject of this investigation. Customer satisfaction at KFC City was examined as a result of this research. This study employs quantitative methodologies in its investigation. All KFC consumers in City were included in this study, conducted in three different parts of the city. A total of 100 persons participated in this research. The classical assumption test, multiple regression test, t-test, f-test, and coefficient of determination test were utilized in the data analysis. – In City KFC, Physical Evidence, Concern, and Responsiveness have no significant effect on Consumer Satisfaction, whereas Reliability and Assurance have a substantial effect on Consumer Satisfaction. This indicates that service quality elements such as Physical Evidence, Concern, and Reliability substantially impact customer satisfaction in Indonesia based on the simultaneous test findings.

Keywords: *Customer satisfaction, Service quality.*

1. INTRODUCTION

Customer satisfaction will be achieved when the company can provide quality services. Once the customer is satisfied, he will compare the services from one company with other companies. Satisfaction at a high level will lead customers to return to make purchases and even recommend them to others.

Superior and consistent service quality can foster customer satisfaction and provide various benefits [1]. such as: (1) The relationship between the company and its customers becomes humorous; (2) Provide a good basis for repeat purchases; (3) Can encourage the creation of consumer loyalty; (4) Providing word-of-mouth recommendations that are profitable for the company; (5) The company's reputation is good in the eyes of consumers; (6) Earned profit can be increased.

Kentucky Fried Chicken (KFC) is one of the oldest fast food restaurants in Indonesia and even in the world. KFC restaurants are very developed and have many outlets in several areas in Indonesia. Several other fast food restaurant companies that has also existed in Indonesia to date are McD, CFC, A&W, and fast food restaurants other local. KFC is a fast-food restaurant that serves chicken products and other products related to chicken meat. KFC is also located in Hyderabad City which is spread over 3 strategic locations. The number of fast food restaurants in that are not far behind KFC, will lead to competition in serving quality products that are liked by the public, so KFC must be very aware of this competition, KFC must provide good quality products and services if they donot want customers move to other restaurants. In the service sector, service is the main thing, if the service is good it will give a good picture of the company. The services provided by KFC must be good to give a good picture of KFC.

There are five main dimensions of service quality according to Parasuraman, in Tjiptono [1], namely physical evidence (tangible), responsiveness, reliability, assurance, and empathy. Quality strategy The service used certainly has an impact on the level of customer visits at KFC.

There is a close relationship between service quality and customer satisfaction. By obtaining good service quality, customers will be motivated to establish a strong relationship with the company. Therefore, companies must understand and carefully consider the expectations and customer needs

2. LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Quality of Service

Quality is the main or complementary activity that is not directly involved in the product manufacturing process, but places more emphasis on service transactions between buyers and sellers [2].

There are two main factors that affect Service Quality according to Parasuraman in [1], the expected service and the perceived service. The dimensions and attributes of the SERVQUAL model consist of:

- 1) Tangible; In terms of the company's physical buildings, the equipment and materials it uses, and the appearance of its people.
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Customer/Consumer

Satisfaction is a state of mind that is influenced by one's experiences. An evaluation of a product or service's features and characteristics that provide a level of consumer pleasure associated with consumer consumption is called satisfaction. [3]. The magnitude or dimensions of customer satisfaction might reveal factors that influence it [4] as follows:

- 1) Stay Loyal Satisfied; First and foremost, keep your loyalty to your employer. Satisfied customers are more likely to become repeat or long-term customers. Products that customers are satisfied with potential to be purchased again and again by those customers.
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- 5) Giving Feedback; Although the customer is satisfied, they constantly want more. Customers will then provide comments or suggestions so that their desires can be met.

The Effect of Service Quality on Consumer Satisfaction Service

Providing clients with an incentive to build a long-term relationship with a firm is a critical component of quality. Customers' expectations and demands might be better met if a company has a long-term relationship with them. Because of this, organizations can boost consumer happiness, which in turn increases client loyalty, which in turn creates customer loyalty or loyalty to companies that give excellent quality [5]. To improve and sustain quality in the company's products and services, service quality is a continual improvement work process, according to Kotler [6]. Customer satisfaction and service excellence are closely linked. It is excellent and satisfactory if the service is received following customer expectations, and it is perfect and quality if the service exceeds customer expectations. When a company's consumers are happy and confident in the quality of its services, this can lead to increased sales and a positive brand image.

The thinking framework in this study is as shown in figure 1.

H1: Tangible (X1) has an effect on KFC Consumer Satisfaction (Y).

H2: Concern (X2) has an effect on Consumer Satisfaction of KFC (Y).

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H5: Guarantee (X5) has an effect on KFC Consumer Satisfaction (Y).

H6: Quality of Service which consists of Physical Evidence (X1), Empathy (X2), Reliability (X3), Responsiveness (X4), Assurance (X5) influence together on Consumer Satisfaction (Y).

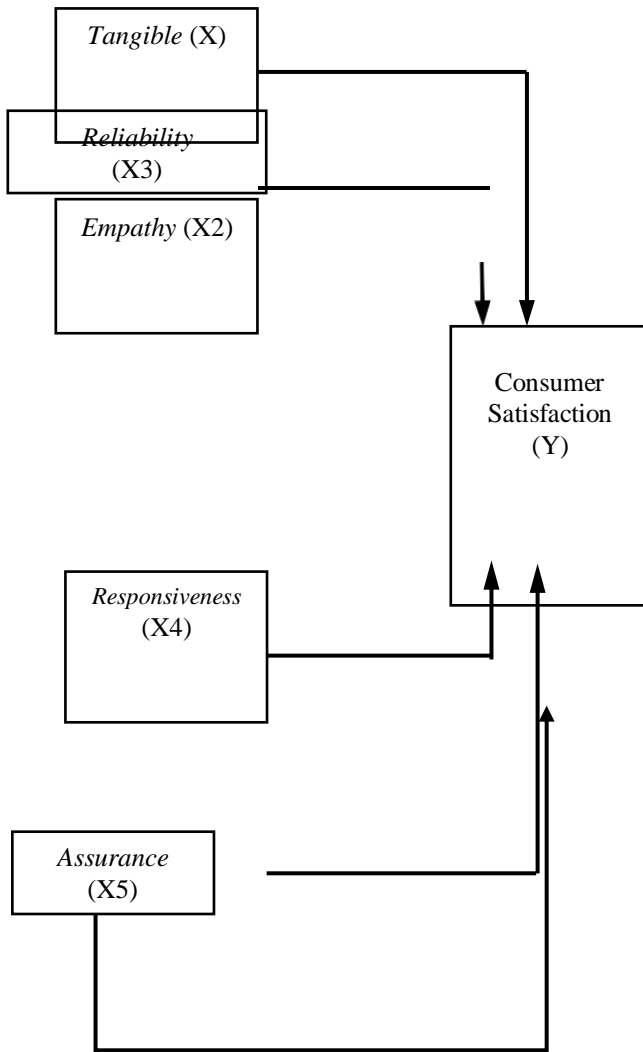


Figure 1 Thinking Framework

3. METHOD

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According to the first hypothesis, consumer Satisfaction with Physical Evidence has no substantial impact because other dimensions take precedence. According to Tjiptono [1] client happiness is closely linked to the quality of the service provided. Service that exceeds customers' expectations is seen as excellent in quality and satisfaction if the service is received or believed to be appropriate and expected. We may conclude from this study that tangible goods can have an impact on customer satisfaction. There is no evidence that physical evidence has an impact on customer satisfaction at KFC in this study.

3.2. *Effect of Concern for Customer Satisfaction*

Based on t-test (partial) showed that the dimension of Concern partially not significantly affect customer satisfaction at KFC, which is indicated by the value of t the (0.927) < t-table (1.985) and significant (0.375) > alpha (0.05) then H0 is accepted.

Based on the indicator score in the Dimension of This research uses quantitative research. The population in this study were all customers at KFC fast-food restaurants spread across three areas in City. The sample of this study amounted to 100 people. Data processing and analysis were carried out using the SPSS program.

4. RESULTS AND DISCUSSION

The Effect of Physical Evidence on Consumer Satisfaction

Based on the results of the t-test (partial) it shows that the Dimension of Physical Evidence partially does not significantly affect Consumer Satisfaction at KFC, which is indicated by the value of count (1.650) < t-table (1.985) and significance (0.102) > alpha (0.05) then H₀ is accepted. This can be interpreted that the consumer's assessment of the Quality of Physical Evidence Services at KFC varies, depending on the perception of the consumer concerned, according to conditions.

Based on the indicator scores in the Physical Evidence Dimension which consists of three (3) indicators, namely satisfaction with the facilities provided by KFC (Wifi), satisfaction with the comfort of the dining area, and satisfaction with the cleanliness of the work equipment used by employees, which of the three indicators shows that The highest score is an indicator of satisfaction with the comfort of a place to Concern which consists of three (3) indicators, namely satisfaction of attention to customers, satisfaction to always give greetings when providing service, and satisfaction in terms of prioritizing the interests of customers, which of the three indicators shows that the highest score is an indicator of satisfaction. In terms of prioritizing the interests of customers with a score of 407. This indicates that consumers are satisfied when employees prioritize the interests of consumers rather than the interests of their own employees so that consumers feel neglected by employees but feel fully cared for.

This is in line with the opinion of Tjiptono [1] who said that service quality has a close relationship with customer service Customer satisfaction. If the perceived service is appropriate, expected, then the quality of service is perceived as good and satisfactory, and if the service received exceeds customer expectations, then the quality of service is perceived as very good and quality. With this, it is clear that Concern effect Consumer Satisfaction. However, in this study, Care does not significantly affect Consumer Satisfaction at KFC because there are other dimensions of Service Quality that are more dominantly influential. Effect of reliability against Customer Satisfaction

Based on t test (partial) showed that the dimension of reliability partial significantly influence consumer satisfaction at KFC, which indicated valuet (3.169) > t-table (1.985) and significant (0.002) < alpha (0,05) then H₀ is rejected. The Reliability dimension has a significant effect because consumers prefer the elements that exist in this dimension which are employees who always greet before serving consumers, employees who are honest in providing services and also employees who serve carefully and try to avoid mistakes.

Based on the indicator scores in the Reliability dimension which consists of three (3) indicators, namely satisfaction with employees who always give greetings before serving customers, satisfaction with employees who are honest in providing services, and satisfaction with employees who serve carefully and try to avoid mistakes, which of the three indicators shows that the highest score is an indicator of satisfaction with honest employees in providing services with a score of 423. This implies that consumers will feel very satisfied when employees in serving employees behave and behave honestly with consumers.

Based on the third hypothesis, it can be seen that consumer satisfaction, one of which is influenced by satisfaction with employees who always give greetings before serving customers, satisfaction with employees who are honest in providing services, and satisfaction with employees who serve carefully and try to avoid mistakes. Tjiptono [7] suggests that Service Quality has a close relationship with Consumer Satisfaction. If the service meets or exceeds expectations, the perceived service quality is excellent. With this, it is clear that the dimension of reliability has an effect on customer satisfaction. This is in line with research conducted by [8]–[10] which shows that partially the reliability variable has a significant effect on consumer satisfaction.

Influence Response to Customer Satisfaction

Based on t test (partial) indicates that Dimensional Response partially not significantly affect customer satisfaction at KFC, which is indicated by the value of tthe (1.018) <ttable (1.985) and significant (0.312) > alpha (0.05) then H0 is accepted.

Based on the indicator score in the Reliability Dimension which consists of three (3) indicators, namely satisfaction ready to help customers, satisfaction with the speed in service, and satisfaction with smooth communication, which of the three indicators shows that the highest score is an indicator of satisfaction with smooth communication with a score of 417. This indicates that smooth communication allows consumers to get clear information so that they do not confuse consumers/customers when they are going to order food or other things or when they want to need information about something.

Tjiptono [7] suggests that Service Quality has a close relationship with Consumer Satisfaction. If the perceived service meets customer expectations, the perceived service quality is acceptable; if the perceived service meets or exceeds customer expectations, the perceived service quality is exceptional. With this, it is clear that the dimension of Responsiveness has an effect on Consumer Satisfaction. However, in this study, responsiveness did not significantly affect consumer satisfaction at KFC KFC because there were other dimensions of service quality that had a more dominant effect.

Influence Assurance of Customer Satisfaction

Based on t test (partial) indicates that Dimensional Security partial significantly influence consumer satisfaction at KFC, which is indicated by the value of tthe (2.703) > ttable (1.985) and significant (0.008) <alpha (0.05) then H0 is rejected. Thus it can be interpreted that the higher the level of the Assurance Dimension will have an impact on Consumer Satisfaction at KFC.

Based on the indicator scores in the Assurance Dimension which consists of three (3) indicators, namely satisfaction with the services provided are very good, satisfaction with employees who really understand what the customer wants, and satisfaction with employees who have good knowledge about the products contained in KFC, which of the three indicators shows that the highest score is an indicator of satisfaction with employees who have good knowledge of the products available at KFC with a score of 421. This indicates that good knowledge of products really helps consumers in determining what products they want and also when consumers want to order food, employees are not confused by what consumers order because employees have mastered the existing products well.

The Guarantee dimension emphasizes the wisdom of KFC in providing a sense of security, free from risk or doubt to consumers. So with the guarantee provided by the KFC, the consumers who come to the KFC feel satisfied. This is due to the bonus facility, namely by providing a sense of comfort and security at the time of work and in performing services. This is in accordance with the opinion of Yazid (2008) which explains that assurance includes reliability or guarantee of competence, trustworthiness, honesty of service providers, possession of skills and knowledge needed to perform services, and credibility.

This research is in line with that conducted by [8], which shows that partially the guarantee variable has a significant effect on consumer satisfaction.

The Effect of Service Quality which consists of Physical Evidence, Concern, Reliability, Responsiveness, Guarantee of Consumer Satisfaction

Customers can be persuaded to stick with a company's products and services if the service quality is excellent. When it comes to maintaining consumers, customer satisfaction is a major aspect.

Based on the results of the F test, it shows that the F value calculated (66.929) > Ftable (2.47) then H0 is rejected so it can be concluded that the Service Quality variable consisting of Physical Evidence, Concern, Reliability, Responsiveness, Guarantee simultaneously has a significant effect on Consumer Satisfaction at KFC, because in order to maintain Customer Satisfaction, the Quality of Service in the form of Physical Evidence, Care, Reliability, Responsiveness, Guarantee are important factors. When a corporation is able to consistently improve and maintain the quality of its products

and services, this is referred to as "service quality" by Kolter [6]. Customers can be persuaded to stick with a company's products and services if the service quality is excellent. In order to keep clients happy and loyal, it is critical to provide high-quality service in line with the market's demands. In addition, Chandra [11] states that High service quality in a business creates customer satisfaction. After receiving a satisfactory product or service, the consumer will compare the services received. If consumers feel really satisfied, they will repurchase and recommend to others to buy in the same place.

The dimensions of Physical Evidence, Concern, and Responsiveness partially have no significant effect on Consumer Satisfaction, but in the simultaneous test, the Dimensions of Physical Evidence, Concern, Reliability, Responsiveness, Assurance have a significant simultaneous effect this is due to two (2) other dimensions namely Reliability and Assurance Dimensions This dominant influence is seen from the regression coefficient of the Dimension of Reliability and Assurance which is the largest compared to the others.

Based on the results of the analysis of determination which shows that the percentage of independent influence, namely Service Quality (Physical Evidence, Concern, Reliability, Responsiveness, Assurance) on the dependent variable of Consumer Satisfaction is 78.10% while the remaining 21.90% is influenced by other variables not included in this research.

This research is in line with that conducted by [8], which shows that the Service Quality variable simultaneously has a significant effect on consumer satisfaction.

5. CONCLUSION

It can be concluded that, based on partial test results, Physical Evidence, Concern, and Responsiveness have no significant effect on Consumer Satisfaction in City KFC whereas Reliability and Assurance have a significant effect on Consumer Satisfaction in City. This indicates that service quality elements such as Physical Evidence, Concern and Reliability have a substantial impact on customer satisfaction in Indonesia based on the simultaneous test findings. KFC in the city of

The study has several recommendations, that is KFC City is expected to maintain and continue to improve the quality of service in the form of Reliability Dimensions where employees must remain honest in providing services to consumers, and employees continue to serve carefully and always try to avoid mistakes, so that consumers remain satisfied with the attitudes and responses of employees to consumers. In addition, KFC City is expected to continue to maintain and improve the quality of service in the form of Dimensions of Guarantee to consumers by continuing to provide good service to consumers, being able to understand what needs consumers want and good knowledge about the products contained in KFC so that consumers remain satisfied with the quality. services provided by the KFC.

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A FIELD PROJECT REPORT

ON

“CUSTOMER SATISFACTION ON KFC”

Submitted to

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Submitted By

**(KAKARLA REVATHI, SENAPATHI VIJAYA KAVYASRI, BOLAMALA EMILY PRIYA, PALURI
SNEHA, TUMMALAPENTA PUJA)**

(Regd. No. 211FC01035, 211FC01036, 211FC01037, 211FC01038, 211FC01039)

Under the esteemed guidance of

Mr. S. Sudheer

Assistant Professor



VIGNAN'S

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APRIL-2023



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PERMISSION LETTER

Following are the students **KAKARLA REVATHI, SENAPATHI VIJAYA KAVYASRI, BOLAMALA EMILY PRIYA, PALURI SNEHA, TUMMALAPENTA PUJA** of II MBA bearing Regd. No. . **211FC01035, 211FC01036, 211FC01037, 211FC01038, 211FC01039** were permitted to do a field project on the topic "CUSTOMER SATISFACTION ON KFC".

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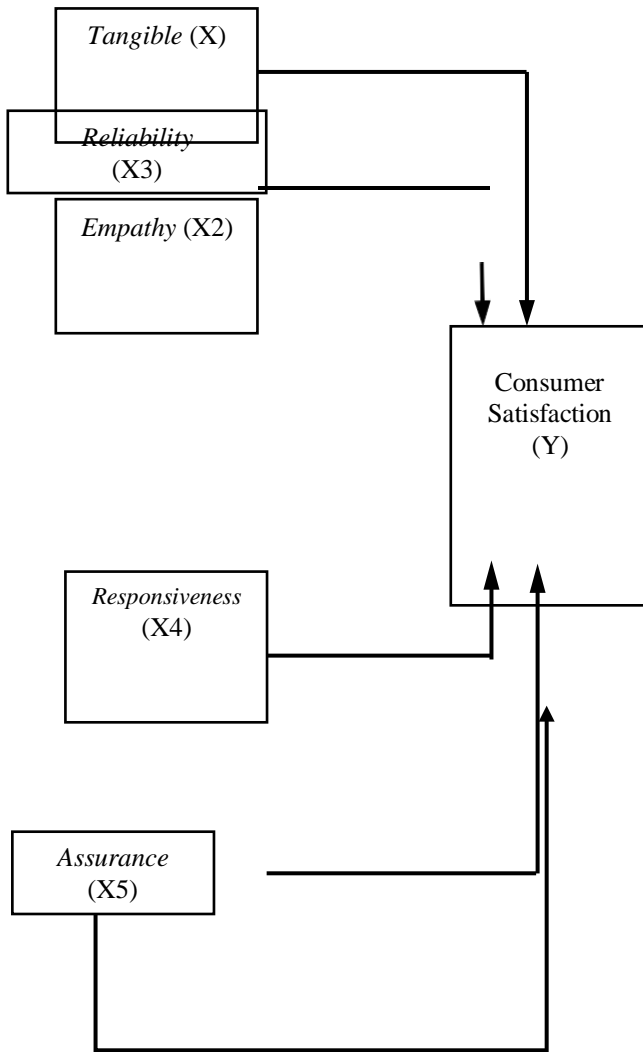


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The Effect of Physical Evidence on Consumer Satisfaction

Based on the results of the t-test (partial) it shows that the Dimension of Physical Evidence partially does not significantly affect Consumer Satisfaction at KFC, which is indicated by the value of count (1.650) < t-table (1.985) and significance (0.102) > alpha (0.05) then H₀ is accepted. This can be interpreted that the consumer's assessment of the Quality of Physical Evidence Services at KFC varies, depending on the perception of the consumer concerned, according to conditions.

Based on the indicator scores in the Physical Evidence Dimension which consists of three (3) indicators, namely satisfaction with the facilities provided by KFC (Wifi), satisfaction with the comfort of the dining area, and satisfaction with the cleanliness of the work equipment used by employees, which of the three indicators shows that The highest score is an indicator of satisfaction with the comfort of a place to Concern which consists of three (3) indicators, namely satisfaction of attention to customers, satisfaction to always give greetings when providing service, and satisfaction in terms of prioritizing the interests of customers, which of the three indicators shows that the highest score is an indicator of satisfaction. In terms of prioritizing the interests of customers with a score of 407. This indicates that consumers are satisfied when employees prioritize the interests of consumers rather than the interests of their own employees so that consumers feel neglected by employees but feel fully cared for.

This is in line with the opinion of Tjiptono [1] who said that service quality has a close relationship with customer service Customer satisfaction. If the perceived service is appropriate, expected, then the quality of service is perceived as good and satisfactory, and if the service received exceeds customer expectations, then the quality of service is perceived as very good and quality. With this, it is clear that Concern effect Consumer Satisfaction. However, in this study, Care does not significantly affect Consumer Satisfaction at KFC because there are other dimensions of Service Quality that are more dominantly influential. Effect of reliability against Customer Satisfaction

Based on t test (partial) showed that the dimension of reliability partial significantly influence consumer satisfaction at KFC, which indicated valuet (3.169) > t-table (1.985) and significant (0.002) < alpha (0,05) then H₀ is rejected. The Reliability dimension has a significant effect because consumers prefer the elements that exist in this dimension which are employees who always greet before serving consumers, employees who are honest in providing services and also employees who serve carefully and try to avoid mistakes.

Based on the indicator scores in the Reliability dimension which consists of three (3) indicators, namely satisfaction with employees who always give greetings before serving customers, satisfaction with employees who are honest in providing services, and satisfaction with employees who serve carefully and try to avoid mistakes, which of the three indicators shows that the highest score is an indicator of satisfaction with honest employees in providing services with a score of 423. This implies that consumers will feel very satisfied when employees in serving employees behave and behave honestly with consumers.

Based on the third hypothesis, it can be seen that consumer satisfaction, one of which is influenced by satisfaction with employees who always give greetings before serving customers, satisfaction with employees who are honest in providing services, and satisfaction with employees who serve carefully and try to avoid mistakes. Tjiptono [7] suggests that Service Quality has a close relationship with Consumer Satisfaction. If the service meets or exceeds expectations, the perceived service quality is excellent. With this, it is clear that the dimension of reliability has an effect on customer satisfaction. This is in line with research conducted by [8]–[10] which shows that partially the reliability variable has a significant effect on consumer satisfaction.

Influence Response to Customer Satisfaction

Based on t test (partial) indicates that Dimensional Response partially not significantly affect customer satisfaction at KFC, which is indicated by the value of tthe (1.018) <ttable (1.985) and significant (0.312) > alpha (0.05) then H0 is accepted.

Based on the indicator score in the Reliability Dimension which consists of three (3) indicators, namely satisfaction ready to help customers, satisfaction with the speed in service, and satisfaction with smooth communication, which of the three indicators shows that the highest score is an indicator of satisfaction with smooth communication with a score of 417. This indicates that smooth communication allows consumers to get clear information so that they do not confuse consumers/customers when they are going to order food or other things or when they want to need information about something.

Tjiptono [7] suggests that Service Quality has a close relationship with Consumer Satisfaction. If the perceived service meets customer expectations, the perceived service quality is acceptable; if the perceived service meets or exceeds customer expectations, the perceived service quality is exceptional. With this, it is clear that the dimension of Responsiveness has an effect on Consumer Satisfaction. However, in this study, responsiveness did not significantly affect consumer satisfaction at KFC KFC because there were other dimensions of service quality that had a more dominant effect.

Influence Assurance of Customer Satisfaction

Based on t test (partial) indicates that Dimensional Security partial significantly influence consumer satisfaction at KFC, which is indicated by the value of tthe (2.703) > ttable (1.985) and significant (0.008) <alpha (0.05) then H0 is rejected. Thus it can be interpreted that the higher the level of the Assurance Dimension will have an impact on Consumer Satisfaction at KFC.

Based on the indicator scores in the Assurance Dimension which consists of three (3) indicators, namely satisfaction with the services provided are very good, satisfaction with employees who really understand what the customer wants, and satisfaction with employees who have good knowledge about the products contained in KFC, which of the three indicators shows that the highest score is an indicator of satisfaction with employees who have good knowledge of the products available at KFC with a score of 421. This indicates that good knowledge of products really helps consumers in determining what products they want and also when consumers want to order food, employees are not confused by what consumers order because employees have mastered the existing products well.

The Guarantee dimension emphasizes the wisdom of KFC in providing a sense of security, free from risk or doubt to consumers. So with the guarantee provided by the KFC, the consumers who come to the KFC feel satisfied. This is due to the bonus facility, namely by providing a sense of comfort and security at the time of work and in performing services. This is in accordance with the opinion of Yazid (2008) which explains that assurance includes reliability or guarantee of competence, trustworthiness, honesty of service providers, possession of skills and knowledge needed to perform services, and credibility.

This research is in line with that conducted by [8], which shows that partially the guarantee variable has a significant effect on consumer satisfaction.

The Effect of Service Quality which consists of Physical Evidence, Concern, Reliability, Responsiveness, Guarantee of Consumer Satisfaction

Customers can be persuaded to stick with a company's products and services if the service quality is excellent. When it comes to maintaining consumers, customer satisfaction is a major aspect.

Based on the results of the F test, it shows that the F value calculated (66.929) > Ftable (2.47) then H0 is rejected so it can be concluded that the Service Quality variable consisting of Physical Evidence, Concern, Reliability, Responsiveness, Guarantee simultaneously has a significant effect on Consumer Satisfaction at KFC, because in order to maintain Customer Satisfaction, the Quality of Service in the form of Physical Evidence, Care, Reliability, Responsiveness, Guarantee are important factors. When a corporation is able to consistently improve and maintain the quality of its products

and services, this is referred to as "service quality" by Kolter [6]. Customers can be persuaded to stick with a company's products and services if the service quality is excellent. In order to keep clients happy and loyal, it is critical to provide high-quality service in line with the market's demands. In addition, Chandra [11] states that High service quality in a business creates customer satisfaction. After receiving a satisfactory product or service, the consumer will compare the services received. If consumers feel really satisfied, they will repurchase and recommend to others to buy in the same place.

The dimensions of Physical Evidence, Concern, and Responsiveness partially have no significant effect on Consumer Satisfaction, but in the simultaneous test, the Dimensions of Physical Evidence, Concern, Reliability, Responsiveness, Assurance have a significant simultaneous effect this is due to two (2) other dimensions namely Reliability and Assurance Dimensions This dominant influence is seen from the regression coefficient of the Dimension of Reliability and Assurance which is the largest compared to the others.

Based on the results of the analysis of determination which shows that the percentage of independent influence, namely Service Quality (Physical Evidence, Concern, Reliability, Responsiveness, Assurance) on the dependent variable of Consumer Satisfaction is 78.10% while the remaining 21.90% is influenced by other variables not included in this research.

This research is in line with that conducted by [8], which shows that the Service Quality variable simultaneously has a significant effect on consumer satisfaction.

5. CONCLUSION

It can be concluded that, based on partial test results, Physical Evidence, Concern, and Responsiveness have no significant effect on Consumer Satisfaction in City KFC whereas Reliability and Assurance have a significant effect on Consumer Satisfaction in City. This indicates that service quality elements such as Physical Evidence, Concern and Reliability have a substantial impact on customer satisfaction in Indonesia based on the simultaneous test findings. KFC in the city of

The study has several recommendations, that is KFC City is expected to maintain and continue to improve the quality of service in the form of Reliability Dimensions where employees must remain honest in providing services to consumers, and employees continue to serve carefully and always try to avoid mistakes, so that consumers remain satisfied with the attitudes and responses of employees to consumers. In addition, KFC City is expected to continue to maintain and improve the quality of service in the form of Dimensions of Guarantee to consumers by continuing to provide good service to consumers, being able to understand what needs consumers want and good knowledge about the products contained in KFC so that consumers remain satisfied with the quality. services provided by the KFC.

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A FIELD PROJECT
REPORT ON IMPACT OF MOTIVATION ON EMPLOYEE PERFORMANCE
IN IT SECTOR

A Project Report submitted in partial fulfilment of the requirement for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Submitted By

**(GUDE VARALAKSHMI, MOHAMMAD MUBEENA, GUNTUPALLI SESHUBABU, UPPALA SAI GOPANTH,
MOOLEY PRASANTHI, INNMURI NISCHALA)**

(Regd. No. 211FC01007, 211FC01008, 211FC01009, 211FC01010, 211FC01011, 211FC01012)

Under the Supervision of

Mr. M S Kishan Varma,

Assistant Professor.



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DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research Deemed to be University

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

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Date: 20-04-2024

PERMISSION LETTER

Following are the students **GUDE VARALAKSHMI, MOHAMMAD MUBEENA, GUNTUPALLI SESHUBABU, UPPALA SAI GOPANTH, MOOLEY PRASANTHI, INNMURI NISCHALA** of II MBA bearing roll numbers Regd. No. **211FC01007, 211FC01008, 211FC01009, 211FC01010, 211FC01011, 211FC01012** were permitted to do a field project on the topic “A FIELD PROJECT REPORT ON IMPACT OF MOTIVATION ON EMPLOYEE PERFORMANCE IN IT SECTOR”.

M. S. K. Dasu

GUIDE

HOD, MBA



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CERTIFICATE

I hereby certify that, the filed project entitled A FIELD PROJECT REPORT ON IMPACT OF MOTIVATION ON EMPLOYEE PERFORMANCE IN IT SECTOR submitted by **GUDE VARALAKSHMI, MOHAMMAD MUBEENA, GUNTUPALLI SESHUBABU, UPPALA SAI GOPANTH, MOOLEY PRASANTHI, INNMURI NISCHALA** bearing the Regd. No. **211FC01007, 211FC01008, 211FC01009, 211FC01010, 211FC01011, 211FC01012** from the Department of Management Studies, Vignans Foundation for Science Technology and Research deemed to be University and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

N. S. K. Udaya

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ABSTRACT

The purpose of conducting this research is to identify the Impact of Motivation on Employee Performance in IT Sector. Employees are the heart of the organisation and Motivation is a significant part in all organisations. Organisation can't run and meet their desired goals and objectives without motivating their employees. Data collected for this study includes both Primary and Secondary data.

Primary data was collected through a questionnaire from employees in IT companies such as Wipro, HCL, Oracle, Tech Mahindra, TCS, Microsoft and Infosys. Secondary data was collected through websites and various journals. Descriptive research design through questionnaire has been adopted for this study. A sample size of 110 respondents are taken and used simple random probability sampling technique. Descriptive statistics are used in this study and collected data was analysed through SPSS by using Correlation. The most interesting aspect is that result of this study found all the factors chosen have significant relationship with motivation. Moreover, it found training and development, reward and recognition and delegation of authority has significant impact on performance of employee.

Keywords: Employees, Motivation, Organisational goals, Employee Performance, IT sector, Productivity.

CHAPTER-1
INTRODUCTION

Chapter-1

INTRODUCTION

The only way to get people to like work hard is to motivate them. Motivation plays an important role for accomplishment of any organisation. The word motivation is derived from the Latin word **MOTUS**, which means experience of desire or aversion (you want something, or want to avoid or escape something). As such, motivation has both an objective aspect (a goal or thing you aspire to) and an internal or subjective aspect (it is you that wants the thing or wants it to go away).

In the organisation motivation impact the employee performance especially those employees who have the less skills they are motivated more and contribute 100 percent with the work. In the organisation employee job satisfaction contribute a vital role in the making of profit and also increase the productivity of workers.

Can the employees to execute in the best of their abilities. Therefore, the role of a leader is to arouse interest in presentation of employees in their jobs. The process of motivation consists of 3 stages.

1. A felt need or oblige
2. An incentive in which needs have to be aroused.
3. When needs are satisfied, the satisfaction or achievement of goals.

Employee performance: The activity of performance of doing something fruitfully by knowledge as famous from simply possessing it. A performance comprises an event in which normally one group of people the performer or performers act in a particular way for another group of people.

Productivity: Productivity is that which people can produce with the smallest amount effort, productivity is a ratio to calculate how well an organisation or individual, industry, country converts input belongings, labour, materials, machines etc. into goods and services.

Working Environment: Stresses, influences, and competitive, situation, civilizing, demographic, profitable, usual, political, regulatory, and environmental factors that affect the survival, operations, and development of an organisation

1.1. BACKGROUND OF THE STUDY:

What makes the employee of any organisation to provide excellent service? The answer to this question will be lies in this research paper. Motivation is combination of factors that operate within

each individual and requires a combination of approaches. In general sense, motivation is combination of motive and action. Vroom has suggested that performance can be thought of a multiplicative function of motivation and ability. This research reveals that an employee's ability only partially determines his output or productivity. The other major determinant is his motivation level. "psychological forces that determine the direction of a person's behaviour in an organisation, a person's level of effort and a person's level of persistence". Jones and George from the book "Contemporary Management". Employee motivation plays a vital role in the management field both theoretically and practically. It is said that one of the important functions of human resource manager is to ensure job commitment at the workplace, which can only be achieved through motivation. There is general agreement that people are motivated in situations where they can participate, they can feel accomplishment and receive recognition for their work, where the communication is frequent and there are opportunities for career and knowledge growth. Motivation is crucial for good performance and therefore it is increasingly important to study what motivates employees for better performance, so this journal urges that more and more research should be conducted to find out the factors that affects the employee performance significantly.

1.2. THEORETICAL FRAMEWORK:

In the field of psychology motivation is one of the most significant element and most supervisors who want highest production and output. The supervisor hold this with a better technique and motivate their workers in a good manner. Motivation is an operative tool that in the shape of administration in motivation the labour force.

According to Dublin (1977) describes that motivation is the difficult powers that keep and maintain an individual to continue effort in the organisation. The enthusiasm to exercise huge levels of energy to attain organisational objectives by the effort ability to fulfil some individual desires. And it's only possible that management can motivate their employees to work for the achieving the organisational goals and objectives (Robbins, 1988). Siagian Sondra p (2004) defined that motivation is the energetic force that occurred when one participants of the organisation wants and eager to apply in the shape of skill or expertise, time and effort to establish different events which they are answerable and accomplish their responsibility in the reason to attain the organisation goals and objective that has been scheduled.

The classes of motivation are natural and extraneous. Motivation as the tactic in which desires, argues, striving, aspiration, explain or control the behaviour of the human organisms (Dalton E. Farland, 1974).

- Natural motivation is an intellectual determination that chooses the development of a person's conduct as a significance of challenging or motivating job, defined extensions to generate capabilities, proposing self-determination to do work, exposed entry to make and progress, and etc.
- Extraneous is similarly intellectual induce that adopts negotiating variation as an outcome of considerable and intangible revenue, such as, exceptional endowments, reimbursement, and subsidiary benefit.

This research is based on the following motivational theories.

1.2.1. CONTENT THEORIES:

Theories articulating the content of motivation: what kinds of thing people find motivating are among the earliest theories in the history of motivation research. Because content theories focus on which categories of goal (needs) motivate people, content theories are related to need theories. There are number of views of literary personalities relating to motivation and motivational theories. Content theories gives us a lead to know about people's needs and the things which are necessary for motivation of employees.

Maslow's Hierarchy of Needs:

The American motivation psychologist Abraham H. Maslow (1954) developed the hierarchy of needs consisting of five universal needs motivate a person. The needs, listed from basic (lowest-earliest) to most complex (highest-latest). He arranged them as follows:

- Physiological/Basic (food, shelter, clothes, sleeping and breathing)
- Safety/Security/Shelter/Health
- Social/Love/Friendship
- Self-esteem/Recognition/Achievement
- Self-actualization/ achievement of full potential

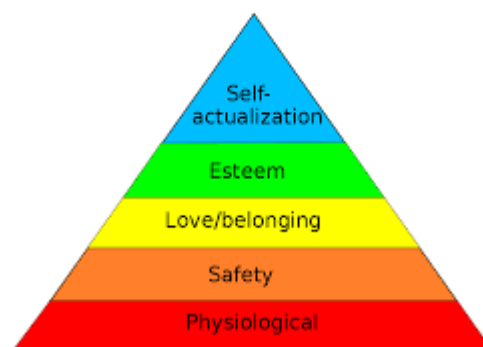


Fig. 1.1 Maslow's Hierarchy of Needs

Maslow's hierarchy of needs, represented as a Pyramid with the more basic needs at the bottom.

Maslow's hierarchy of needs theory can be summarized as follows:

- Human beings have wants and desires which, when unsatisfied, may influence behaviour.
- Differing levels of importance to human life are reflected in a hierarchical structure of needs.
- Needs at higher levels in the hierarchy are held in abeyance until lower level needs are at least minimally satisfied.
- Needs at higher levels of the hierarchy are associated with individually, humanness and psychological health.

Herzberg's Two-Factor Theory:

Frederick Herzberg's two-factor theory concludes that certain factors in the workplace result in job satisfaction (motivators), while others (hygiene factors), if absent, lead to dissatisfaction but are not related to satisfaction. The name hygiene factors are used because, like hygiene, the presence will not improve health, but absence can cause health deterioration.

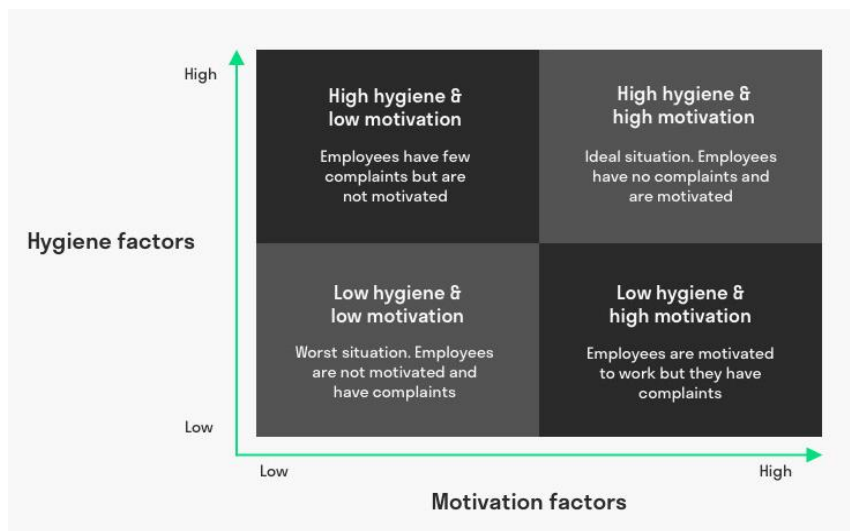


Fig. 1.2 Herzberg's two-factor theory

The factors that motivate people can change over their lifetime. Some are motivating factors (satisfiers) were Achievement, recognition, work itself, responsibility, advancement, and growth.

Some hygiene factors (dissatisfiers) were company policy, supervision, working conditions, interpersonal relations, salary, status, job security, and personal life.

Alderfer’s ERG Theory:

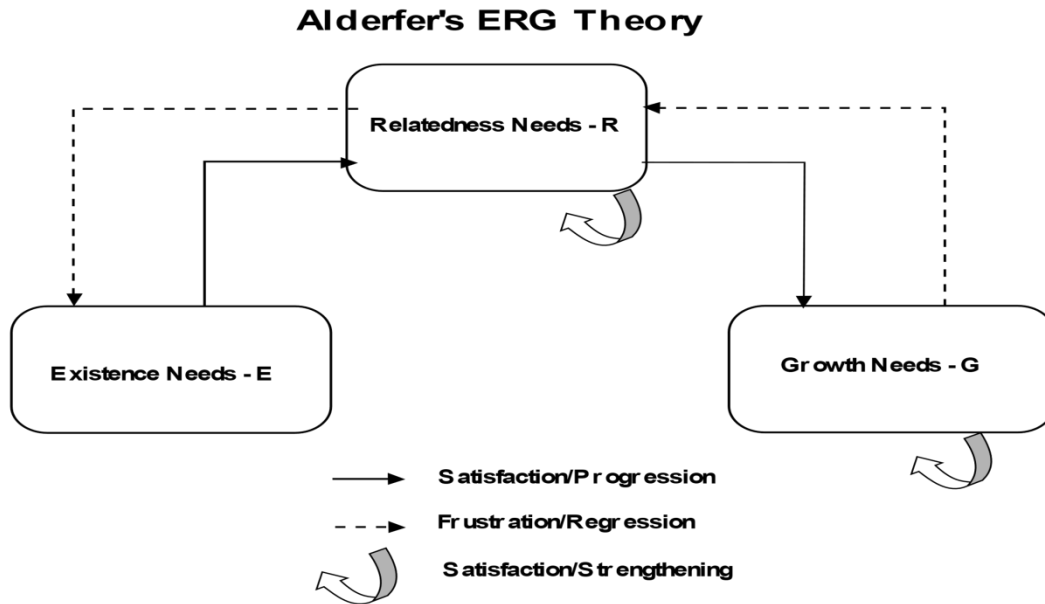


Fig. 1.3 Alderfer’s ERG theory

ERG theory is a theory in psychology proposed by Clayton Alderfer. He further developed Maslow’s hierarchy of needs by categorising the hierarchy into his ERG theory (Existence, Relatedness and Growth).

- Existence group concerned with providing the basic material existence requirements of humans. They include the items that Maslow considered to be physiological and safety needs.
- Relatedness group concerned with desire people have for maintaining important interpersonal relationships. These are aligned with Maslow’s social needs and esteem classification.
- Growth needs concerned with an intrinsic desire for personal development. These include the Maslow’s esteem category and the characteristics included in under self-actualisation.

Self-Determination Theory:

Since the early 1970s Deci and Ryan have developed and tested their self-determination theory. This identifies that three innate needs that, if satisfied, allow optimal function and growth: competence, relatedness, and autonomy. There are three essential elements to the theory.

- Humans are inherently proactive with their potential and mastering their inner forces (such as drive and emotions).
- Humans have an inherent tendency towards growth, development and integrated functioning.
- Optimal development and actions are inherent in humans but they do not happen automatically.

1.2.2. PSYCHOLOGICAL THEORIES:

Motivation can be conceived of as a cycle in which thoughts influence behaviours, drive performance affects thoughts, and the cycle begins again. Each stage of the cycle is composed of many dimensions including attitudes, beliefs, intentions, effort, and withdrawal, which can all affect the motivation that an individual experience. Most psychological theories hold that motivation exists purely within the individual, but socio-cultural theories express motivation as an outcome of participant in actions and activities within the cultural context of social groups.

1.3. IMPORTANCE OF MOTIVATION:

Motivation occupies an important place and position in the whole management process. This technique can be used fruitfully for encouraging workers to make positive contribution for achieving organisational objectives. Motivation is necessary as human nature needs some sort of inducement, encouragement, or incentive in order to get better performance. Motivation of employees offers many benefits to the organisation and also to the employees. This suggests the importance of motivation employees. Motivation acts as a technique for improving the performance of employees working at different levels.

Motivation of employees is one function which every manager has to perform along with other managerial functions. A manager has to function as a friend and motivator of his subordinate. Motivation is useful in all aspects of life and even our family life. The same is the case with business. This clearly suggest the motivation is extremely important. It is an integral part of management process itself.

Factors to encourage motivation:

- Management and leadership actions that allow employees.
- Believe about your employee's strengths.
- Inquire employees what they want.
- Teach employees to measure their own success.

- Crystal clear and regular communication about factors important to employees.
- Treating employees with respect.
- Providing regular employee respect.
- Feedback and training from managers and leaders.
- Industry-average benefits and recompense.
- Carry an idea notebook.
- Explain rewards systems.
- Inquire employees for information about their performance.
- Stop distracting employees.

Motivation is a helpful instrument in the hands of management in exciting the workforce. Motivation increases the willingness of the workers to work, thus increasing effectiveness of the organisation.

- Best utilisation of resources.
- Reduction in labour problems.
- Sizeable increase in production and productivity.
- Basis of cooperation.
- Better image.

1.4. THE EFFECT OF MOTIVATION ON EMPLOYEE PERFORMANCE:

Motivated employees are inclined to be more productive than non-motivated employees. Most businesses make some pains to motivate workers but this is normally easier said than done. Employees are all individuals with different likes, dislikes and needs, and different things will motivate each.

- **Motivated employees are more Productive:** If employee will be satisfied and happy then he/she will do his/her work in a very impressive way and then the result will be good, on the other hand motivated employee will motivate other employees in office.
- **Decision-making and Practical Expectation:** It is important to engage employees in the decision-making process, but create realistic expectations in the process.
- **Job Descriptions, Work Environment and Flexibility:** Employee doing the right job for his personality and skillset and performing well at the job greatly increases employee motivation and satisfaction. A safe and non-threatening work environment is necessary to maintain a high level of employee motivation. Flexible human resource policies, flexible time, work from home, child care also be liable to have happier and more motivated workers.

- **Pay and Benefits:** Keeping employees motivated with good benefits is easy. Where to draw the line at the generous benefits that motivate all employees, versus raises and larger salaries to retain and the best workers and keep them happy and motivated to be working for you, are more difficult.
- **Company Culture:** Creating a positive and employee-friendly company culture is a great motivational tool.

CHAPTER-2
LITERATURE REVIEW

Chapter-2

LITERATURE REVIEW

- Muhammad Nadeem, Naveed Ahmad, Muhammad Abdullah and Naqvi Hamad (2014), investigated two factors, authorisations and worker identification and different factors for attractive worker inspiration that ends up in formal effectiveness. In future worker authorisation and worker recognition can play vital role within the succession of the personal firm.
- Connie Bao and Dr. Ismail Nizam (2015), studies the impact of motivation on employee performance in the Electronics Industry in China. As per the findings there is a positive and significant relationship between training and development with performance of employees. Employees always seek to be recognised and rewarded. As rewards and recognition are important factor which reflect positively on the performance of employees.
- Irum Shahzadi, Ayesha Javed, Syed Shahzaib Pirzada, Shagufta Nasreen and Farida Khanam (2014), investigates that what kind of factors influence employee motivation in Pakistan and finding up to which extent motivation affects the employee performance. Individuals working in business to business segments affirmed that they were motivated by the autonomy and freedom they were given to work, by the responsibility they were given and by the position and tasks they were provided by the management.
- Amjad Ali, Li Zhong Bin, Huang Jian Piang and Zulfiqar Ali (2016), makes the research work to find out the impact of motivation on employee performance and job satisfaction in IT Park (Software House) sector of Peshawar, Pakistan. The results proposed that by using key elements such as reasonable wage and salary, job security, job enlargement and other supplementary financial and non-financial incentives and bonus than the employee's performance and job satisfaction will automatically expand and very easily organisation attain their desire goals and objectives.
- Mohammad Nurun Nabi, Mohammad Monirul Islam, Tanvir Mahady Dip and Mohammad Abdullah Al Hossain (2017), analyses the impact of motivation on employee performance: A Case Study of Karmasangsthan Bank Limited, Bangladesh. From what the researchers found it can easily be stated that the connection between motivation and performance is quite natural if not obvious. When the employees will get some extra drive an exertion, it is bound to be ameliorate their typical standard of performance.
- Masud Ibrahim (2015), examine the impact of motivation on employee performance in the Financial Sector in Ghana. Based on findings the researcher concludes that motivation is an important factor in determining employees satisfaction and performance. What motivates

employees is beyond monetary rewards and intrinsic and extrinsic rewards. Motivation should be targeted at satisfying individual and group needs rather than generalizing the motivational packages across the organisation.

- Nnaeto Japhet Olusadum and Ndoh Juliet Anulika (2018), focused on the effect of the motivation on employees performance using Alvan Ikoju Federal College of Education (AIFCE) as study area. The study concludes that unless staff motivation is properly executed, organisations and their managers will always suffer employees negative attitude to work. As an empirical study, the inculcate in managers and organisations in any clime the ineluctable need for employees motivations as key to achieving the set of objectives of the organisation.
- Nkafu Fondu Fomenky (2015), identifies the impact or role of incentives on employees performance with a particular emphasis on Korean Workers. It is therefore of paramount importance that companies should have very good motivational strategies in place in order to get their employees at maximum productivity. They tend to value their pay packages more than the relationship they have with other workers at the company as a major motivation for on the job performance.
- Oluwayomi Ayoade Ekundayo (2018), investigates the relationship between motivation and the level of employee performance as applied to some selected Insurance Companies in Lagos, Nigeria evaluate the effects of motivation on employee performance in some selected insurance companies, to assess motivational factors that can influence employee performance, and to recommend possible policies and innovations for better performance of the employees and increased profitability.

CHAPTER-3
RESEARCH METHODOLOGY

Chapter-3

RESEARCH METHODOLOGY

3.1. STATEMENT OF THE PROBLEM:

In the modern competitive world, business organisations are facing ever-growing challenges regarding commitment, engagement, belief, recruitment and retention of their employees. Multiple studies in different countries and across industries show that employees who are passionate about their jobs and the organisations in which they work are in the minority. The number of employers experiencing retention difficulties. Private sector businesses claim to be struggling more to hold on to employees than any of the other sectors. Not only is that, also in the field of recruitment, a high proportion of these organisations still experiencing difficulties.

Motivation is about giving your staff the right mixture of guidance, direction, resources and rewards so that they are inspired and keen to work in the way that you want them to. So, a large portion behind these difficulties can easily be solved by imparting proper motivation. In the fierce era of competition, organisations nowadays are more emphasizing on the management of Human Resources. A manager capable of managing his employee effectively is a successful one. Motivational tools are the most effective in this context. We always have to keep in mind that employees are not motivated solely by money and employee behaviour is linked to their attitudes.

Any institution faces the challenges of employee retention, high cost of recruitment, training, rising competition, increased rules and regulations by the government and high rate of technological growth. Also, from the perspective of employee, they feel de-motivated and overworked. For finding out more accurate outcomes we conducted this research within a few IT Companies such as TCS, Wipro, Tech Mahindra, HCL, Oracle, Microsoft and Infosys.

This research has been conducted to find out the extent to which the different types of employee motivation can influence the performance of employees in IT Sector. This research seeks to answer what role motivation plays in enhancing employer's performance.

3.2. SIGNIFICANCE OF THE STUDY:

The answer for why do we need motivated employees is survival. Motivated employees are needed in our rapidly changing workplaces. As we are still a developing country, for our continuous growth, it is important that our economy is well governed and we can provide our maximum effort in workplaces, so we need to know where we are standing right now in case of employee motivation and what else we need to do to ensure more efficient performance from our employee. We also need to compare with others to find out where they are for individual benefits. So, the significance of this study is undeniable. It is also required to know about employee psychology and expectation, so that the top management can ensure more and more facilities for them.

This research will be of great importance to various organisations and groups of employers of labour in assisting them in knowing different forms of motivation for better performance.

3.3. OBJECTIVES OF THE STUDY:

This research study will identify the motivational factors that can influence employee performance, assess effects of motivation on employee performance, and recommend possible motivational policies and innovations for increasing the level of performance of the employees. The main intentions of this study are:

- To know the various motivation provided by IT organizations
- To study the relationship between motivation and employee performance.
- To find out association between gender and motivational factors.

3.4. HYPOTHESIS:

H₀: There is no significant correlation between motivation and employee performance.

H₁: There is significant correlation between motivation and employee performance.

3.5. METHODOLOGY:

3.5.1. Scope of the study:

The study was conducted in one of our country's renowned IT Sector. We have conducted this research on few IT Companies such as TCS, Wipro, Infosys, HCL, Oracle, Tech Mahindra and Microsoft. The survey was conducted on the employees of different levels and employees with different experience. We have used closed-ended descriptive questionnaire for data collection from the respondents. In IT Sector there are many companies where such studies can easily be conducted and

useful for their benefits. It would also improve employee relationship with top management. Finally, the study focuses on the impact of motivation on employee performance.

3.5.2. Limitations of the study:

This research study has following limitations:

- Only IT Companies are considered to check the impact of motivation on performance.
- The length of the questionnaire – around 17 queries.
- Another limitation of the study which faced during the research is difficulty to access the company's internal information.
- This study is conducted only in few IT Companies (TCS, Wipro, Infosys, HCL, Oracle, Tech Mahindra and Microsoft).

3.5.3. Sample design:

For this research, a descriptive method of data collection through questionnaire (quantitative method) will be applied to test theories and hypothesis by collecting responses from 110 employees which is sufficient and a simple random sampling method is used to select participants from the population. The ultimate aspect of data collection from good quantity is to avoid any vague result and erase confusion which is possible to achieve through descriptive survey method. The purpose of using descriptive surveys was to collect detailed and factual information that describe an existing phenomenon. After collection of data it will be analysed through SPSS using correlation to find the relationship between motivation and employee performance.

3.5.4. Sources of Information:

In this research both primary and secondary data was used. Primary data was collected through a self-administered questionnaire. This structured questionnaire contains questions related to employee motivation. The questionnaire contains firstly, different personal and demographic variables. This section obtains the respondents information about gender, age, education etc. and involves ranking of factors.

Secondly, other section is important in the current study. These variables include employee motivational factors like promotion, salary increase, training and development, recognition, job security, working environment, involvement in decision making, leadership opportunities etc. Likert scale was used in the questionnaire.

Secondary data was collected through previous journals, websites and magazines etc. related to employee motivation.

3.5.5. Tools and Techniques of Analysis:

In this study Quantitative research method is used. It is typically explores specific and clearly defined questions that examine the relationship between the two events, or occurrences, where the second event is a consequence of the first event. Such a question might be ‘what is the impact of motivation on employee performance?’.

Quantitative data is often gathered through self-administered questionnaire that are carefully developed and structured to provide with numerical data that can be explored statistically and yield a result that can be generalised to some larger population. The quantitative method of questionnaire contains closed-ended questions. That limits respondents to a specified number of answers.

Descriptive Statistics are used to summarise and describe quantitative data and graphs or tables can be used to visualise present raw data.

Simple random sampling method was used in this research. It is the simplest way to select participants from a population. Pulling names out of a hat or using an online random number generator. Using these methods means that each individual in population has the same chance of being selected for the sample.

CHAPTER-4
INDUSTRY PROFILE

Chapter-4

INDUSTRY PROFILE

In this research IT Sector in India is taken to conduct research. In this IT Sector few companies like TCS, Infosys, Wipro, Microsoft and Tec Mahindra, HCL, Oracle are taken.

4.1. OVERVIEW OF IT INDUSTRY:

Information Technology in India is an industry consisting of two major components: IT Services and Business Processing Outsourcing (BPO). The sector has increased its contribution to India's GDP from 1.2% in 1998 to 7.7% in 2017. According to NASSCOM, the sector aggregated revenues of US\$ 160 billion in 2017, with export revenue standing at US\$ 99 billion and domestic revenue at US\$ 48 billion, growing by over 13%. The United States accounts for two-thirds of India's IT Services exports.

4.2. INTRODUCTION:

Indian Software industry has tremendous growth and economic policy has a substantial revision in 20th century. The IT industry offer opportunities for foreign direct investment. Due to liberalization, industries were grown by which foreign reserves as well as employment opportunities have increased. In the initial days, IT firms export software to other countries because here man power is widely available with low cost. As the potential of the software industry was identified government of India developed high speed infrastructure to meet the demands of foreign clients. Indian software companies developed high quality as well as unique software to meet the needs of multinational companies as a result they obtain a wider range of software development tasks. IT/ITES sector has listed incredible growth over the decade, achieving iconic position all over the world and a reputation for cost-effective delivery of services.

IT companies in India have set up over 600 delivery centres all over the world. The revenues have grown from 1.2 percent (1997-98) to 8.1 percent (2013-14). India maintains top position in the global sourcing arena, for about 55 percent in the year 2013 (of the global sourcing market size) compared to 52 percent in 2012. (source: NASSCOM)

Today the world's largest outsourcing destination for IT industry is India, which is around 52 percent of the US dollar 124-130 billion market. The IT industry employs roughly 10 million Indians which ultimately contribute to the economic growth of the country. The Unique Selling Proposition (USP) of Indian IT services is its cost competitiveness which is 3-4 times cheaper than the USA.

Many firms like TCS, Infosys, and Wipro have met top certification for the quality standards. According to the report of National Association of Software and Service Companies (NASSCOM), GDP share has grown widely when compared to other industries. India exports information and software services rather than products to 95 countries all over the world. The top 43 5 firms in terms of revenue are TCS, Wipro, Infosys, HP India, and IBM. Top companies contribute 80% of revenues from Indian Software industry.

4.3. EVOLUTION OF IT INDUSTRY:

During 1950s people are not aware of the term “software”, the term was bundled with hardware by some multinational companies like IBM and ICL with some basic languages like PASCAL etc. These two are the largest hardware companies which provide basic services. In mid-1970s India exported its first software service. The problem here to export software is companies had to design its own hardware system which needs to fulfil worldwide standards. In order to import the hardware system government of India impose heavy duty tax which the Indian companies cannot afford on their own. After few years Indian government has reduced the tax duty with condition that exporters would recover twice the value of foreign exchange spent on importing the computers. Then the era of software begins in India.

India has largest technical skilled employees working with low salaries and they shift from one industry to industry to other because of fewer companies. The Indian programmers were available with less than 12 dollars and the Indian firms are ready to complete the software projects for the half of the cost when they compared with abroad. This creates a numerous job for Indian employees and free profit opportunity for foreign companies. There is a shortage of employees in US for the projects in their companies and in India oversupply of employees lead to match the demand and supply in both countries because of this software industry. The Government of Andhra Pradesh particularly setup several IT parks and hubs to reduce unemployment. Companies that come under these parks are tax free and have extraordinary facilities with high speed data communication and internet. The central government gave the power to state government regarding licenses, import or export procedures. Tata Consultancy Services (TCS) was the first software company in India and got export assignment in 1973. TCS has begun to outsource application work for Central Bank of India. The company sent some engineers to abroad in order to excel in their platforms. The main competitive advantage for Indian software companies are cost reduction and the ability to communicate in English. The main reason to export software is to increase foreign exchange in India.

In 1970s the main challenges for software industry are

- **Rigid government rules:** Government of India restricted that all multinational companies must invest their share less than 50 percent whereas Indian companies share must be more than 50 percent.
- **Lack of trained personnel:** As already existed employees' skill does not match to the organizations need; companies need to train the employees.
- **Heavy import tax:** As the companies need hardware to match the need of software industry, they used to import from other countries in as India impose heavy taxes.
- **Education in India:** The courses in India do not match to the need of the companies, so companies need to train in soft skills.
- **Updated Technology:** As the companies need to update technology, it seems to be a huge cost.

4.4. MAJOR PLAYERS IN IT INDUSTRY:

There are a number of Information Technology (IT) companies in India. Among those, best 10 Information Technology Companies in India are listed here. The list includes giants like TCS, Infosys, Wipro, Tech Mahindra, HCL. The other prominent companies in the top 10 are Rolta, Cyient, Oracle Financial Services, Mphasis & Mindtree. Here is a list of Best 10 Information Technology Companies in India for the year 2015 based on revenue, profit and market capitalization.

4.4.1 TCS – Tata Consultancy Services:

Tata Consultancy Services, founded in the year 1968 is headquartered in Mumbai, India.

- CEO: Natarajan Chandrasekaran
- Founded: 1968
- Revenue: 15.5 billion USD (2015)
- Headquarters: Mumbai
- Founders: J. R. D. Tata, F. C. Kohli
- Parent organization: Tata Group
- Revenue: Rs. 64672.93 Crore
- Net Profit: Rs. 18474.92 Crore
- Market Capitalisation: Rs. 487919.14 Crore

Home to more than three lakh people TCS is placed among the most valuable 'Big4' IT Service brand Worldwide. It has been the face of Indian IT Industry. TCS provides umbrella of services to its customer some of which are Performance Management, Business Process Service, Consulting,

Enterprise Solutions, ION Small and Medium Enterprise, IT Services. TCS BaNCS, TCS Master Craft, TCS Technology Products are some of its well-known software. TCS, leading the way for Indian IT firms has also made in the Top 100 Brand Finance List in the USA. In the recent accolades TCS was ranked number 1 IT Service provider for Manufacturing in Europe, Middle East and Africa by International Corporation in 2014.

4.4.2 INFOSYS:

Infosys, founded in the year 1981 has been headquartered in Bengaluru, India.

- CEO: Vishal Sikka
- Founded: July 2, 1981, Pune
- Headquarters: Bengaluru
- Founders: N. R. Narayana Murthy, K. Dinesh, Nandan Nilekani, Ashok Arora, S. D. Shibulal, Kris Gopalakrishnan, N. S. Raghavan
- Subsidiaries: Infosys BPO Limited, Panaya, Lodestone Management Consultants, Infosys China, Infosys Australia
- Revenue: Rs. 44341 Crore
- Net Profit: Rs. 10194 Crore
- Market Capitalisation: Rs. 221528.83 Crore.

It is a home to more than 175000 people with many famous Indian personalities coming from its structure like Mr. Narayan Murthy, Nandan Nilekani to name a few. It is a major powerhouse that operates into business consulting, information technology, software engineering and outsourcing services. Presently headed by Vishal Sikka, Infosys has signed an MOU with local Chinese provincial to open first overseas campus in China. Infosys has nearly 890 clients across 50 countries according to latest data known till 31st March, 2014. It can boast of world's largest corporate university in Mysore. It gets ranked constantly in the world's top 20 most innovative companies list brought out by Forbes and green companies ranking by Newsweek.

4.4.3 WIPRO:

Wipro, founded in 1945 entered into the IT domain in the year 1980 and since then has become one of the biggest IT Company and secured 3rd place among all other in the world.

- CEO: Abidali Z. Neemuchwala
- Founder: M.H. Hasham Premji
- Founded: December 29, 1945, India

- Headquarters: Bengaluru
- Revenue: Rs. 38757.2 Crore
- Net Profit: Rs. 7387.4 Crore
- Market Capitalisation: Rs. 132380.73 Crore

Headquartered in Bengaluru, India it is headed by Azim Premji, It was the first software company to get SEI CMMI Level 5 back in 2002. It has been accredited with many first in IT Industry like introducing Lean Management in Service Industry. Home to more than 1 lakh 50 thousand people, Wipro Technologies Applying Thoughts has lead it to be one of the most preferred IT vendors. Cognitive Systems, Smart Devices, Man-machine Interface are few of the future drivers it has been focusing on. Wipro has been selected by DJSI as World Member for the fifth consecutive year and is also recognised with prestigious Golden Peacock Award 2014 in the category of ‘Innovative Product/Service’ for Wipro’s Assure Health Solutions.

4.4.4 HCL Technologies:

HCL Technologies, founded in the year in 1976 by Mr. Shiv Nadar is headquartered in Noida, India.

- CEO: Anant Gupta
- Headquarters: Noida
- Date founded: November 12, 1991
- Founders: Arjun Malhotra, Shiv Nadar
- Parent organization: HCL Enterprise
- Revenue: Rs. 16497.37 Crore
- Net Profit: Rs. 5984.62 Crore
- Market Capitalisation: Rs. 129933.28 Crore

HCL has offices in around 35 countries globally and is home to hundred thousand people. Various business lines in which HCL has its presence are Business Services, Custom Application Services, Engineering R&D, Enterprise Transformation Services and IT Infrastructure Management Services. As part of their growth strategy they have alliances with nearly 100 companies in various technological areas which act as a mutual beneficial experience. Their global strategic alliances cover 360-degree relationships across multiple geographies and industry verticals. It has been rated as a leader in IDC SAP Marketplace, Cloud Services Marketplace.

4.4.5 TECH MAHINDRA:

Tech Mahindra, founded in the year 1986 is headquartered in Pune, India.

- Revenue: Rs. 16295.1 Crore
- Net Profit: Rs. 2685.5 Crore
- Market Capitalisation: Rs. 58621.88 Crore

It is home to nearly 98000 people and has its presence across 51 countries with CP Gurnani as its Present CEO. It is SEI CMMi Level 5. Order Fix, mEMS, Socio, Tecnico, OrderVu are various platforms which Tech Mahindra expertise into. Solutions and Services Provided by Tech Mahindra includes Consulting, Enterprise Business Solutions, Mobility and Integrated Engineering Solutions, Product Life Cycle Management. With Anand Mahindra as its Chairman, the company is under a safe and ethical business person who shall leave no stone unturned to take the companies to more glorious heights. It is recipient of various awards with the important ones being Golden Peacock Award, Leader in Excellence in IT etc.

4.4.6 ORACLE Financial Services:

Oracle Financial Services, founded in the year 1990 is headquartered in Mumbai, India.

- CEO: Chaitanya M. Kamat
- Headquarters: Mumbai
- Founder: Rajesh Hukku
- Founded: 1991
- Acquisition date: August 2005
- Parent organization: Oracle Corporation
- Revenue: Rs. 3159.47 Crore
- Net Profit: Rs. 1148.36 Crore
- Market Capitalisation: Rs. 29538.11 Crore

It is said to be a subsidiary of Oracle Corporation with focus being as an IT solution provider to the Banking Industry. Its present CEO is Mr. Chaitanya M Kamat and the company is home to nearly nine thousand employees. It is present in nearly 145 countries. Oracle Financial Services has various business products such as Oracle FLEXCUBE universal Banking Suites, Oracle Financial Services Analytical Applications for Customer Insight, Infrastructure, Enterprise Risk Management, Financial Crime and Compliance Management and Financial Services Data Warehouses. It also won the Fraud and Financial Crime Software Provider of the year-2014.

4.5. Major IT hubs:

- **Bangalore:** It is known as the Silicon Valley of India. Notable tech park are Electronics City Phase I & II, ITPL, Bagman Tech Park, Embassy Golf Links, Manyata Tech Park, Global Village Tech Park, Embassy Tec village
- **Chandigarh:** It is also one of the growing International IT services and outsourcing exporters. The next upcoming tech park will be world trade centre.
- **Chennai:** As of 2012, it is India's second-largest exporter of IT and BPO Services. Major software companies have their offices setup here, with some of them making Chennai their largest base.
- **Hyderabad:** Known for the HITECH City or Cyberabad – is a major global IT Hub, and the largest bioinformatics hub in India. It is the second largest city in the country for software exports pipping competitors Chennai and Pune.
- **Kochi:** Info park, Kochi is an IT Park situated in the city of Kochi, Kerala, India. Established in 2004 by Government of Kerala, the park is spread over 260 acres of campus across two phases, housing 392 companies which employ more than 42,000 professionals as of 2018. The park is built on the 'Hub and Spoke model' for the development of the IT Industry in Kerala.
- **Pune:** The Rajiv Gandhi Infotech Park in Hinjawadi is a 600rs billion project by the Maharashtra Industrial Development Corporation. The IT Park encompasses an area of about 2,800 acres and is home to over 800 IT companies of all sizes.

4.6. Employment generation:

India's growing stature in the information age enabled it to form close ties with both the United States and the European Union. However, the recent global financial crisis has deeply impacted Indian IT companies as well as global companies. As a result, hiring has dropped Sharpley, and employees are looking at different sectors like financial services, telecommunications, and manufacturing, which have been growing phenomenally over the last few years.

With fundamental structure changes visible everywhere in the IT services due to cloud computing, proliferation of social media, big data, analytics all leading to digital services and digital economy, many of the leading companies in India's IT sector reported lower head counts in their financial results.

CHAPTER-5
DATA ANALYSIS AND FINDINGS

Chaper-5

DATA ANALYSIS AND FINDINGS

We used SPSS (Statistical Package for the Social Sciences) as a data management and statistical analysis tool which has a very versatile data processing capability. It is an electronically storing questionnaire data. Data are stored in a spreadsheet-like table similar to that of Microsoft-Excel. It also generates routine descriptive statistical data for question responses, such as frequency counts of closed questions, distribution of multiple-choice question response etc. It creates graphical presentations of questionnaire data for reporting, presentations or publication which also expires relationships between responses to different questions collating open question responses.

5.1. CORRELATION:

When Pearson's r is close to 1 there is a strong relationship between two variables, r is close to 0 there is a weak relationship between two variables. When r is positive this means that as one variable increases in value, the second variable also increase in value and vice versa. When r is negative this means that as one variable increase in value, the second variable decrease in value and vice versa.

Correlation between Promotion and Employee Performance:

Correlations

		Rank the following factors which motivates you most? [Promotion]	Employee Performance
Rank the following factors which motivates you most? [Promotion]	Pearson Correlation	1	.878**
	Sig. (2-tailed)		.000
	N	109	109
Employee Performance	Pearson Correlation	.878**	1
	Sig. (2-tailed)	.000	
	N	109	109

** . Correlation is significant at the 0.01 level (2-tailed).

Table 5.1.1

Interpretation: Based on analysis, $r=0.878$ and significance is 0.000. There is a strong positive correlation between Promotion and Employee Performance. Here significance is <0.05 . So, we

concluded that there is statistically significant correlation between Promotion and Employee Performance.

Correlation between Salary increase and Employee performance:

Correlations

		Rank the following factors which motivates you most? [Salary increase]	Employee Performance
Rank the following factors which motivates you most? [Salary increase]	Pearson Correlation	1	.861**
	Sig. (2-tailed)		.000
	N	109	109
Employee Performance	Pearson Correlation	.861**	1
	Sig. (2-tailed)	.000	
	N	109	109

** . Correlation is significant at the 0.01 level (2-tailed).

Table 5.1.2

Interpretation: Based on analysis, $r=0.861$ and significance is 0.000. There is strong positive correlation between Salary increase and Employee Performance. Here significance is <0.05 . So, we concluded that there is statistically significant correlation between Salary increase and Employee Performance.

Correlation between Recognition and Employee performance:

Correlations

		Rank the following factors which motivates you most? [Recognition]	Employee Performance
Rank the following factors which motivates you most? [Recognition]	Pearson Correlation	1	.899**
	Sig. (2-tailed)		.000
	N	109	109
Employee Performance	Pearson Correlation	.899**	1
	Sig. (2-tailed)	.000	
	N	109	109

** . Correlation is significant at the 0.01 level (2-tailed).

Table 5.1.3

Interpretation: Based on analysis, $r=0.899$ and significance is 0.000. There is a strong positive correlation between Recognition and Employee Performance. Here, significance is <0.05 . So, we concluded that there is statistically significant correlation between Recognition and Employee Performance.

Correlation between Training and development and Employee performance:

Correlations

		Rank the following factors which motivates you most? [Training and development]	Employee Performance
Rank the following factors which motivates you most? [Training and development]	Pearson Correlation	1	.861 **
	Sig. (2-tailed)		.000
	N	109	109
Employee Performance	Pearson Correlation	.861 **	1
	Sig. (2-tailed)	.000	
	N	109	109

** . Correlation is significant at the 0.01 level (2-tailed).

Table 5.1.4

Interpretation: Based on analysis, $r=0.861$ and significance is 0.000. There is a strong positive correlation between Training and Development and Employee Performance. Here significance is <0.05 . So, we concluded that there is statistically significant correlation between Training and Development and Employee Performance.

Correlation between Job security and Employee performance:

Correlations

		Rank the following factors which motivates you most? [Job security]	Employee Performance
Rank the following factors which motivates you most? [Job security]	Pearson Correlation	1	.836**
	Sig. (2-tailed)		.000
	N	109	109
Employee Performance	Pearson Correlation	.836**	1
	Sig. (2-tailed)	.000	
	N	109	109

** . Correlation is significant at the 0.01 level (2-tailed).

Table 5.1.5

Interpretation: Based on analysis, $r=0.836$ and significance is 0.000. There is a strong positive correlation between Job security and Employee Performance. Here significance is <0.05 . So, we concluded that there is statistically significant correlation between Job security and Employee Performance.

Correlation between Leadership opportunities and Employee performance:

Correlations

		Rank the following factors which motivates you most? [Leadership opportunities]	Employee Performance
Rank the following factors which motivates you most? [Leadership opportunities]	Pearson Correlation	1	.855**
	Sig. (2-tailed)		.000
	N	109	109
Employee Performance	Pearson Correlation	.855**	1
	Sig. (2-tailed)	.000	
	N	109	109

** . Correlation is significant at the 0.01 level (2-tailed).

Table 5.1.6

Interpretation: Based on analysis, $r=0.855$ and significance is 0.000. There is a strong positive correlation between Leadership opportunities and Employee Performance. Here significance is <0.05 . So, we concluded that there is statistically significant correlation between Leadership opportunities and Employee Performance.

Correlation between Salary increase and Employee performance:

Correlations

		Rank the following factors which motivates you most? [Work environment]	Employee Performance
Rank the following factors which motivates you most? [Work environment]	Pearson Correlation	1	.849**
	Sig. (2-tailed)		.000
	N	109	109
Employee Performance	Pearson Correlation	.849**	1
	Sig. (2-tailed)	.000	
	N	109	109

** . Correlation is significant at the 0.01 level (2-tailed).

Table 5.1.7

Interpretation: Based on analysis, $r=0.849$ and significance is 0.000. There is a strong positive correlation between Work environment and Employee Performance. Here significance is <0.05 . So, we concluded that there is statistically significant correlation between Work environment and Employee Performance.

5.2. Data Analysis based on Gender:

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * Are you satisfied with the support from your organisation?	109	100.0%	0	0.0%	109	100.0%
Gender * Does motivation increased the output of the organisation?	109	100.0%	0	0.0%	109	100.0%
Gender * Will the no form of motivation lead to poor performance?	109	100.0%	0	0.0%	109	100.0%
Gender * Does your organisation made committed efforts to motivate workers?	109	100.0%	0	0.0%	109	100.0%
Gender * Does the staff motivation in your organisation cut across all employees?	109	100.0%	0	0.0%	109	100.0%
Gender * How would you assess practices of motivation in your organisation?	109	100.0%	0	0.0%	109	100.0%
Gender * Does employees receive any praises from management by doing good job?	109	100.0%	0	0.0%	109	100.0%
Gender * Which type of Incentives motivate you more?	109	100.0%	0	0.0%	109	100.0%
Gender * How far you satisfied with the incentives provided by your organisation?	109	100.0%	0	0.0%	109	100.0%
Gender * Rank the following factors which motivates you most? [Promotion]	109	100.0%	0	0.0%	109	100.0%
Gender * Rank the following factors which motivates you most? [Salary increase]	109	100.0%	0	0.0%	109	100.0%
Gender * Rank the following factors which motivates you most? [Recognition]	109	100.0%	0	0.0%	109	100.0%
Gender * Rank the following factors which motivates you most? [Training and development]	109	100.0%	0	0.0%	109	100.0%

Gender * Rank the following factors which motivates you most? [Job security]	109	100.0%	0	0.0%	109	100.0%
Gender * Rank the following factors which motivates you most? [Leadership opportunities]	109	100.0%	0	0.0%	109	100.0%
Gender * Rank the following factors which motivates you most? [Work environment]	109	100.0%	0	0.0%	109	100.0%
Gender * Please provide the rates for following factors. [Good relationship with co-workers]	109	100.0%	0	0.0%	109	100.0%
Gender * Please provide the rates for following factors. [Good safety measures adopted in your organisation]	109	100.0%	0	0.0%	109	100.0%
Gender * Please provide the rates for following factors. [Performance appraisal activities are helpful to get motivated]	109	100.0%	0	0.0%	109	100.0%
Gender * Please provide the rates for following factors. [Management involves you in decision making process]	109	100.0%	0	0.0%	109	100.0%
Gender * Do you think that the motivation factors influence your performance?	109	100.0%	0	0.0%	109	100.0%

Table 5.2.1

Gender * Are you satisfied with the support from your organisation?

Crosstabulation

Count

		Are you satisfied with the support from your organisation?			Total
		Neutral	Satisfied	Highly satisfied	
Gender	Male	2	34	8	44
	Female	2	55	8	65
Total		4	89	16	109

Table 5.2.2 (a)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.944 ^a	2	.624
Likelihood Ratio	.931	2	.628
Linear-by-Linear Association	.294	1	.587
N of Valid Cases	109		

Table 5.2.2 (b)

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 1.61.

Interpretation: Based on analysis, from the table greater number of respondents (89%), 34 males and 55 females are satisfied with support from the organisation. It is clearly observed that females (85%) are more satisfied with support from the organisation when compared to males (77%).

The value of the test statistic Alpha is 0.944. The corresponding P-value of the test statistic is P=0.624. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and support from the organisation.

**Gender * Does motivation increased the output of the organisation?
Crosstabulation**

Count

		Does motivation increase the output of the organisation?			Total
		Neutral	Agree	Strongly agree	
Gender	Male	4	15	25	44
	Female	8	28	29	65
Total		12	43	54	109

Table 5.2.3 (a)

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.572 ^a	2	.456
Likelihood Ratio	1.577	2	.455
Linear-by-Linear Association	1.352	1	.245
N of Valid Cases	109		

Table 5.2.3 (b)

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 4.84.

Interpretation: Based on analysis, from the table greater number of respondents (54), 25 males and 29 females are strongly agreed with motivation increases the output of the organisation. It is clearly observed that a more number of males (57%) are strongly agree with motivation increases the output of the organisation when compared to males (45%).

The value of the test statistic Alpha is 1.572. The corresponding P-value of the test statistic is P=0.456. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and motivation increases the output of the organisation.

**Gender * Will the no form of motivation lead to poor performance?
Crosstabulation**

Count

		Will the no form of motivation lead to poor performance?					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Gender	Male	0	1	4	14	25	44
	Female	1	3	11	24	26	65
Total		1	4	15	38	51	109

Table 5.2.4 (a)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.021 ^a	4	.403
Likelihood Ratio	4.441	4	.350
Linear-by-Linear Association	3.831	1	.050
N of Valid Cases	109		

Table 5.2.4 (b)

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is .40.

Interpretation: Based on analysis, from the table greater number of respondents (51), 25 males and 26 females are strongly agreed with no form of motivation lead to poor performance. It is clearly observed that more number of males (57%) are strongly agree with no form of motivation lead to poor performance when compared to females (40%).

The value of the test statistic Alpha is 4.021. The corresponding P-value of the test statistic is P=0.403. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and no form of motivation lead to poor performance.

Gender * Does your organisation made committed efforts to motivate workers?

Crosstabulation

Count

		Does your organisation made committed efforts to motivate workers?				Total
		Disagree	Neutral	Agree	Strongly agree	
Gender	Male	3	3	33	5	44
	Female	0	5	55	5	65
Total		3	8	88	10	109

Table 5.2.5 (a)

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5.145 ^a	3	.161
Likelihood Ratio	6.152	3	.104
Linear-by-Linear Association	.784	1	.376
N of Valid Cases	109		

Table 5.2.5 (b)

a. 5 cells (62.5%) have expected count less than 5. The minimum expected count is 1.21.

Interpretation: Based on analysis, from the table greater number of respondents (88) are agree with organisation made committed efforts to motivate workers. It is clearly observed that more number of females (85%) are agree with organisation made committed efforts to motivate workers when compared to males (75%).

The value of the test statistic Alpha is 5.145. The corresponding P-value of the test statistic is P=0.161. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and organisation made committed efforts to motivate workers.

Gender * Does the staff motivation in your organisation cut across all employees?

Crosstabulation

Count

		Does the staff motivation in your organisation cut across all employees?				Total
		Disagree	Neutral	Agree	Strongly agree	
Gender	Male	2	12	24	6	44
	Female	1	27	34	3	65
Total		3	39	58	9	109

Table 5.2.6 (a)

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.965 ^a	3	.174
Likelihood Ratio	4.941	3	.176
Linear-by-Linear Association	1.757	1	.185
N of Valid Cases	109		

Table 5.2.6 (b)

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 1.21.

Interpretation: Based on analysis, from the table greater number of respondents (58), 24 males and 34 females are agreed with staff motivation cut across all employees in the organisation. It is clearly observed that more number of males (54%) are agree with staff motivation cut across all employees when compared to females (52%).

The value of the test statistic Alpha is 4.965. The corresponding P-value of the test statistic is P=0.174. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and staff motivation cut across all employees in the organisation.

Gender * How would you assess practices of motivation in your organisation?
Crosstabulation

Count

		How would you assess practices of motivation in your organisation?				Total
		Low	Neutral	High	Very high	
Gender	Male	2	6	33	3	44
	Female	3	5	53	4	65
Total		5	11	86	7	109

Table 5.2.7 (a)

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.079 ^a	3	.782
Likelihood Ratio	1.058	3	.787
Linear-by-Linear Association	.207	1	.649
N of Valid Cases	109		

Table 5.2.7 (b)

a. 5 cells (62.5%) have expected count less than 5. The minimum expected count is 2.02.

Interpretation: Based on analysis, from the table greater number (86), 33 males and 53 females are assessed practices of motivation in their organisation as high. It is clearly observed that more number of females (82%) are assessed the practices of the organisation as high when compared to males (75%).

The value of the test statistic Alpha is 1.079. The corresponding P-value of the test statistic is P=0.782. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and assessing the practices of the organisation.

**Gender * Does employees receive any praises from management by doing good job?
Crosstabulation**

Count

		Does employees receive any praises from management by doing good job?				Total
		Disagree	Neutral	Agree	Strongly agree	
Gender	Male	1	5	33	5	44
	Female	3	8	50	4	65
Total		4	13	83	9	109

Table 5.2.8 (a)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.287 ^a	3	.732
Likelihood Ratio	1.292	3	.731
Linear-by-Linear Association	.908	1	.341
N of Valid Cases	109		

Table 5.2.8 (b)

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 1.61.

Interpretation: Based on analysis, from the table greater number of respondents (83), 33 males and 50 females are agreed with employee receive praises from management by doing good job. It is clearly observed that more number of more number of females (77%) are agree with employees receive praises from management by doing good job when compared to male (75%).

The value of the test statistic Alpha is 1.287. The corresponding P-value of the test statistic is P=0.732. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and praises received by employees from management by doing good job.

Gender * Which type of Incentives motivate you more?

Crosstabulation

Count

		Which type of Incentives motivate you more?				Total
		Financial	Non-financial	Both	Others	
Gender	Male	6	1	34	3	44
	Female	8	4	53	0	65
Total		14	5	87	3	109

Table 5.2.9 (a)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5.389 ^a	3	.145
Likelihood Ratio	6.485	3	.090
Linear-by-Linear Association	.329	1	.566
N of Valid Cases	109		

Table 5.2.9 (b)

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is 1.21.

Interpretation: Based on analysis, from the table greater number of respondents (87) are agree with both financial and non-financial incentives. It is clearly observed that more number of females (82%) are agree for both financial and non-financial incentives when compared to males (77%).

The value of the test statistic Alpha is 5.389. The corresponding P-value of the test statistic is P=0.145. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and types of incentives motivate them more.

Gender * How far you satisfied with the incentives provided by your organisation?

Crosstabulation

Count

		How far you satisfied with the incentives provided by your organisation?			Total
		Neutral	Satisfied	Highly satisfied	
Gender	Male	4	36	4	44
	Female	9	51	5	65
Total		13	87	9	109

Table 5.2.10 (a)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.597 ^a	2	.742
Likelihood Ratio	.613	2	.736
Linear-by-Linear Association	.491	1	.483
N of Valid Cases	109		

Table 5.2.10 (b)

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 3.63.

Interpretation: Based on analysis, from the table greater number of respondents (87), 36 males and 51 females are satisfied with incentives provided by the organisation. It is clearly observed that more number of males (82%) are satisfied with incentives provided by the organisation when compared to males (78%).

The value of the test statistic Alpha is 0.597. The corresponding P-value of the test statistic is P=0.742. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and satisfaction with incentives provided by the organisation.

Gender * Rank the following factors which motivates you most? [Promotion]

Crosstabulation

Count

		Rank the following factors which motivates you most? [Promotion]					Total
		1	2	3	4	5	
Gender	Male	1	2	5	5	31	44
	Female	9	6	6	11	33	65
Total		10	8	11	16	64	109

Table 5.2.11 (a)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.018 ^a	4	.135
Likelihood Ratio	7.842	4	.098
Linear-by-Linear Association	5.479	1	.019
N of Valid Cases	109		

Table 5.2.11 (b)

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 3.23.

Interpretation: Based on analysis, from the table a greater number of respondents (64), 31 males and 33 females are ranked 5 to the promotion as a motivational factor. It is clearly observed that more number of males (70%) are ranked 5 to promotion as motivational factor when compared to females (51%).

The value of the test statistic Alpha is 7.018. The corresponding P-value of the test statistic is P=0.135. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and promotion.

Gender * Rank the following factors which motivates you most? [Salary increase]

Crosstabulation

Count

		Rank the following factors which motivates you most? [Salary increase]					Total
		1	2	3	4	5	
Gender	Male	3	1	2	5	33	44
	Female	5	8	7	12	33	65
Total		8	9	9	17	66	109

Table 5.2.12 (a)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.850 ^a	4	.097
Likelihood Ratio	8.544	4	.074
Linear-by-Linear Association	4.424	1	.035
N of Valid Cases	109		

Table 5.2.12 (b)

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 3.23.

Interpretation: Based on analysis, from the table greater number of respondents (66), 33 males and 33 females are ranked 5 to the salary increase as a motivational factor. It is clearly observed that both males and females (51%) are equally ranked 5 to salary increase as a motivational factor.

The value of the test statistic Alpha is 7.850. The corresponding P-value of the test statistic is P=0.097. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state there is no association found between gender and increase in salary.

Gender * Rank the following factors which motivates you most? [Recognition]

Crosstabulation

Count

		Rank the following factors which motivates you most? [Recognition]					Total
		1	2	3	4	5	
Gender	Male	2	3	6	20	13	44
	Female	3	10	13	23	16	65
Total		5	13	19	43	29	109

Table 5.2.13 (a)

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.138 ^a	4	.535
Likelihood Ratio	3.268	4	.514
Linear-by-Linear Association	1.706	1	.191
N of Valid Cases	109		

Table 5.2.13 (b)

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 2.02.

Interpretation: Based on analysis, from the table greater number of respondents (43), 20 male and 23 females are ranked 4 to the recognition as a motivational factor. It is clearly observed that more number of males (46%) are ranked 4 to recognition as a motivational factor when compared to females (15%).

The value of the test statistic Alpha is 3.138. The corresponding P-value of the test statistic is P=0.535. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and Recognition.

Gender * Rank the following factors which motivates you most? [Training and development]

Crosstabulation

Count

Rank the following factors which motivates you most? [Training and development]

	1	2	3	4	5
Gender Male	2	3	18	10	11
Female	8	8	12	30	7
Total	10	11	30	40	18

Table 5.2.14 (a)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	14.452 ^a	4	.006
Likelihood Ratio	14.711	4	.005
Linear-by-Linear Association	1.331	1	.249
N of Valid Cases	109		

Table 5.2.14 (b)

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 4.04.

Interpretation: Based on analysis, from the table greater number of respondents (40), 10 males and 30 females are ranked 4 to the training and development as a motivational factor. It is clearly observed that more number of females (46%) are ranked 4 to training and development as a motivational factor when compared to males (23%).

The value of the test statistic Alpha is 14.452. The corresponding P-value of the test statistic is P=0.006. P-value is less than the standard alpha value (0.05), we reject the null hypothesis. So, we conclude that there is association found between gender and Training and Development.

Gender * Rank the following factors which motivates you most? [Job security]

Crosstabulation

Count

		Rank the following factors which motivates you most? [Job security]					Total
		1	2	3	4	5	
Gender	Male	1	3	15	17	8	44
	Female	6	9	16	22	12	65
Total		7	12	31	39	20	109

Table 5.2.15 (a)

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.153 ^a	4	.386
Likelihood Ratio	4.511	4	.341
Linear-by-Linear Association	1.348	1	.246
N of Valid Cases	109		

Table 5.2.15 (b)

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is 2.83.

Interpretation: Based on analysis, from the table greater number of respondents (39), 17 males and 22 females are ranked 4 to the job security as a motivational factor. It is clearly observed that more number of males (39%) are ranked 4 to job security as a motivational factor when compared to females (34%).

The value of the test statistic Alpha is 4.153. The corresponding P-value of the test statistic is P=0.386. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and Job security.

Gender * Rank the following factors which motivates you most? [Leadership opportunities]

Crosstabulation

Count

Rank the following factors which motivates you most? [Leadership opportunities]

	1	2	3	4	5
Gender Male	4	6	14	14	6
Female	3	11	22	18	11
Total	7	17	36	32	17

Table 5.2.16 (a)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.367 ^a	4	.850
Likelihood Ratio	1.351	4	.853
Linear-by-Linear Association	.139	1	.709
N of Valid Cases	109		

Table 5.2.16 (b)

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 2.83.

Interpretation: Based on analysis, from the table greater number of respondents (42), 17 males and 25 females are ranked 3 to the work environment as a motivational factor. It is clearly observed that more number of males (39%) are ranked 3 to work environment as a motivational factor when compared to females (38%).

The value of the test statistic Alpha is 1.367. The corresponding P-value of the test statistic is P=0.850. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and Leadership opportunities.

Gender * Rank the following factors which motivates you most? [Work environment]

Crosstabulation

Count

Rank the following factors which motivates you most? [Work environment]

	1	2	3	4	5
Gender Male	2	3	17	13	9
Female	7	3	25	18	12
Total	9	6	42	31	21

Table 5.2.17 (a)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.548 ^a	4	.818
Likelihood Ratio	1.644	4	.801
Linear-by-Linear Association	.543	1	.461
N of Valid Cases	109		

Table 5.2.17 (b)

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is 2.42.

Interpretation: Based on analysis, from the table greater number of respondents (32), 14 males and 18 females are ranked 3 to the leadership opportunities as a motivational factor. It is clearly observed that more number of males (32%) are ranked 3 to leadership opportunities as a motivational factors when compared to males (28%).

The value of the test statistic Alpha is 1.548. The corresponding P-value of the test statistic is P=0.818. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and Work environment.

Gender * Please provide the rates for following factors. [Good relationship with co-workers]

Crosstabulation

Count

Please provide the rates for following factors. [Good relationship with co-workers]

	1	2	3	4	5
Gender Male	3	2	12	20	7
Female	1	4	21	27	12
Total	4	6	33	47	19

Table 5.2.18 (a)

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	2.527 ^a	4	.640
Likelihood Ratio	2.519	4	.641
Linear-by-Linear Association	.295	1	.587
N of Valid Cases	109		

Table 5.2.18 (b)

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 1.61.

Interpretation: Based on analysis, from the table greater number of respondents (47), 20 males and 27 females are agreed to good relationship with co-workers as a motivational factor. It is clearly observed that more number of males (45%) are agree with good relationship with co-workers as a motivational factor when compared to females (42%) and as it increases their performance.

The value of the test statistic Alpha is 2.527. The corresponding P-value of the test statistic is P=0.640. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and Good relationship with workers.

Gender * Please provide the rates for following factors. [Good safety measures adopted in your organisation]

Crosstabulation

Count

Please provide the rates for following factors. [Good safety measures adopted in your organisation]

	1	2	3	4
Gender Male	2	3	20	14
Female	1	5	20	30
Total	3	8	40	44

Table 5.2.19 (a)

Crosstabulation

Count

Please provide the rates for following factors. [Good safety measures adopted in your organisation]

	5	Total
Gender Male	5	44
Female	9	65
Total	14	109

Table 5.2.19 (a)

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.893 ^a	4	.421
Likelihood Ratio	3.887	4	.422
Linear-by-Linear Association	1.899	1	.168
N of Valid Cases	109		

Table 5.2.19 (b)

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 1.21.

Interpretation: Based on analysis, from the table greater number of respondents (44), 14 males and 30 females are agreed with good safety measures as a motivational factor. It is clearly observed that more number of females (46%) are agree with the good safety measures as a motivational factor when compared to males (6%) and as it increases their performance.

The value of the test statistic Alpha is 3.893. The corresponding P-value of the test statistic is P=0.421. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and good safety measures adopted in the organisation.

Gender * Please provide the rates for following factors. [Performance appraisal activities are helpful to get motivated]

Crosstabulation

Count

Please provide the rates for following factors. [Performance appraisal activities are helpful to get motivated]

		1	2	3	4
Gender	Male	2	6	16	15
	Female	1	6	26	24
Total		3	12	42	39

Table 5.2.20 (a)

Crosstabulation

Count

Please provide the rates for following factors. [Performance appraisal activities are helpful to get motivated]

		5	Total
Gender	Male	5	44
	Female	8	65
Total		13	109

Table 5.2.20 (a)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.493 ^a	4	.828
Likelihood Ratio	1.467	4	.832
Linear-by-Linear Association	.686	1	.408
N of Valid Cases	109		

Table 5.2.20 (b)

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is 1.21.

Interpretation: Based on analysis, from the table greater number of respondents (42), 16 males and 26 females are neither agree nor disagree with performance appraisal activities are helpful to get motivated. It is clearly observed that more number of females (40%) are neither agree nor disagree with performance appraisal activities are help to get motivated when compared to males (36%).

The value of the test statistic Alpha is 1.493. The corresponding P-value of the test statistic is P=0.828. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and Performance appraisal activities are helpful to get motivated.

Gender * Please provide the rates for following factors. [Management involves you in decision making process]

Crosstabulation

Count

Please provide the rates for following factors. [Management involves you in decision making process]

	1	2	3	4
Gender Male	2	3	17	17
Female	4	5	22	26
Total	6	8	39	43

Table 5.2.21 (a)

Crosstabulation

Count

		Please provide the rates for following factors. [Management involves you in decision making process]	5	Total
Gender	Male		5	44
	Female		8	65
Total			13	109

Table 5.2.21 (a)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.351 ^a	4	.986
Likelihood Ratio	.353	4	.986
Linear-by-Linear Association	.002	1	.965
N of Valid Cases	109		

Table 5.2.21 (b)

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 2.42.

Interpretation: Based on analysis, from the table greater number of respondents (43), 17 males and 26 females are agreed with management involves you in decision making as a motivational factor. It is clearly observed that more number of females (40%) are agree wit management involves in decision making process as a motivational factor when compared to male (39%) and as it increases their performance.

The value of the test statistic Alpha is 0.351. The corresponding P-value of the test statistic is P=0.986. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and management involves you in decision making process.

Gender * Do you think that the motivation factors influence your performance?

Crosstabulation

Count

		Do you think that the motivation factors influence your performance?			Total
		Yes	No	May be	
Gender	Male	33	3	8	44
	Female	53	1	11	65
Total		86	4	19	109

Table 5.2.22 (a)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	2.159 ^a	2	.340
Likelihood Ratio	2.145	2	.342
Linear-by-Linear Association	.270	1	.603
N of Valid Cases	109		

Table 5.2.22 (b)

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 1.61.

Interpretation: Based on analysis, from the table greater number of respondents (86), 33 males and 53 females are thought that motivation factors influence their performance. It is clearly observed that more number of females (82%) are think that motivation factors influence their performance when compared to males (75%) and as it increases their performance.

The value of the test statistic Alpha is 2.159. The corresponding P-value of the test statistic is P=0.340. P-value is greater than the standard alpha value (0.05), we do not reject the null hypothesis. Rather, we conclude that there is not enough evidence to suggest an association between these two variables. Based on the results, we can state that there is no association found between gender and influence of motivational factors.

5.3. FINDINGS:

From the data analysis above, there are two parts to data analysis, the first part provided analysis based on gender and other is analysis based on experience. Respondents provide their elaborated expression about their response are showed in above data analysis under each table which are promotion, salary increase, job security, working environment, effective performance appraisal activities and system, good relationship with co-workers, training and development, leadership opportunities, and management involves in decision making process etc.

Impact of promotion as a motivational factor on employee performance: From the study conducted above, it can be assessed with certainty that, 64% of the respondents think that promotion is great motivator and increases their performance. More number of males (70%) are ranked 5 to promotion as motivational factor when compared to females. There is no association found between gender and promotion and there is statistically significant correlation between Promotion and Employee Performance.

Impact of salary increase as a motivational factor on employee performance: From the study conducted above, 66% of respondents are think that salary increase is great motivator and increases their performance. Both males and females (51%) are ranked 5 to salary increase as a motivational factor. There is no association found between gender and increase in salary and there is statistically significant correlation between Salary increase and Employee Performance.

Impact of recognition as a motivational factor on employee performance: From the study conducted above, 43% of respondents are think that recognition is great motivator and increases their performance. More number of males (46%) are ranked 4 to recognition as a motivational factor. There is no association found between gender and Recognition and there is statistically significant correlation between Recognition and Employee Performance.

Impact of training and development as a motivational factor on employee performance: From the study conducted above, 40% of the respondents are think that training and development is great motivator and increases their performance. More number of females (46%) are ranked 4 to training and development as a motivational factor. There is association found between gender and Training and Development and there is statistically significant correlation between Training and Development and Employee Performance.

Impact of job security as a motivational factor on employee performance: From the study conducted above, 39% of the respondents think that job security is great motivator and increases their performance. More number of males (39%) are ranked 4 to job security as a motivational factor. There

is no association found between gender and Job security and there is statistically significant correlation between Job security and Employee Performance.

Impact of leadership opportunities as a motivational factor on employee performance: From the study conducted above, 36% of the respondents are think that leadership opportunities are great motivator and increases their performance. More number of males (32%) are ranked 3 to the leadership opportunities as a motivational factor. There is no association found between gender and Leadership opportunities and there is statistically significant correlation between Leadership opportunities and Employee Performance.

Impact of work environment as a motivational factor on employee performance: From the study conducted above, 42% of respondents are think that work environment increases their performance. More number of males (39%) are ranked 3 to work environment as a motivational factor. There is no association found between gender and Work environment and there is statistically significant correlation between Work environment and Employee Performance.

CHAPTER-6
DISCUSSIONS AND CONCLUSION

Chapter-6

DISCUSSIONS AND CONCLUSIONS

6.1. OVERVIEW OF THE STUDY:

The purpose of this study is to find out the impact of motivation on employee performance in IT Sector. This research was directed with a set of tables which related directly to the research questions. Data was gathered through close ended questionnaires. The results indicate that there is positive effect of motivation on employee performance. Motivation is the key tool for improved employee performance and it can also increase the level of individual and organisational capability. In this research investigate that motivation is also an understood greeting concerning the employee performance. Employee performance would be attained when an individual is motivated to ensure effort by his or her personal determination.

6.2. CONCLUSION:

The results proposed that if IT Companies motivate their individuals by using key elements such as reasonable wage and salary, job security, job enlargement and other supplementary financial and non-financial incentives, good work environment, safety measures, good working environment etc then the employee performance will automatically expand and very easily organisation attain their desire goals and objectives. Moreover, if organisation want to increase their productivity and revenues so it must deliberate all aspects to increase the motivational level of workforces. The result evidently represented the tangible soring of how motivation is responsible for upliftment of employee performance. From what the researchers found it can easily be stated the connection between motivation and performance is quite natural if not obvious. When the employees will get some extra drive and exertion, it is bound to ameliorate their typical standard of performance.

6.3. RECOMMEDENTATIONS:

The results obtained from this research can certainly be used very effectively to improve the present scenario of motivation in different sectors of our country. It will help to establish a more firm grip on not only organisational behaviour but also employee psychology. Motivating your employees is a dedicate and purposeful challenge that requires more than an annual review or jotting a few notes in someone's personnel life. The following can be suggested on the basis of the research and survey conducted above.

- Based on the result provided by the study, the organisation can get an idea of the fact if they require taking steps regarding motivation.
- The study can also be used to bring clarity concerning how to implicate different theories of motivation into practical field of work.
- To inspect the extend up to which motivation has been able to meet employee prospect expectation.
- To inspire these sectors to enforce more motivational tools in order to achieve more successes.
- The results can be used to compare present scenario regarding level of motivation and the optimum rate of motivation should be applied to attain organisational goals most effectively.

6.4. SCOPE FOR FURTHER RESEARCH:

There are certainly more scopes for conducting research studies concerning motivation in the future. In this study research is conducted on IT Sector. There are other sectors like industrial, marketing, business, banking sectors etc. These are the main economic power provider for a country. If we can generate better outcomes from these sectors, our country is bound to be developed. From the study above we see that motivation has a dominated impact on employee performance. So, if we can find out more effective use of motivational tools from these studies, it will certainly help to make our economic sectors more enriched.

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APPENDIX

Questionnaire on Impact of motivation on employee performance:

1. Name:

2. Gender

- Male
- Female
- Others

3. Age

- 18-25
- 26-45
- 46-55
- Above 55

4. Qualification

- SSC/Diploma
- Under graduate
- Post graduate
- PhD
- Others

5. From how many years you are working with the organisation?

- 0-2 years
- 2-5 years
- 5-8 years
- More than 8 years

6. Are you satisfied with the support from your organization?

- Highly satisfied
- Satisfied
- Neutral
- Dissatisfied
- Highly dissatisfied

7. Does motivation increases the output of the organisation?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

8. Will no form of motivation lead to poor performance?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

9. Does your organisation made committed efforts to motivate workers?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

10. Does the staff motivation in your organisation cut across all employees?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

11. How would you assess practices of motivation in your organisation?

- Very high
- High
- Neutral
- Low
- Very low

12. Does employees receive any praises from management by doing good job?

- Strongly agree

- Agree
- Neutral
- Disagree
- Strongly disagree

13. which type of incentives motivate you more?

- Financial
- Non-financial
- Both
- Others

14. How far you satisfied with the incentives provided by the organisation?

- Highly satisfied
- Satisfied
- Neutral
- Dissatisfied
- Highly dissatisfied

15. Rank the following factors which motivates you most?

(Rank 1,2,3,4,5 respectively)

- Promotion
- Salary increase
- Recognition
- Training and development
- Job security
- Leadership opportunities
- Work environment

16. Please provide rates for following factors?

(5-strongly agree to 1-strongly disagree)

- Good relationship with co-workers
- Good safety measures adopted in your organisation
- Performance appraisal activities are helpful to get motivated
- Management involves you in decision making process

17. Do you think that the motivation factors influence your performance?

- Yes
- No
- Maybe

A FIELD PROJECT
REPORT ON CUSTOMER SATISFCATION WITH REFERENCE TO SWIGGY
ONLINE FOOD ORDERS IN VIJAYAWADA

**Submitted to Department of Management Studies, VFSTR Deemed to be University in PartialFulfillment
for the award of**

MASTERS IN BUSINESS ADMINISTRATION

Submitted by

**(MEDIKONDA KAVYA PRASANNA LAKSHMI, KAKARAPARTHI HEMANTH NAGA VENKATA HANUMA
SAI, MANNAVA GEETHA VINUSHA, ATHOTA BHAVANI TIRUMALESWARI, VEMULA MADHURI
VENKATA BALA THRIPURA SUNDARI, KOPPOJU PANNAGA MEENAKSHI)
(211FC01001, 211FC01002, 211FC01003, 211FC01004, 211FC01005, 211FC01006)**

UNDER THE GUIDENCE OF

Mr. M S KISHAN VARMA

(Assistant Professor, Department of Management Studies)



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research Deemed to be University

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



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(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Date: 20-04-2023

PERMISSION LETTER

Following are the **MEDIKONDA KAVYA PRASANNA LAKSHMI, KAKARAPARTHI HEMANTH NAGA VENKATA HANUMA SAI, MANNAVA GEETHA VINUSHA, ATHOTA BHAVANI TIRUMALESWARI, VEMULA MADHURI VENKATA BALA THIRIPURA SUNDARI, KOPPOJU PANNAGA MEENAKSHI** of II MBA bearing roll numbers **211FC01001, 211FC01002, 211FC01003, 211FC01004, 211FC01005, 211FC01006**, were permitted to do a field project on the topic "A FIELD PROJECT REPORT ON CUSTOMER SATISFCATION WITH REFERENCE TO SWIGGY ONLINE FOOD ORDERS IN VIJAYAWADA".

M. S. K. Chelma

GUIDE

HOD, MBA



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled A FIELD PROJECT REPORT ON SUPPLY CHAIN NETWORK DESIGN AND NETWORK OPTIMIZATION MODELS submitted by **MEDIKONDA KAVYA PRASANNA LAKSHMI, KAKARAPARTHI HEMANTH NAGA VENKATA HANUMA SAI, MANNAVA GEETHA VINUSHA, ATHOTA BHAVANI TIRUMALESWARI, VEMULA MADHURI VENKATA BALA THIRIPURA SUNDARI, KOPPOJU PANNAGA MEENAKSHI** bearing the Regd. No. **211FC01001, 211FC01002, 211FC01003, 211FC01004, 211FC01005, 211FC01006**, from the Department of Management Studies, Vignan's Foundation for Science Technology and Research deemed to be University and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

N. S. K. Dasu

GUIDE

[Signature]

HOD, MBA

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ABSTRACT

Information and communication technology has penetrated into all the sectors including food industry. In this new era of e-commerce the online food ordering delivery is a new mechanism to link the restaurants and customers. Swiggy is an application for food ordering and delivery. The main aim of this research is to study the customer satisfaction levels and the motivating factors for purchasing the product through swiggy. For the purpose of the study a survey was planned with a sample of 81 respondents who use swiggy app for food delivery. The primary data was collected through structured questionnaire and this data was analysed through simple percentage method, chi-square. The scope of the study is restricted to Vijayawada city.

Keywords: Website quality, service quality, customer satisfaction, customer preferences, loyalty.

CHAPTER1

INTRODUCTION

Information and communication technology revolutionised all the sectors including government and business. E-commerce is buzzword of the current day online food ordering and delivery is a new application of e-commerce. It bridges the gap between customers and restaurants. In the process of online food ordering and delivery the customers will download the app and that app displays different restaurants. Based on the preference of customers restaurants and preference of customers restaurants and preferred food will be booked through online. The representatives of the company will deliver the order at the door step of the customer.

The famous food ordering apps are swiggy, zomato, uber eats, food panda. There are different models of payment like cash on delivery, phone pay, paytm, net banking. Online food ordering delivery service industry has entered india recently.

The layout of home shipping or the takeaways have won masses extra clients in locations like department stores, places of work and big-birthday party orders for residential complexes. People lacking breakfast at the thanks to paintings, order-in. People, united countries business enterprise need a higher selection of employer lunch or party, order in too. Every body seems to be in awe of the net food order and transport possibility for the convenience and on the spot supply of meals reception. Except, the convenience of ordering groceries from your cell app or utility application has certainly alienated a few marketplace proportion from the trusty „kirana“ or the mom-n-pop shops. Asian united states is that the sixth largest grocery market inside the world, however the organized sector as tour via some of the net organizations stated on top of makes up only for 5-8% market proportion of the grocery business.

The overwhelming majority remains in hand by these native markets and also the mom-n-pop stores. This has some obvious impacts on the brick-and-mortar formats of in-dining restaurants as additional individuals opt to have restaurant-style cuisines right within the privacy of their homes or workplaces; however the impact isn't such a lot because it could seem to be. The vitamins business in Asian country is simply concerning a pair of decades recent, and remains mostly unorganized. Given the speed at that the organized sector is quickly growing, it's solely a matter of your time and a way larger chunk of world investments before a extremely massive impact is formed on in progress eating house businesses that will not have a delivery-focused format of their own.

The call for of on line ordering is actual. It conveys to the client base which you are a modern growing restaurant and very hard to others that wants to be a convenient and on hand for all of the guests who used to ordered frequently. The most crucial that so one can continually need to contact the satisfactory of enhancing online food ordering ever is the best one that needs to be maintain the client as a ordinary consumer, inside the feel offers suitable characteristics and quantities of food, time hold, shipping asap. This could come up with the best result for online food ordering device fulfilled.

Offering online ordering lets your guests place an order more conveniently. Without feeling pressure to wrap up their order, customers are more inclined to explore all of their menu options, and even end up spending more than they would when ordering over the phone or in person. With no line behind them, the pressure for your guests to make speedy orders is gone, and they'll be more inclined to get that extra item.

Online food delivery service industry has entered india recently. The online food ordering business in India is in its beginning stage, but witnessing substantial growth. With online food delivery players like FoodPanda, Zomato, and Swiggy building scale through partnerships, the organised food business has a huge potential and a promising future. The online food delivery industry grew at 150 per cent year- on-year with an estimated Gross Merchandise Value (GMV) of US\$ 300 million in 2016.

Mahatma Gandhi said that “A customer is the most visitor on our premises. He is not dependent on us. We are dependent on him.” Customers is the ultimate user of product/service. Customer is king and rules the market. customer must be take care failing which there is a great risk of loss of business.

Customer satisfaction is a key to the success of every business. For ensuring the satisfaction of customers so many steps and measures have to be taken. Customer satisfaction is defined as “the number of customers, or percentage of total customers whose reported experience with a firm, its product or its service exceeds specified satisfaction goals”. In short how the services meet the expectations of customer is customer satisfaction when it fails to meet their expectations, it leads to dissatisfaction of customers.

The key factors in enhancing customer satisfaction are quality of service or product, website quality, clarity in information, security/privacy, good payment system, quick delivery of service.

Customer satisfaction is an vital theoretical as well as practical trouble for most marketers and client researchers (churchill and suprenant, 1982; moutinho and goode, 1995; naser et al., 1999; piercy, 1994). Consumer pleasure is a first-rate outcome of marketing pastime wherein it serves as a hyperlink with diverse degrees of client shopping for conduct. As an instance, if customers are happy with a particular service providing after its use, then they may be possibly to engage in repeat buy and try line extensions (east, 1997). Purchaser delight is broadly identified as a key have an impact on in the formation of customers destiny purchase intentions (taylor and baker, 1994). Happy clients are also probable to inform others in their favorable stories and accordingly have interaction in fine word of mouth advertising (document and prince, 1992; richens, 1983). This effective word of mouth advertising and marketing is specially useful in collectivist asian cultures like that of india where social life is structured in a way to improve social relationships with others in the society (hofstede, 1980; corridor and hall, 1987). Disillusioned customers, on the others hand, are possibly to replace manufacturers and engage in terrible phrase of mouth advertising and marketing

An examine conducted by means of Levesque and McDougall (1996) confirmed and bolstered the concept that unsatisfactory customer support should result in a drop in purchaser satisfaction and willingness to advise the carrier to a chum. This will lead to increase in switching through customers. So, the significance of purchaser satisfaction and customer retention in strategy improvement for a market orientated, and patron centered, firm cannot be underestimated (see Kohli and Jaworski, 1990 for further discussion). Patron pride may be taken into consideration as the essence of success in today's quite competitive global of enterprise. Client satisfaction is more and more becoming a company aim as an increasing number of organizations try for excellent of their services and products (Bitner and Hubbert, 1994). In this context, an understanding of determinant of patron pleasure, (Churchill and Suprenant, 1982; Levesque and McDougall, 1996) is of superb significance to marketers.

The idea of consumer care is situation with consumer pleasure setting the patron first, looking ahead to needs and issues, tailoring the product and services to satisfy wishes and being first-rate to consumer it also includes service to the purchaser, delivery operation, employee dating with consumer and inner courting between worker and control. In growing patron care strategies and programs, offerings businesses are coping with services and products, shipping structures, surroundings and those so that you can provide an green and being concerned carrier, getting matters proper the primary time and maintaining requirements. Companies are an increasing number of interested in preserving present customers whilst targeting non-consumer; measuring customer delight provides an illustration of how a hit the company is at providing merchandise and /or services to the marketplace.

Summary:

The applications of information and communication technology permeated to all the sectors. Online food ordering and delivery is one of the important application of IT in the current world of e-commerce. Swiggy, Zomato, Food panda, are some of the famous online food ordering and delivery apps which bridge the gap between customers and restaurants. Though online food ordering industry is in budding stage in India, it is a growing at a faster pace in all the cities. It helps the customers in saving the time, resources and ensures easy accessibility and availability of food

Customer satisfaction in the delivery of food through these apps is demanding more attention. Customer satisfaction with regards to different aspects like quickness in service delivery, quality in service, cost of the service, variety of foods provided through apps.

CHAPTER 2

REVIEW OF LITERATURE

Samsudin, et al.[2011]:In their study opined that given the modern day environment, a wireless food ordering frame work has been installed. This frame works helps in updating the menu, ordering and delivery the same in an environment. And through a proper inbuilt feedback it helps in correcting the system too.

Pathan, et al. [2017]: The study of Pathan et al revealed that online food ordering system provides easy access in the choice of food as well as the time of ordering. And at the same time the restaurants can exhibit the images of food. Further this system allows for tracking the service and keeping and updating the customer data base.

Seema Gopichand[2017]:A study conducted by seema gopichand found that the people in the age group of below 25 and having income between 15000-25000 are the major users of online food delivery system accessibility, time saving and reasonable price are the main motivating factors to order the food through online.

HongLan .et al.[2016]: According to the Hong Lan et al as the online food delivery mechanism is still in the budding stage, naturally there are teething problems to overcome these, collective efforts by all stakeholders are needed.

Leong Wai Hong[2016]: The study by leong wai hong revealed that the era of information and communication technology is conducive to the growth of new business models and the growth of business too in the restaurant arena.

Indian brand equity foundation: According to the report published by Indian brand equity foundation food retail market is one of the largest in Indian retail sector and it is valued at \$490 billion in 2013. It is expected to reach Rs 6 lakh crore by 2020 online food delivery system, being an important component in the food retail market, through in a nascent stage, is expected to grow by leaps and bounds in the offing.

Shilpa Goyal(2014): In their study found that consumers preference is determined by various factors like the basic product and its manufacturing environs, lifestyle of the consumers. The study also advanced the need for research and innovation to enchant the consumer for ordering the best available.

Srinivasan et al. 2002: The last decade has witnessed extensive literature on website quality as a cue for customer satisfaction; a factor that drives purchase intention. Website quality comprises factors like interactivity, customisation, care, cultivation, choice, community, character and convenience

Kotler (1991): According to kotler although food can be argued to not be part of service quality, the focus is on its characteristics such as fresh, healthy, well presented and cooked which are influential factors for the customers to be satisfied and make their decisions to purchase again.

Landrum, et al., 2009: Service quality plays an important role for customer satisfaction because it is the customers who are the patrons of the products or services. Consequently, efficient tools to assess service quality are invaluable to companies who earn their revenues or part of it from delivery of service. Furthermore, service quality dimensions known as the SERVQUAL tool is widely used by various organizations to measure their customer satisfaction and loyalty.

Harrington et al. (2011): Said that service quality depends to a degree on behavior of employees. How the employees behave and their actions within fast-food outlets have an effect on customer satisfaction level. For example, if customer finds behaviour of staff member of any fast-food outlets is rude and unfriendly it can lead to dissatisfaction.

Cao (2011): Another research by Cao (2011) explored that service quality is one of the most relevant dimensions of fast- food outlets. Delivering high service quality is a key success factor for survival in tough competitive environment Cao (2011).

Wan and Cheng (2011):Service quality is defined as a form of attitude which is a result of evaluation between customer expectations and perceived performance.

Muheed (2012): In his research concluded that customer gives more importance to accuracy of service. In service sector than anything else. Two major factors were derived from the study and they were the quality and the speed at which service is being delivered.

Gupta and Singh (2013): When customer search for a restaurant to dine in, they first choose the restaurants based on the location and also stated that location of the restaurant is considered at the most and other factors like food, price, and environment are considered later on.

Jckanowski.Binkley and Eales: Convenience with respect to food away from home is arising from the time saved by avoiding meal preparation.

Clark and Wood (1995): Quality of the food is important in the restaurant sector suggested that quality of the food is a key determinant of customer satisfaction, customer loyalty and customer's choice of a restaurant. It is said that the quality of food expresses the character of a restaurant operation and is largely responsible for its reputation; good or bad (Spears and Gregoire, 2004)

Summary of literature review:

The studies on wireless food ordering revealed that the system provides easy access in the choice of food and restaurants. It is further revealed that the young age group are using this app more. Also the studies mentioned about the problems that arise in the initial stages of online food ordering apps. Certain studies also revealed that there is a lot of potential to indian food retail market and the online food ordering can play a vital role.

The literature also talks about ways and means to enchant the customer like website quality, customer care, choice and convenience. studies also focused on influential factors like fresh and healthy food, behaviour of the employees, accuracy and quality of service food. Further literature also talks about influence of location of restaurants and saving of time because of online ordering.

CHAPTER 3

RESEARCH METHODOLOGY

Over view of research problem:

Online food ordering apps have gained prominence in all the cities and towns because of many motivating factors. After going through the review of literature it was found that service quality plays an important role in customer satisfaction. This project attempts to study the different motivating factors which influence the consumer to order food online and different levels of customer satisfactions with respect to various aspects like offers provided by the swiggy, service representatives and overall satisfaction on online food orders in the city of Vijayawada.

The findings of the study will help in enhancing the customer satisfaction and redressal of the problems involved in delivery of services.

Need for study/significance:

With the advent of information and communication technology in food industry, indian consumers are also becoming more tech-savvy and their ordering food online. They are perceiving that time and resources can be saved in this era of more work demands and hectic schedule. In this context, plethora(many) of many food ordering apps have entered the markets serving the demands of public. At this juncture, there is no need to study the satisfaction levels of customers with respect to functioning of online-food ordering apps and the problems encountered by the customers. Moreover knowledge about the satisfaction levels and problems of the customers will help in making the food ordering through websites and apps more effective in its functioning.

OBJECTIVES OF THE STUDY:

- To study the awareness levels towards online food ordering delivery service products.
- To analyse the satisfaction levels of consumers regarding offers provided by the swiggy and service of customer representatives.
- To determine the use of social media in enhancing the customer loyalty.
- To identify the motivating factors which influence the consumer to order food online.
- To analyse the consumer preferences with regard to usage of medium for ordering food and also the food preference.
- To analyse the preferred food in online order by Majority of the respondents

Hypotheses:

- Swiggy offers has positive influence on customer satisfaction.
- Services of customer representatives has significant relation with customer satisfaction.
- Social media has a positive influence on increasing the awareness of people on food ordering apps.
- Motivating factors like saving time and convenience have direct and positive relationship with ordering food online.
- Majority of the respondents are preferring south indian thali in online order.

Scope and limitations:

This research work is an attempt to illustrate the awareness levels of respondents towards online food ordering apps and analyse the satisfaction levels of consumers using these apps.

It also attempts to identify the motivating factors which influence the consumer to order Food online. The current study however has some limitations. This study does not separate the sample according to different geographical locations like living in a heart of the city and the far-flung(rural areas) around the city. It also does not take in to account different cultural aspects.

In this study the data was collected prominently from the city of Vijayawada and the experience of the customers in other cities of the country may be different. In the scope for future research lies in studying the relationship between different cultures and use of online apps and also the relationship between remote areas and cities in using these apps.

Sample design:

For the purpose of this study the sample size is 81. The period of study from Jan2020-April 2020.

Sources of information:

Primary data is first hand information which has collected by using techniques such as Questionnaires, personal interactions etc., is known as primary data. For this research work, most of the information was obtained through primary data with the help of questionnaires. The primary data was collected from 81 respondents in the city of Vijayawada. through a structured questionnaire.

Tools and techniques:

The Data collected was analysed through statistical tools like simple percentage method, chi square. The hypothesis is tested by using chi-square in Statistical Package for Social sciences.

Area of study:

The major areas covered to gather the information to achieve the objectives of the study. The survey regarding customer satisfaction was conducted in the city of Vijayawada.

Structure of the study with sound justifications/explanations:

With the proliferation of online food ordering websites and apps, there arises the need to study the different motivating factors which influence the people to order food online and also study the customers satisfaction levels with regard to online ordering. To study these aspects, this project collected the primary data from 81 respondents in the city of Vijayawada. With help of a structured questionnaire to analyse the collected data statistical tools like simple percentage method, chi-square method, weighted average ranking methods were used.

Percentage method:

Percentage method is a very simple and basic statistical tool used to analyse and interpret the data. Percentage for the data is arrived by dividing the number of respondents for a particular question with the total population. The advantage of percentage method is it easy to understand and calculate. Further it can also be represented in pictographs and diagrams.

The present study uses percentage method for analysing different online platforms preferred by respondents, preferred type of food by respondents, frequency of using online food ordering, the amount of money spent. Also the type of social media used to enhance customer loyalty is calculated through percentage method.

Chi-square:

The chi-square statistic is most commonly used to evaluate tests of independence when using a cross tabulation also known as a bivariate table. Cross tabulation presents the distributions of two categorical variables simultaneously. With the intersections of the categories of the variables appearing in the cells of the table. The test of independence assesses whether an association exists between the two variables by comparing the observed pattern of responses in the cells to the pattern that would be expected if the variables were truly independent of each other.

Chi-square statistical tool is used to assess whether the observed cell counts are significantly different from the expected cell counts. Here in this study we are using chi-square to study the relationship between customer satisfaction and variables like overall satisfaction on online-food ordering, offers provided by the swiggy, customer service representatives.

Summary :

This project attempts to study the motivating factors for ordering food online and satisfaction levels of respondents with respect to various aspects like customer service representatives, offers provided by the swiggy, the significance of this study lies in analysing the satisfactory levels and finding out the problems of customers. The main objective of this study is analyse the satisfaction levels of consumers. The limitations of the study are it doesn't focus on separation of sample according to different geographical locations and the study is limited to city of Vijayawada only. A sample size of 81 was taken for the purpose of the study. Primary data was collected through a structure questionnaire. To analyse the collected statistical tools like simple percentage method, and chi-square were used

CHAPTER 4

COMPANY AND INDUSTRY PROFILE

Swiggy is India's largest and most valuable online food ordering and delivery platform. Founded in 2014, Swiggy is based out of Bangalore, India and as of March 2019, was operating out of 100 Indian cities. In early 2019, Swiggy expanded into general product deliveries, under the brand name Swiggy Stores.

In September 2019, Swiggy launched instant pick up and drop service Swiggy Go. The service is used to pick up and drop off a diverse array of items, including laundry and document or parcel deliveries to business clients and retail customers.

In 2013 two founders, sriharsha majety and nandan reddy, designed an e-commerce website referred to as "bundl" to facilitate courier carrier and deliver goods inside india. Bundl became fast paused, and that they moved into the food delivery market. On the time, the food transport area became in turmoil as numerous great startups, which includes meals panda (later received with the aid of ola cabs), tinyowl (later acquired by way of zomato) and ola cafe (later closed) were struggling. Majety and reddy approached rahul jaimini, previously with myntra, and founded swiggy and figure preserving employer bundl technology in 2014. The organisation constructed out a committed delivery network and grew rapidly, often driven by the point of interest on logistics and locking in key assets.

Investments and Acquisitions:

By 2015, the company began attracting external investments. The first was a \$2 million investment from Accel and SAIF Partners, along with an additional investment from Norwest Venture partners. The next year, Swiggy raised \$15 million from new and existing investors, including Bessemer Venture Partners and Harmony Partners.

In 2017, Naspers led an \$80 million funding round into Swiggy. Swiggy received \$100 million from China-based Meituan-Dianping and Naspers in 2018 and then later a string of investments took the company's valuation to over a \$1 billion.

Swiggy acquired Bengaluru-based Asian food start-up 48East in 2017. Swiggy later acquired Mumbai-based Scootsy Logistics, a struggling food and fashion delivery service. It also went on to acquire a milk delivery start-up in Mumbai called SuprDaily in an all cash deal. In 2019, the company invested Rs 31 crore in Mumbai-based ready-to-eat food brand Fingerlix.

How swiggy works and makes money:

You want to eat your favourite food from your favourite restaurant, but there is the usual tedious task in front of you – from getting ready to arriving at the restaurant through modern-day traffic to waiting for your table.

You suddenly decide to postpone your dine out plan and eat home-cooked food instead. Available are food ordering options but you still have to pick it up from the restaurant. Hence, eating at home often seems to be a better option after a tiring day at work. Worry no more because Swiggy has come to the rescue. Prior to Swiggy, all options available were food ordering services, but Swiggy introduced ordering & delivering food services at your doorsteps – much needed by the customers. Let us now understand how Swiggy works and makes money by diving deep into Swiggy's business model.

Swiggy business model:

The business model of the food delivering startup lies in creating value for the customers and restaurant owners. Customers can order on the swiggy app from anywhere at any time and the swiggy delivery boy aims to deliver the order within 40 minutes from time to order.

The startup earns commission on every order proceeded through swiggy. However the value created by the startup is highlighted in the following points.

- Swiggy helps to boost the sales of the restaurant.
- The restaurants which can only cater to the needs of about 60-100 customers at a time, can now reach a wider audience.
- Wider audience reach is possible because Swiggy deals through its online website and Swiggy application.
- Customers can get their order delivered at the convenience of their home within 40 minutes.
- The cost of serving the customers in the restaurants is being saved. This involves the cost of electricity, labour, and other expenses.
- All such things create value for both the customers as well as restaurant owners.
- This makes Swiggy one of the most valued start-ups of food delivery apps in India.



1. Customer Segments of Swiggy:

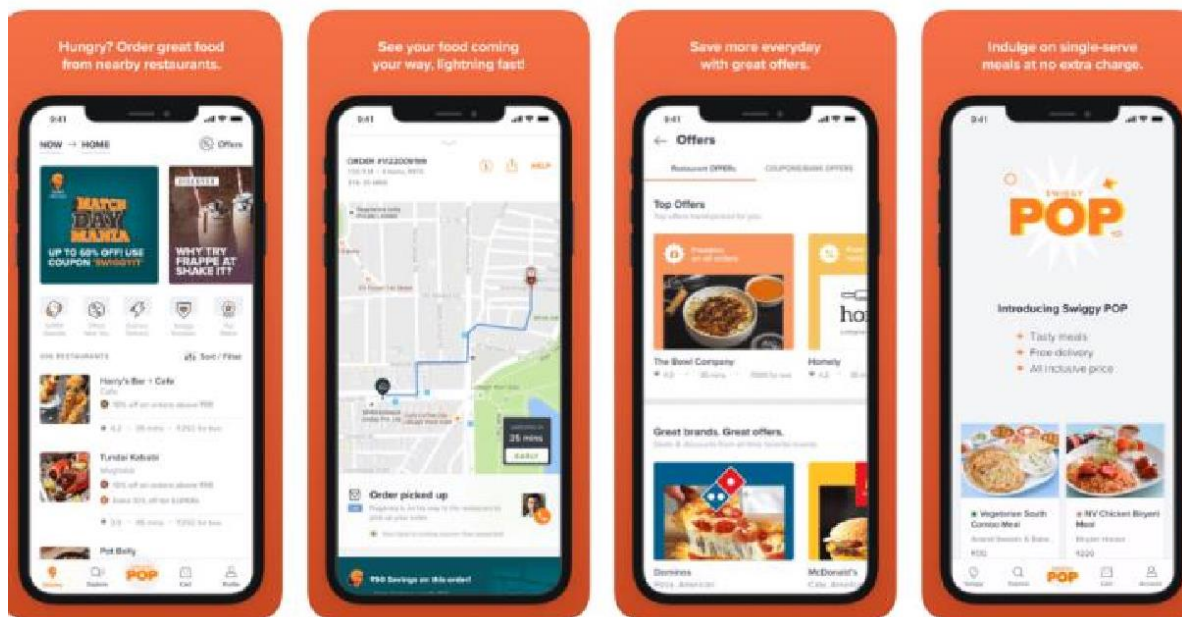
The client segments of swiggy include those folks that do no longer wish to exit to restaurants and eateries to buy meals. Those who want to reserve meals online and need to get it delivered at their doorsteps are the major clients of swiggy. After its recent enterprise growth individuals who need to buy and get other products delivered from nearby shops and shops of groceries, pharmacies, electronics, flower stores and gift stores within the town also are swiggy’s customers.

2. Value Propositions of Swiggy:

The main value proposition of Swiggy is its no-restriction order policy and efficient online payment system.

Swiggy has no minimum order requirement for delivery which is why it often receives orders amounted to less than Rs. 100. It is the reason for Swiggy scaling up to 14 million orders per month.

Swiggy provides 8 different payment methods for its customers to pay conveniently for Swiggy orders. These can be categorized in 3 ways:



Digital Wallets:

1. **Paytm** – Pay through your Paytm account and enjoy plenty of wonderful offers and food deals.
2. **PhonePe** – Get the ultimate convenience by paying through PhonePe, the simplest digital wallet for online payment.
3. **Freecharge** – Swiggy has also included Freecharge as an online payment method to facilitate its customers efficiently.
4. **Mobikwik** – Now you can collect SuperCash through Mobikwik's offers. So, get ready to avail amazing benefits on many service

Cards:

Credit and Debit Cards – Via Swiggy's net banking facility, you can use any debit and credit card. Plus, you can also avail great offers on them, and you can even save your card details for your future payments.

Cash-On-Delivery – Old is gold, isn't it? Pay for your Swiggy orders in cash if that is more convenient for you.

3. Customer Relationships of Swiggy:

Swiggy has high quality patron relationships. It offers 24/7 lively customer service to help clients anytime, everywhere. It makes use of „customer service chat“ offerings. It also has energetic social media pages in which it responds promptly. To stay in contact with its customers and partners, it has evolved high-quality rating, review, and comments structures.

4. Channels of Swiggy:

The channels of Swiggy are mobile app, websites, and digital marketing. Its mobile app is available on both Android and iOS.

5. Key Resources of Swiggy:

As it has partnerships with local restaurant and shops, its main resources are local partners. To name a few, Biryani Blues, Keventers, BombayKery, WokPaper Scissors, and Yogisthaan are the bestselling restaurants at Swiggy.

Other key resources are delivery providers and its own human resources to manage administrative and technical operations. Technology is another resource it uses to operate its apps.

6. Key Activities of Swiggy:

Its key activities include:

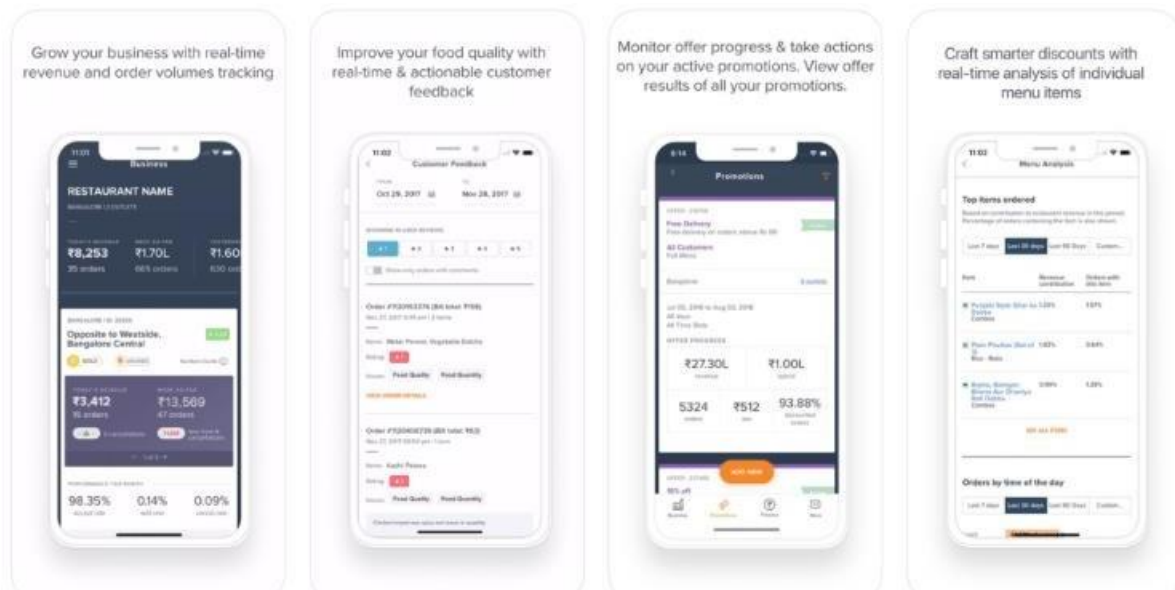
- Building partnerships with eateries and retail shops
- Hiring delivery providers and suppliers (full-time/part-time/freelancers)
- Acquiring customers and managing their orders
- Managing delivery and payment process
- Updating system and building IT infrastructure
- Handling queries and concerns of customers and partners

7. Key Partners of Swiggy:

The key partners of Swiggy are:

Restaurants and shops – Restaurants who wish to have food delivery services to provide customers with food on-demand. Other than eateries, key partners of Swiggy are shops (like pharmacies, groceries, etc.) who wish to offer their own products and services as Swiggy’s partner.

Groceries like Sodhi Super Marche, Garg Dastak, and Best Basket are few of the Swiggy partners. While it is now on the exploratory talks with many online pharma players like Med Plus, Med life, Pharm Easy, and Myra to partner with them.



Delivery providers – These are the delivery suppliers. They can be full-time or freelancers who wish to work and earn some extra money. For the first 4 km, Swiggy pays delivery boys Rs. 4 per km. It then pays Rs. 6 per km after they have traveled 4 km. Besides, they are paid an additional Rs.20 in unseasonal weather like rainy days. Also, Incentives are given on the basis of productive performance.

Cost Structure of Swiggy:

Swiggy has to incur costs and expenditures for its day-to-day functions. Its major cost sources are:

- Payroll expenses for its employees and delivery partners. It also includes incentives and benefits which Swiggy offers to restaurants. For example, giving a commission of about 2- 3%.
- Costs of application and website development.
- Running costs and maintenance charges.
- Administrative, advertising, and marketing costs.
- Additional costs in terms of promotional offers and benefits given to customers.
- Kitchen base-like facility setup and maintenance costs.
- Returns, refunds, and miscellaneous expenses.

2. Revenue Streams of Swiggy:

How does Swiggy make money?

1. To get a definitive answer, we need to analyze Swiggy's Revenue Model. As it's expanding its business strategy and operations day by day, the revenue streams of Swiggy are also considerably increasing.
2. There are mainly 6 revenue streams at present through which Swiggy makes money:

3. Delivery charges:

The first type of revenue stream Swiggy obtained is from its customers. A nominal delivery fee of Rs. 20 to Rs. 40 is charged from customers on orders below a threshold value of Rs. 250. Swiggy raises the charges during high order demands or unusual weather conditions.

2.Commissions:

Swiggy acquires another most important a part of the sales stream from commissions. It collects commissions from eating places to generate income leads and to supply their food items via swiggy's fleet. Eating places ought to pay 15% to 25% on each order located from swiggy's website.

3. Advertising:

Swiggy earns advertising revenue in these two ways:

1. **Banner Promotions** – Swiggy promotes and displays ads of various restaurants on its app. Restaurants, related to different regions, receive greater visibility via banner promotion and pay price for the displayed page.
2. **Priority listing of restaurants** – Swiggy charges restaurants premium rates to give them priority in the list of available restaurants. A restaurant has to pay high if it wants to be displayed higher on the list.

4. Swiggy Access:

An entirely new idea based on the cloud kitchen concept, Swiggy came up with its Swiggy Access facility. It provides ready-to-use kitchen spaces to its restaurant partners in those areas where they don't operate.

With the aim of bringing food nearer to its customers, Swiggy enables restaurants to set up their kitchens in new locations and let the food delivered to them at the fastest speed.

Expecting around 25% of revenues in 2 years, Swiggy expands its cloud kitchen model to include 30 restaurants onboard with 36 kitchens to four new cities.

5. Swiggy Super:

Swiggy has launched a membership program called „[Swiggy Super](#)“ for customers. This program offers unlimited free delivery on all orders above ₹99. After subscribing to this program, customers don't have to pay surge pricing during excessive demands.

6. Affiliate Income:

Swiggy earns revenue by way of partnering with various financial institutions like citibank, hsbc, and icici financial institution. This affiliate earnings is a new but successful sales flow where each parties gain. It also allows clients to get hold of several credit score card offers from those economic agencies.

Swot Analysis:



How swiggy works?

Swiggy provides an online platform for ordering from a wide range of listed neighbourhood partner restaurants and have their own fleet of delivery personnel who pick up the orders from the partner restaurants and deliver it to the customers at their doorsteps.

Swiggy works by providing a complete food ordering and delivery solution that connects the existing neighbourhood restaurants with the urban foodies proving to be beneficial for both.

You can open the Swiggy application on your mobile phones or visit the Swiggy website and you will find a whole list of restaurants to order from. Once the restaurant is selected and the order placed, the restaurant which has its own Swiggy application receives the order details and starts preparing for the order.

A broadcast signal is then sent to all the drivers in the vicinity who have their own driver application. Those willing to accept the order can choose to accept and deliver it.

Like other on-demand delivery startups, Swiggy also has integrated the Google Maps API which lets the customers know where their order is and the amount of time it will take for their order to get delivered in real-time.

Commission:

Swiggy typically charges a 15% – 25% commission on the order bill amount received by the restaurant. This commission is charged on the full bill amount which is inclusive of the Goods and Service Tax charged over and above the menu price.

Swiggy continuously tries to get restaurants on board to be available on Swiggy exclusively. On this account, certain benefits are given to restaurants like greater visibility and sometimes a drop in the commission of about 2% – 3%. But since the resulting benefit is far more than the drop in revenue, Swiggy does this aggressively.

The percentage of the commission depends on various factors like the frequency of orders received, location of the restaurant, dependency of the restaurant on Swiggy, percentage charged by competitors, penetration to a new city etc.

Delivery charges:

Swiggy does not have a minimum order requirement for delivery which means that Swiggy often receives orders amounting to less than Rs 100. This increases the logistics cost per order.

So, after Swiggy got a strong hold of the market, it started charging delivery charges to low order amounts (depending and varying upon city to city). Delivery charges are typically around Rs 20 for orders less than Rs 250. Swiggy sometimes also charges a surge in

delivery prices in times of high demand, rains, special occasions and midnight delivery in select markets.

This additionally helps in pushing customers in ordering above the threshold to avoid paying delivery charges.

Advertising:

Swiggy started earning advertising revenue via two models – Banner promotions and priority listing of restaurants.

Swiggy recently started with Banner promotions to take a leaf out of Zomato and Foodpanda's books. Restaurants are promoted and displayed in their app and website pertaining to regions. Different regions on the displayed page vary in their rates based on the visibility that the restaurant is to receive via the banner promotion.

The only limitation is that Swiggy does not share customer data, so the restaurants rely on generating raw revenue through higher visibility only.

Swiggy typically displays a list of available restaurants to the customers. It has tapped this very potential into a revenue stream by charging a premium from restaurants in return of giving priority listing to the restaurants. Higher up the list the restaurant is displayed, higher is the cost the restaurant has to pay.

Swiggy Access:

Swiggy has recently launched Swiggy Access, a central kitchen base-like facility which houses kitchens of different restaurants including Swiggy's private labels. This cloud kitchen model will help restaurants to set up kitchens in locations even where they are not present.

Launched in Bangalore last year, it has expanded to include 30 restaurants with 36 kitchens in new cities including Kolkata, Delhi, Mumbai and Hyderabad.

This inter-city model is expected to be a game-changer for penetration into tier 2 and tier 3 cities.

Currently, in markets where it is launched, about 8% – 25% order volumes comes via Access kitchens. Restaurants on Access have to pay higher commissions than the existing average commissions that the platform charges for delivery only.

Affiliate income:

Besides the core business practices, Swiggy also makes money in the form of affiliate income by referring credit cards to its customers. The company has partnered with financial institutions and banks like American Express, Citibank, ICICI bank, HSBC, etc. to sell their credit cards to the customers. Customers see the credit cards offers on the order tracking screen.

Swiggy Competitors:

Indian food delivery market is valued at 15 billion dollars and set for an exponential growth. Food delivery has become a very competitive market in India. Swiggy is in direct competition with major on-demand food aggregators like Zomato. Whereas there are other small startups like Foodpanda and Faasos also in the competition.

Summary:

Swiggy is india's largest online food ordering and delivery platform founded in 2014. It is based in Bangalore and its two founders are Sriharsha Majety and Nandan Reddy. Swiggy attracted external investments from Accelsaif, Bessemer, naspess and china based companies. The business model of the swiggy liens in creating value for both customers and restuarants.

It has no restriction order policy and efficient online payment system. It has different options of payments like paytm, phonepe, freecharge etc. it offers 24/7 customers service. Key partners of swiggy are restuarants and shops, super markets. The revenue model of swiggy includes delivery charges, commissions, advertising etc. The competitors of swiggy are zomato, food panda., etc.

CHAPTER 5
DATA ANALYSIS AND FINDINGS:

Table.1.Age particulars of the respondents

Occupation	Age group in Years					Total
	18-25	26-35	36-45	46-50	Above 51	
Business	0	0	1	0	3	4
	.0	.0	25.0	.0	75.0	100.0
Govt employee	2	1	6	6	2	17
	11.8	5.9	35.3	35.3	11.8	100.0
Private employee	6	7	0	2	0	15
	40.0	46.7	.0	13.3	.0	100.0
Student	43	2	0	0	0	45
	95.6	4.4	.0	.0	.0	100.0
Total	51	10	7	8	5	81
	63.0	12.3	8.6	9.9	6.2	100.0

Interpretation:

Table 1 shows the data related to age particulars of the respondents. The study reveals that 63 per cent of respondents are in the age group 18-25, 12.3 per cent are in the age group 26-35, 8.6 per cent belong to 36-45 age group, 9.9 per cent in 46-50 group and 6.2 per cent are above 51 years of age.

Table.2.Gender particulars of the respondents

Occupation	Female	Male	Total
Business	3	1	4
	75.0	25.0	100.0
Government employee	7	10	17
	41.2	58.8	100.0
Private employee	6	9	15
	40.0	60.0	100.0
Student	20	25	45
	44.4	55.6	100.0
Total	36	45	81
	44.4	55.6	100.0

Interpretation:

Table 2 explains the gender particular of the respondents. It is shown that 55.6 per cent of respondents are males and 44.4 per cent are females.

Table.3.Education particulars of the respondents

Occupation	INTERMEDIATE	POST GRADUATE	PROFESSIONAL	S.S.C	UNDER GRADUATE	
Business	2	0	0	2	0	4
	50.0	.0	.0	50.0	.0	100.0
Government employee	1	12	3	0	1	17
	5.9	70.6	17.6	.0	5.9	100.0
Private employee	1	5	4	1	4	15
	6.7	33.3	26.7	6.7	26.7	100.0
Student	1	15	0	3	26	45
	2.2	33.3	.0	6.7	57.8	100.0
Total	5	32	7	6	31	81
	6.2	39.5	8.6	7.4	38.3	100.0

Interpretation:

Table 3 explains the education particulars of the respondents. According to the above table 38.3 per cent of respondents are undergraduates, 39.5 per cent are post graduates, 7.4 per cent are 10th qualified, 6.2 per cent passed intermediate and 8.6 per cent are professionals.

Table.4. Income particulars of the respondents

Occupation	Income in lakhs					Total
	15k to 25k	25k to 40k	Above 40k	Below 15k	No income	
Business	1	0	0	3	0	4
	25.0	.0	.0	75.0	.0	100.0
Government employee	3	8	6	0	0	17
	17.6	47.1	35.3	.0	.0	100.0
Private employee	6	5	2	2	0	15
	40.0	33.3	13.3	13.3	.0	100.0
Student	0	1	0	8	36	45
	.0	2.2	.0	17.8	80.0	100.0
Total	10	14	8	13	36	81
	12.3	17.3	9.9	16.0	44.4	100.0

Interpretation:

Table 4 shows the income particulars of the respondents. It is revealed that 44.4 per cent are in no income group, 17.3 per cent are in income group of 25k to 40k, 16 per cent in the group of below 15k, 12.3 percent in the group of 15k to 25k and 9.9 percent are in the group of above 40k.

Table.5.Number of respondents reported type of online platform opted to get food online

Occupation	Swiggy	Uber Eats	Zomato	Total
Business	4	0	0	4
	100.0	.0	.0	100.0
Government employee	17	0	0	17
	100.0	.0	.0	100.0
Private employee	10	1	4	15
	66.7	6.7	26.7	100.0
Student	34	2	9	45
	75.6	4.4	20.0	100.0
Total	65	3	13	81
	80.2	3.7	16.0	100.0

Interpretation:

Table 5 explains the data related to type of online platform preferred to ordered food online.

It is inferred that 80.2 percent of respondents are using swiggy to order food online, 16 percent are using zomato and 3.7 percent are using uber eats to order food.

Table.6.Number of respondents reported type of meal order in online

Occupation	Continent al	Desert s	North Indian	Pastie s	South India n	Total
Business	0	0	0	0	4	4
	.0	.0	.0	.0	100.0	100.0
Government employee	1	0	3	1	12	17
	5.9	.0	17.6	5.9	70.6	100.0
Private employee	3	0	1	0	11	15
	20.0	.0	6.7	.0	73.3	100.0
Student	7	3	8	0	27	45
	15.6	6.7	17.8	.0	60.0	100.0
Total	11	3	12	1	54	81
	13.5	3.7	14.8	1.2	66.6	100.0

Interpretation:

Table 6 shows the data related to type of meal ordered in online plat form. It is shown that 66.6 percent are ordering south indian food, 14.8 percent are preferring North indian food, 12.3 percent are ordering continental food. Very few members are prefeering deserts 3.7 percent and pasties 1.2 percent

Table.7.Number of respondents preferred medium to order in online platform

Occupation	Mobile app	Web-browser	Total
Business	4	0	4
	100.0	.0	100.0
Government employee	16	1	17
	94.1	5.9	100.0
Private employee	15	0	15
	100.0	.0	100.0
Student	45	0	45
	100.0	.0	100.0
Total	80	1	81
	98.8	1.2	100.0

Interpretation:

Table 7 reveals the data related to preferred medium to order food online by respondents. It is seen that very good majority i.e, 98.8 percent are ordering through mobile app and 1.2 percent are using web browser to order food.

Table.8.Number of respondents reported satisfaction with order in online food

Occupation	Highly dissatisfied	Highly satisfied	Neutral	Satisfied	Total
Business	0	3	0	1	4
	.0	75.0	.0	25.0	100.0
Government employee	0	11	0	6	17
	.0	64.7	.0	35.3	100.0
Private employee	1	3	3	8	15
	6.7	20.0	20.0	53.3	100.0
Student	0	15	6	24	45
	.0	33.3	13.3	53.3	100.0
Total	1	32	9	39	81
	1.2	39.5	11.1	48.1	100.0

Interpretation:

Table 8 explains the satisfaction levels of respondents with respect to online food ordering. It is shown that 48.1 percent are satisfied and 39.5 percent are highly satisfied. On the other hand, 11.1 percent remained neutral and 1.2 percent are highly dissatisfied.

Table.9.Number of respondents reported frequency order food in online.

Occupation	Daily	Fort nightly	Monthly	Weekly	Yearly	Total
Business	0	1	2	0	1	4
	.0	25.0	50.0	.0	25.0	100.0
Government employee	3	2	7	5	0	17
	17.6	11.8	41.2	29.4	.0	100.0
Private employee	1	2	5	7	0	15
	6.7	13.3	33.3	46.7	.0	100.0
Student	0	10	25	10	0	45
	.0	22.2	55.6	22.2	.0	100.0
Total	4	15	39	22	1	81
	4.9	18.5	48.1	27.2	1.2	100.0

Interpretation:

Table 9 explains the data related to frequency of food ordering online by respondents. It is evident that 48.1 percent observed the food online monthly, 27.2 percent of them ordered weekly, 18.5 ordered fortnightly, 4.9 percent ordered daily and very few i.e, 1.2 percent yearly.

Table.10.Distribution of households reported approximate Money spend on ordering food in online

Occupation	Rupees					Total
	1000-2000	2000-3000	500-1000	Above 3000	Below 500	
Business	0	0	4	0	0	4
	.0	.0	100.0	.0	.0	100.0
Government employee	6	0	10	0	1	17
	35.3	.0	58.8	.0	5.9	100.0
Private employee	3	1	6	1	4	15
	20.0	6.7	40.0	6.7	26.7	100.0
Student	5	0	23	0	17	45
	11.1	.0	51.1	.0	37.8	100.0
Total	14	1	43	1	22	81
	17.3	1.2	53.1	1.2	27.2	100.0

Interpretation:

Table 10 shows the data related to money spent by respondents for ordering food online. It is inferred that 27.2 percent are spending below 500, 53.1 percent are spending Rs 500-1000, 17.3 percent are spending between Rs 1000-2000, 1.2 percent are spending between Rs 1000-2000, another 1.2 percent are spending above 3000

Table.11.Number of respondents reported whether they able to receive the food on time

Occupation	No	Yes	Total
Business	0	4	4
	.0	100.0	100.0
Government employee	0	17	17
	.0	100.0	100.0
Private employee	2	13	15
	13.3	86.7	100.0
Student	1	44	45
	2.2	97.8	100.0
Total	3	78	81
	3.7	96.3	100.0

Interpretation:

Table 11 speaks of data related to food ordering delivered online on-time. According to the above table, 96.3 percent of respondents felt that they are received the food on-time and only 3.7 percent said that they are not receiving the food ordered on-time.

Table.12. Respondents' satisfaction with the offers provided by the swiggy

Occupation			Total
	Highly satisfied	Satisfied	
Business	4	0	4
	100.0%	0.0%	100.0%
Govt employee	8	2	10
	80.0%	20.0%	100.0%
Private employee	10	5	15
	66.7%	33.3%	100.0%
Student	9	27	36
	25.0%	75.0%	100.0%
Total	31	34	65
	47.7%	52.3%	100.0%

Interpretation:

Table 12 explains the data related to satisfaction levels of respondents with respect to the offers provided by the swiggy. It can be inferred from the above table that 52.3 percent are satisfied and 47.7 percent are highly satisfied.

CHI-SQUARE:

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.167 ^a	3	.000
Likelihood Ratio	20.379	3	.000
N of Valid Cases	65		
Df=3, Chi-square(0.05)=7.81			

H0: Null hypothesis : Swiggy offers has no positive influence on customer satisfaction.

H1: Alternate hypothesis : Swiggy offers has positive influence on customer satisfaction

To test the null hypothesis Chi-Square test was performed. After testing the null hypothesis it was found that calculated Chi-square value is greater than table value of Chi-square. Hence Null hypothesis is rejected. Alternate hypothesis is accepted. There is significant relationship between swiggy offers and customer satisfaction.

Table.13.Number of respondents reported motivational factors to order food online in swiggy

Occupation	All the above	Convenience	Money saving	Quick delivery	Time saving	Total
Occupation Business	0	2	0	0	2	4
	.0	50.0	.0	.0	50.0	100.0
Government employee	2	2	4	0	9	17
	11.8	11.8	23.5	.0	52.9	100.0
Private employee	2	4	3	1	0	10
	20.0	40.0	30.0	10.0	.0	100.0
Student	5	9	6	1	13	34
	14.7	26.5	17.6	2.9	38.2	100.0
Total	9	17	13	2	24	65
	13.8	26.2	20.0	3.1	36.9	100.0

Interpretation:

Table 13 explains the data related to motivational factors that influence the respondents to order food online. Data shows that 36.9 percent of respondents feel that it is the time saving factor that motivates them to order food online, 26.2 percent said that convenience is the motivating factor, 20 percent were of the opinion that it saves money, 3.1 percent expressed that online delivery has the advantage of quick delivery of food. On the other hand 13.8 percent of respondents felt that all the factors are motivating them.

CHI-SQUARE:

Chi-Square Tests			
	Value	DF	Sig. (2-sided)
Pearson Chi-Square	12.629 ^a	12	.397
Likelihood Ratio	17.539	12	.130
N of Valid Cases	65		
Df=12, Chi-square (0.05)=21.1			

Ho: Null hypothesis: Motivating factors like saving time and convenience do not have direct and positive relationship with ordering food online.

H1: Alternate hypothesis: Motivating factors like saving time and convenience have direct and positive relationship with ordering food online.

To test the null hypothesis Chi-Square test was performed. After testing the null hypothesis it was found that calculated Chi-square value is less than table value of Chi-square. Hence Null hypothesis is accepted.

Table.14.Respondents reported type social media is used to enhance the customer loyalty

Occupation	Face book	Instagram	Twitter	Whats app	YouTube	Total
Business	1	0	0	0	3	4
	25.0	.0	.0	.0	75.0	100.0
Government employee	5	3	0	0	9	17
	29.4	17.6	.0	.0	52.9	100.0
Private employee	6	3	0	4	2	15
	40.0	20.0	.0	26.7	13.3	100.0
Student	11	13	2	7	12	45
	24.4	28.9	4.4	15.6	26.7	100.0
Total	23	19	2	11	26	81
	28.4	23.5	2.5	13.6	32.1	100.0

Interpretation:

Table 14 speaks of respondents opinion on social media enhancing customer loyalty. According the above table , 32.1 percent of respondents expressed that youtube can enhance customer loyalty, while 28.4 percent said that loyalty can be enhanced through face book, 23.5 percent said through instagram loyalty can be increased. Also 13.6 percent felt that it can be done through what"s app and 2.5 percent said that it is through twitter.

CHI-SQUARE:

Chi-Square Tests			
	Value	Df	Sig. (2-sided)
Pearson Chi-Square	15.933 ^a	12	.194
Likelihood Ratio	19.450	12	.078
N of Valid Cases	81		
Df=12, Chi-square (0.05)=21.1			

H0:Null Hypothesis: Social media has no positive influence on increasing the awareness of people on food ordering apps.

H1:Alternate Hypothesis: To test the null hypothesis Chi-Square test was performed. After testing the null hypothesis it was found that calculated Chi-square value is less than table value of Chi-square. Hence Null hypothesis is accepted.

Table.15.Respondents reported rate on swiggy customer service representatives

Occupation	Highly satisfied	Neutral	Satisfied	Total
Business	4	0	0	4
	100.0	.0	.0	100.0
Government employee	15	0	2	17
	88.2	.0	11.8	100.0
Private employee	3	1	6	10
	30.0	10.0	60.0	100.0
Student	15	7	12	34
	44.1	20.6	35.3	100.0
Total	37	8	20	65
	56.9	12.3	30.8	100.0

Interpretation:

Table 15 shows the data related to satisfaction levels of respondents with regards to service provided by swiggy customer service representatives. It is revealed from the data that 30.8 percent of respondents are satisfied with the service provided by the swiggy representatives and 56.9 percent are highly satisfied with the services provided by representatives. On the other hand 12.3 percent preferred to remain neutral.

CHI-SQUARE:

Chi-Square Tests			
	Value	Df	Sig. (2-sided)
Pearson Chi-Square	17.236	6	.000
Likelihood Ratio	20.417	6	.002
N of Valid Cases	65		
Df=6, Chi-square (0.05)=12.59			

H0: Null hypothesis: Services of customer representatives has no positive influence on customer satisfaction.

H1: Alternate hypothesis: Services of customer representatives has positive influence on customer satisfaction.

To test the null hypothesis Chi-Square test was performed. After testing the null hypothesis it was found that calculated Chi-square value is greater than table value of Chi-square. Hence Null hypothesis is rejected. Hence alternate hypothesis is accepted. There is significant relationship between services of customer representatives and customer satisfaction.

Table 16: Number of respondents reported type of meal order in online

Occupation	Continental	Deserts	North Indian	Pasties	South Indian	Total
Business	0	0	0	0	4	4
	.0	.0	.0	.0	100.0	100.0
Government employee	1	0	3	1	12	17
	5.9	.0	17.6	5.9	70.6	100.0
Private employee	3	0	1	0	11	15
	20.0	.0	6.7	.0	73.3	100.0
Student	7	3	8	0	27	45
	15.6	6.7	17.8	.0	60.0	100.0
Total	11	3	12	1	54	81
	13.5	3.7	14.8	1.2	66.6	100.0

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	65.382 ^a	21	.000
Likelihood Ratio	43.313	21	.003
N of Valid Cases	81		
Df=21, Chi-square (0.05)=32.671			

H0: Respondents are preferring all types of food in online order

H1: Majority of the respondents are preferring south indian thali in online order.

To test the null hypothesis Chi-Square test was performed. After testing the null hypothesis it was found that calculated Chi-square value is greater than table value of Chi-square. Hence Null hypothesis is rejected. Hence alternate hypothesis is accepted.

FINDINGS

- Majority of the respondents are below 25 years of age.
- Most of the respondents are males in the research study.
- Majority of the respondents in the study are Post Graduates.
- The study reveals that majority of the respondents are using swiggy app for ordering food online when compared to others app.
- The study shows that an overwhelming majority of the respondents are preferring south indian thali in online food ordering apps.
- Most of the respondents are preferring mobile app as medium for ordering food online.
- Majority of the respondents are satisfied with orders in online food.
- The study reveals that most of the respondents are ordering the food online monthly.
- Most of the respondents are spending Rs 500-1000 for ordering food online.
- Majority of the respondents are of the opinion that they are satisfied because they are receiving the delivery on time.
- The major finding of the study is a very good majority of the respondents are satisfied with swiggy offers.
- Majority of the respondents opined that time saving is the major motivating factor for ordering food online.
- Another major finding of the study was an overwhelming majority of the respondents were satisfied with service of customer representatives.

CHAPTER6

SUGGESTIONS AND CONCLUSION

- In addition to the present advertising techniques more new updates can be developed to increase the customer loyalty.
- As most of the customers belong to the age group of 18-25 years. The company has to develop strategies to focus on this age-group and also develop alternative strategy to widen its base for other age groups also.
- The quality of online food delivery services has to be enhanced. So that it can bring more profits to the company.
- For the customers who are using the app frequently gives special coupons and discounts have to be given.
- Necessary action has to be taken by the company on the feedback collected from respondents on different aspects of online food ordering.
- The swiggy has to provided required information regarding availability of customer service representatives, non-acceptance of order by restaurant.
- Swiggy app to focus on improving the website quality and take more steps to build trust among the customers.
- When the services are delayed due to traffic problem and other un avoidable reasons, the customer service representatives have to respond to customer inquiries promptly.

CONCLUSION

It is rightly said that customer is equivalent to god. Hence the company has to focus on enhancing customer satisfaction by undertaking regular surveys, taking action on the feedback given by customer and devising strategies to make the service more flexible and convenient customer. Further the company has to try to build trust among the customers and widen its base. The company can focus on the age groups which are utilizing it more and try to provide special offers to them.

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APPENDICES

Customer Satisfaction on Swiggy online food orders with reference to Vijayawada.

I am from 2nd year M.B.A from Vignan's University. As a part of my Research Program I am conducting survey for this purpose. I have prepared set of questionnaire, so please give your appropriate responses.

* Required

1. Name of the respondent

.....

2. What is your age?

18-25

25-35

35-45

45-50

Above 50

3. What is your gender?

Male

Female

4. What is your qualification?

S.S.C

Intermediate

Under Graduate

Post Graduate

Professional

5 What is your occupation?

Govt employee

private employee

Retired employee

Business

Student

6 What is your income?

Below 15k

15k to 25k*

25k to 40k

Above 40k

No income

7. Are you aware of online food ordering app through online?

Yes

No

8. if yes which online platform will you prefer?

Zomato

Swiggy

Uber Eats

Food panda

Just Eat

9. Which meal you typically order food in online?

North Indian

South Indian

Continental

Deserts

Pasties

Beverages

10. Respondents preferred medium to order food online?

Mobile-app

Web browser

Others.....

11. Are you satisfied with online food ordering?

Highly satisfied

Satisfied

Neutral

Dis satisfied

Highly dissatisfied.

12. How often do you prefer to order food in online?

Weekly

Daily

Monthly

Fort nightly(15 days)

Yearly

13. What is the approximate money you spend on ordering food per order?

Below 500

500-1000

1000-2000

2000-3000

Above 3000

14. Are you able to receive the order on time?

Yes

NO

15. Are you satisfied with the offers provided by the swiggy?

Highly satisfied

Satisfied

Neutral

Dis satisfied

Highly dis satisfied

16. what motivates you to order food online in swiggy?

Money saving

Time saving

Convenience

Quick delivery

All the above

17. Which social media is used to enhance the customer loyalty?

Facebook

Twitter

Instagram

YouTube

What's app

18. Please rate our swiggy customer service representatives.

Highly satisfied

Satisfied

Neutral

Dis satisfied

Highly dissatisfied

A FIELD PROJECT
REPORT ON ONLINE SHOPPING ATTITUDE AMONG THE YOUTH:
A STUDY ON VIGNAN'S UNIVERSITY STUDENTS

A Project Report submitted in partial fulfilment of the requirement for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Submitted by

**(SHAIK FARAHATH SHIRIN, SHAIK BUSHRA PERVEEN, SHAIK AFREEN, SAUMYA SUVARNA, PISIPATI SREE
POOJYA, CHAITANYAKUMAR KODURU)**
(211FC01013, 211FC01014, 211FC01015, 211FC01016, 211FC01017, 211FC01018)

Submitted to

Mr. M S Kishan Varma
Assistant Professor



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Vignan's Foundation for Science Technology & Research Deemed to be University

VADLAMUDI, GUNTUR, ANDHRA PRADESH, INDIA-522213

APRIL-2023



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Date: 20-04-2023

PERMISSION LETTER

Following are the students **SHAIK FARAHATH SHIRIN, SHAIK BUSHRA PERVEEN, SHAIK AFREEN, SAUMYA SUVARNA, PISIPATI SREE POOJYA, CHAITANYAKUMAR KODURU** of II MBA bearing roll numbers Regd. No. **211FC01013, 211FC01014, 211FC01015, 211FC01016, 211FC01017, 211FC01018** were permitted to do a field project on the topic "A FIELD PROJECT REPORT ON ONLINE SHOPPING ATTITUDE AMONG THE YOUTH: A STUDY ON VIGNAN'S UNIVERSITY STUDENTS".

M. S. K. Vasu

GUIDE

HOD, MBA



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled A FIELD PROJECT REPORT ON ONLINE SHOPPING ATTITUDE AMONG THE YOUTH: A STUDY ON VIGNAN'S UNIVERSITY STUDENTS submitted by **SHAIK FARAHATH SHIRIN, SHAIK BUSHRA PERVEEN, SHAIK AFREEN, SAUMYA SUVARNA, PISIPATI SREE POOJYA, CHAITANYAKUMAR KODURU** bearing the **Regd. No. 211FC01013, 211FC01014, 211FC01015, 211FC01016, 211FC01017, 211FC01018** from the Department of Management Studies, Vignans' Foundation for Science Technology and Research deemed to be University and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour

M. S. K. Vasu

GUIDE

HOD, MBA

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CHAPTER – 1

Chapter – 1

Introduction

Online shopping is the clean answer for busy life in now a days global in the beyond decade, there had been a big exchange in the manner of client's shopping. Despite client's continuation to shop, the users or consumers experience very to online buying. Online purchasing saves critical time for modern – day human beings due to the fact they get so busy that they can't or unwilling to spend a good deal time shopping.

In this modern technology, conventional advertising and marketing is fading away with the penetration of on line advertising and marketing which has unfold many extraordinary branches together with social media, blogs, chat boards and fashionable troubleshooting forums. The pace of records sharing has in no way been as fast as it's far in this era and to facilitate this explosion of new converting information, Online advertising has a function to play, online advertising empower the purchasers to market the goods which they sense or worth of purchases along with detailed discussions on the functions, best, durability, design and capability of various merchandise throughout industries.

Advertising and marketing managers are increasingly more utilizing online advertising because of various motives along with, removing geographical constraint, ease of accessibility, consolidation of big volume of data into a compact online website, excessive margin for customization and depth of reach to capability and real clients across the globe.

Online advertising can affect the patron buying decision and alter emblem perceptions of different merchandise of different industries. The purpose of this studies to take a look at the numerous and strategies advertising and marketing managers can use to patron buying choice and perception with the aid of utilizing customers as their advertising.

Marketing of product through digital mode with the use of internet is latest trend in marketing known as E – marketing. The world trade organizations defines e – commerce as, e – commerce is the production, distribution, marketing, sales or delivery of goods and services by electronic means. E –commerce had penetrated in Indian market profoundly. People are attracted to e-commerce sites due to heavy discounts, ease and convenience of shopping. This research focused on identifying the various factors which are responsible for attracting the customers and influencing the consumers in terms of visit and purchase frequency to the E – commerce sites.

Online shopping is growing rapidly in young generations. Consumers browse brands on various electronic and web based media. Various shopping site has emerged in last decades. Digital marketing through various internet supported platform influence the customer's feelings, attitude and moods towards buying. Ease and flexibility is more in online purchasing. However there is always risk associated with online purchase.

Online shopping is becoming increasingly popular for variety of reasons. There are certainly outside factors such as increasing prices, difficulty in getting to traditional stores and often

associated with shopping malls and other traditional stores to contribute to the increased interest in online shopping.

Consumers can get full information about the product with its reviews being passed by the existing users. If one wants to buy a product with its reviews being passed by the existing users. If one wants to buy a product he/ she is no longer limited to asking the friends and families because there are many products reviews on the web which gives opinions of the existing users of the product.

Online shopping sites contain wide variety of goods both high quality and mild quality keeping in mind the level of people.

1. There are no national and International Barriers.
2. In online shopping the consumers will be in a demanding position and suppliers will not be in a commanding position.
3. There is enormous employment opportunities in online shopping.

DEFINITION OF CONSUMER PREFERENCE:

Consumer preference refers to, “how customers select goods and services in relation to factors like taste, preference and individual choices. Factors such as the consumers income and price of goods do not influence the customers preferred product or services”.

WHAT IS CONSUMER PREFERENCE?

Consumer preference for a product can make or break a company. If consumer generally like a product, it may stay around for years and sell millions of copies. However if consumer do not like a product, it could disappear very quickly.

ONLINE CUSTOMERS:

Online customer must have access to the internet and a valid method of payment in order to complete a transaction.

Generally, higher levels of education and personal income correspond to more favorable perception of shopping online. Increased exposure to technology also increased the probability of developing favorable attitude towards new shopping channels.

1.2 NEED FOR INTERNET SHOPPING

Few developments have altered India’s lifestyle more quickly and more completely than the internet. Online access has enabled people from all walks of life to bring entire libraries, entertainment venues, post offices and financial centers to a workplace, to desktop. The internet’s largest and most meaningful impact may very well be on the way consumers shop for everything from gifts, gadgets and groceries to clothing, cars and cruises.

The ease and selection that the internet provides to shoppers has changes the face of retailing. More and more consumers visit a store’s web site to make their choices before travelling to the store itself; and in a rapidly swelling tide, many shoppers are bypassing the store altogether and ordering online directly from the web sites of their favorite brands and outlets.

Because online stores are open 24 hours a day, seven days a week, and their inventories are often more complete than those of their brick – and – mortar counterparts, the internet makes it easy for shoppers to compare products within or between stores, to read product reviews from other customers, to access vendor return policies and to find warranty information.

1.3 CHARACTERISTICS OF ONLINE MARKETS

Online markets are “dynamic”. Online markets are part of the information and communications technology – intensive service sector which has exhibited an acceleration of labour productivity growth in many countries.

A qualitative indication of the dynamic character of online markets is given by evidence of the range of experimentation in terms of business models, the rate of growth of successful platforms and the level of ongoing innovation and “disruptive” change in areas such as growth of mobile internet and devices and of the social web.

CHAPTER – 2

Chapter - 2

LITERATURE REVIEW:

- Dr. Shailesh B Badre , This case is to study on factors affecting online shopping behavior of consumers
Summary: The purpose of this paper is to look at the factors driving online shopping and to develop an understanding of the factors influencing the online shopping by the consumers.
- Mohammad Anisur Rahman, Md. Aminul Islam, Bushra Humyra Esha, Nahida sultana & Sujan Chakravorty , Consumer buying behavior towards online shopping: An empirical study on Dhaka city Bangladesh
Summary: This study is to understand the behavior of online shopper's respondents from Dhaka city. The survey reveals that consumers shop online to save time, and for available varieties of products and services.
- Pritam P. Kothari, Shivganga S. Maindargi, A study on customers attitude towards online shopping in India and its impact: with special reference to solapur city
Summary: The study undertaken by researcher was focused on "Attitude of customers towards online shopping in India and its impact.
- P. Sathya, A study on digital marketing and its impact
Summary: The purpose of the digital marketing is concerned with consumers and allows the customers to intermingle with the product by virtue of digital media.
- Lubna Riz 'v , Online marketing through consumers: A study of effectiveness of various tools and techniques across industries
Summary: This case study explains the consumers brand perception and purchasing decisions are influenced by different online marketing tools used across the industries such as word of mouth.
- Amit Chourasiya, Online marketing: Impact on society
Summary: To identify and analyze the advantages and disadvantages of online marketing over traditional marketing. It also focuses to identify that how companies can be benefited with this and also tries to determine the impact of online marketing on traditional market and society.
- Ms. Neha Gupta, Dr. Deepali Bhatnagar , A study on Online Shopping behavior among the students
Summary: This paper indicates that there is a difference between shopping by smartphone and traditional shopping.
- Amit Kumar Singh , Malsawmi Sailo , Consumer behavior in online shopping: A study of Aizwal
Summary: Online shopping become the most suitable mode for their shopping. Internet has changed the way of consumer's store and has rapidly developed into a global perspective. Assumption of classical model behavior. Examines the behavior and perception of online customers in Aizawal.

- E. Mubarakali, M. Anbarasu, Study of the effectiveness of online marketing on integrated marketing communication
Summary: This case study indicate the use online marketing and their impact on product and market on integrated marketing communication.

CHAPTER – 3

Chapter 3

RESEARCH METHODOLOGY:

3.1 Over view of research:

Online purchasing has come to be a new trend of shopping nowadays and is quickly turning into a vital part of way of life. Because of extensive spread internet get right of entry to with the aid of human beings and E – trade usage via investors, online purchasing has visible a big boom in latest years. Young people were the general public consumers online and as a result this study reveals out the mindset of adolescents in the direction of on- line purchasing. This Unique paper attempted to discover whether or not there may be any effect of five elements like internet literacy, gender, educational qualification, website usability and online product fee on online buying. The examine turned into undertaken the Vignan’s college students.

3.2 Methodology:

A survey was conducted with target population as the students of Vignan’s University, with a structured questionnaire. A total of 150 responses were collected. Comfort sampling, that’s one of the non probability sampling strategies, has been used on this research due to accessibility of the pattern.

Statistical equipment consisting of percentage analysis for independence has been performed to compute the findings.

3.3 Objectives of the study:

The motive of this case study is to discover the effect of five factors like internet literacy, gender, academic qualification, website usability and online product price on online shopping on a specific group of population of the students. As such the objectives are:

1. To recognize if gender has any effect on online shopping of some of the students.
2. To recognize if instructional qualification has any effect on online shopping among the students.
3. To apprehend whether net literacy has any impact on online purchase among the students.
4. To understand if product charge quoted online has any impact on online shopping a number of the students.
5. To apprehend whether or not website usability has any effect on online buying among the students.

Keywords: Online Shopping, Website Usability, Internet literacy, Educational Qualification.

3.4 Research Methodology:

This section deals with research designs and methodology for the research. It includes sample determination of data samples, data collection and data analysis methods.

CHAPTER – 4

Chapter – 4

4. Data collection and sample description

A survey was conducted with target population as the students of Vignan's University, with the help of structured questionnaire. A total of 150 responses were collected. Convenience sampling, which is one of the non probability sampling methods, has been used in this research because of accessibility of the sample.

4.1 Primary Data

Primary data is collected through the survey method where the researcher distributed questionnaire.

4.2 Secondary Data

Secondary data is collected through online resources. This data is used to support the research findings.

4.3 Data Collection Techniques:

Structured questionnaire had been used. These questionnaires were designed in Google form to collect the responses to get the better results.

4.4 Tools and Techniques of Data Collection:

The survey is done by distributing the structures questionnaires and convenient sampling methods are used to collect the information. The tool used for collecting data is through Google forms. The Primary data is collected from social media platforms.

CHAPTER – 5

Chapter – 5

5. Data Analysis and Interpretation:

5.1 Gender of the respondents:

Gender classification of the respondents is very much important. Such a classification and analysis would show the ability of online shopping in male and female.

Table 1
Gender of the Respondents

Gender of the Respondents	Frequency	Percentage (%)
Male	70	47%
Female	80	53.7%
Total	150	100 %

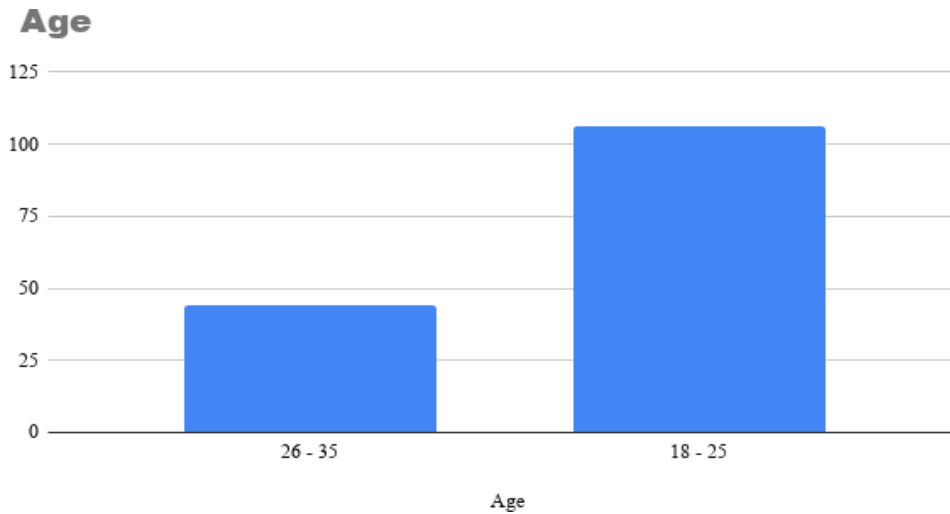
5.2 Age of Respondents:

Age is an important criterion in research work. The present study classifies the respondents into four categories namely up to 18 – 25 years age group, 26 – 35 years age group and 36- 50 years age group. The following frequency distribution presents the details on the age of online shopping.

Table 2
Age of the Respondents

Age of the respondents in years	Frequency	Percentage (%)
18 - 25	106	70.7
26 – 35	44	29.3
36 – 50	0	0
Total	150	99.37

Graph – 1
Age of the Respondents



As the table and figures depicts it could be noted that out of the total sample of 150, 99.37% of the respondents belong to up to 18 – 25 yrs age group, 106 respondents in 70.7 % belong to 26 – 35 yrs age group, 44 respondents in 29.3%. Belong to above 36 – 50 yrs age group they are not mentioned in this age group. The survey was conducted only with the age groups. Which age groups do more online shopping?

5.3 Educational Level of the Respondents

Educational background among the online shopping. Among the respondents different level of educational qualification were noted.

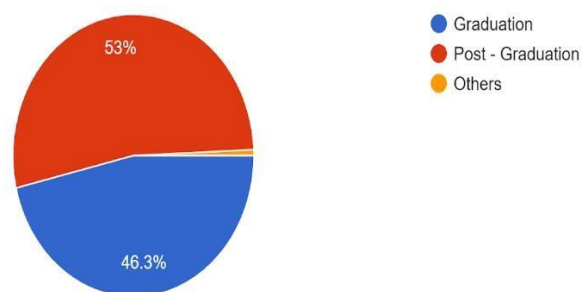
Table 3
Educational Level of the Respondents

Educational Level	Frequency	Percentage (%)
Graduation	69	46.3
Post - Graduation	79	53
Others	1	0.7
Total	149	100

Graph – 2

Educational Level of the Respondents

Education Qualification
149 responses



From the above table and graph it is clear that, majority of the respondents in post – graduation level of 53%, Graduation level of 46. 3% and others are 1% level. All the level of percentage conducted by the 149 responses. Most of the majority of the post - graduation students used the online shopping more than graduation students.

5.4 Which websites used

For online shopping which website are using most of the students.

Table – 4

Which websites used

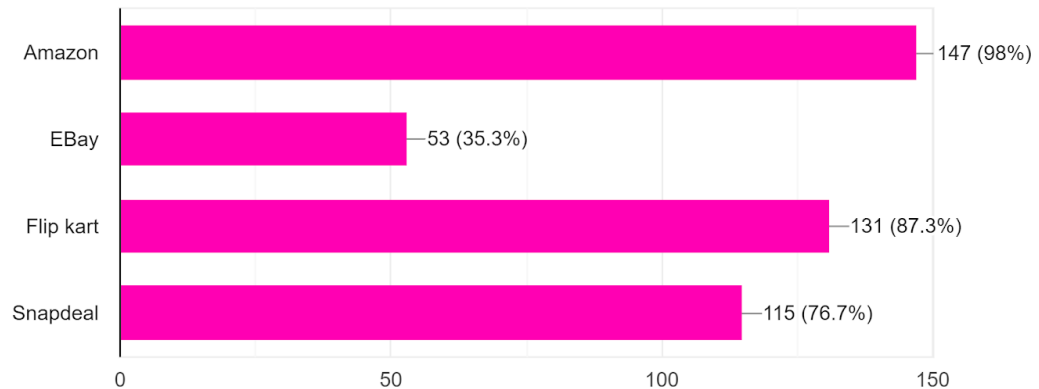
Name of the website	Frequency	Percentage
Amazon	147	98
EBay	53	35.3
Flip Kart	131	87.3
Snap deal	115	76.7

Graph – 3

Which websites used

Which of these websites have you already used or visited?

150 responses



The above table and graph represents the most of the students used the Amazon website for Online shopping in level of 98% , second Flip Kart 87.3% , third Snap deal 76.7% and final EBay 35.3% less number of the students used the EBay website.

5.5 Mostly students used internet

At what place students used the internet mostly.

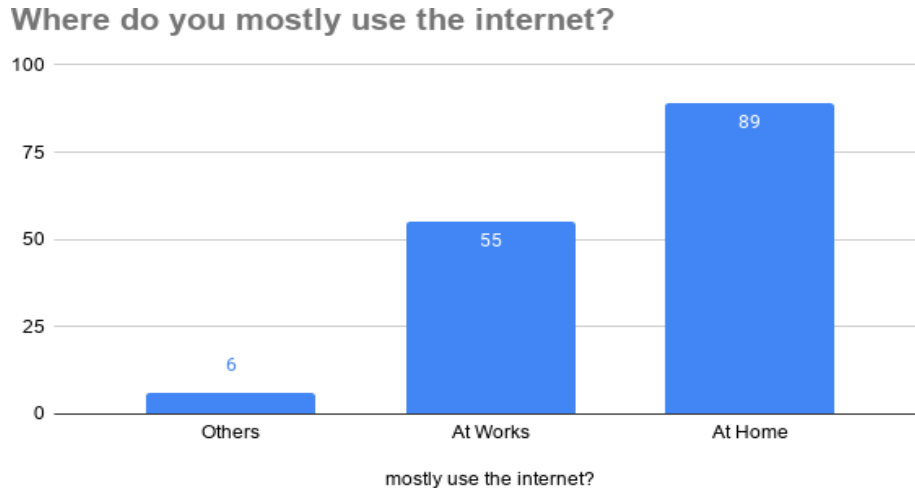
Table – 5

Mostly students used internet place

Place	Frequency	Percentage
At Home	89	59.3
At work	55	36.7
Others	6	4
Total	150	100

Graph – 4

Mostly students used internet place



The above table and graph indicates the Most the students used the internet at the level of 59.3 % students are used internet at home only remaining students of level of 36.7 % are used the internet for work purpose. 4% level of the other purpose they are used.

5.6 Purpose of using the internet

For what purpose based using the internet.

Table – 6

Purpose of using the internet

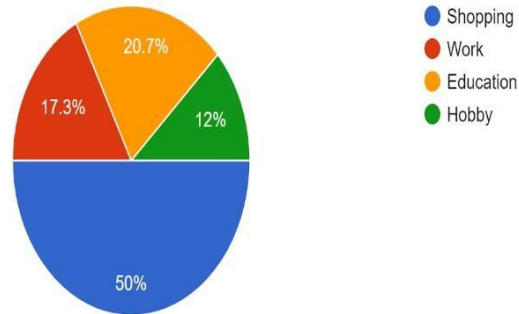
Purpose	Frequency	Percentage
Shopping	75	50
Work	26	17.3
Education	31	20.7
Hobby	18	12

Graph – 5

Purpose of using the internet

What is main purpose for using the internet?

150 responses



The above table and graph indicates the 50% of the respondents are using the internet for shopping and 17.3% of respondents are used the internet for work purpose using and 20.7% respondents are used the internet education purpose and 12% respondents are used the internet for hobby purpose. So most of the students used the internet for shopping purpose only.

5.7 Money spending on online shopping

How much money spending on the online shopping.

Table – 7

Money Spending on Online Shopping

Range	Frequency	Percentage
1000 – 2000	44	29.3
2000 – 4000	88	58.7
10,000 – 15,000	18	12
Total Reponses	150	100

Graph – 6
Money Spending on Online Shopping



The above table and graph represents the 88 students are responded in 2000 – 4000 range spend money most of the students for online shopping, 44 students are responded in 1000 – 2000 range their spend money on online, 18 students are responded 10,000 – 15,000 range they are spending the online shopping.

5.8 Favorite Website

Table – 8
Favorite E – Commerce website

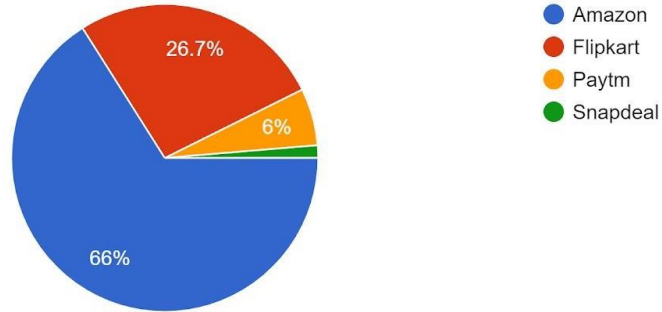
E – Commerce	Frequency	Percentage
Amazon	100	66
Flip kart	40	26.7
Paytm	9	6
Snap deal	2	1.3

Graph – 7

Favorite E – Commerce website

What is your favorite E – Commerce website?

150 responses



The above table and graph indicates the Most of the students are using the Amazon out of 150 students. 100 students are using the amazon in 66%, 40 students are using the Flip kart in 26. 7%, 9 students are using the paytm in 6%, 2 students are using the snap deal in 1.2%.

5.9 How many times doing the online shopping

Table – 9

Number of times doing online shopping

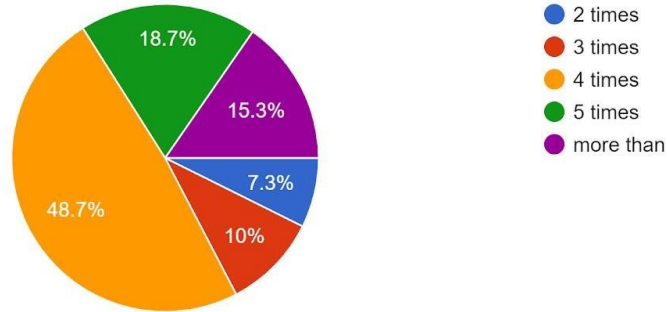
How many Times	How many times used	Percentage
2 times	11	7.3
3 times	15	10
4 times	73	48.9
5 times	29	18.7
More than	23	15.3

Graph – 8

Number of times doing online shopping

How many times did you have online shopping during last one year?

150 responses



The above table and graph indicates the how many times are doing the online shopping during the one year.

6.0 In general, you prefer to do your shopping of following commodities (Select only one)

Table – 10

Prefer to do your shopping

Category	Items	Over the internet	Over the phone	A Retail Store
Groceries	3	97	16	33
Cosmetics	6	106	20	16
Clothes	5	108	22	16
Furniture	4	31	12	102
Electronic Gadgets	6	114	19	8
Computer products	5	99	17	25
Toys	7	76	14	52

Graph – 9

Prefer to do your shopping

In general, you prefer to do your shopping of following commodities(Select only one)



The above table and graph indicates category wise majority of the students using the most Groceries 97 students are using the over the internet, Cosmetics 106 students are using the over internet, Clothes 108 students are using the over the internet, Furniture 102 students are preferred the a retail store, Electronic Gadgets 114 students are using the over the internet, Computer products 99 students are using the over the internet, Toys mostly 76 students using the over the internet.

6.1 How often do you use internet for shopping

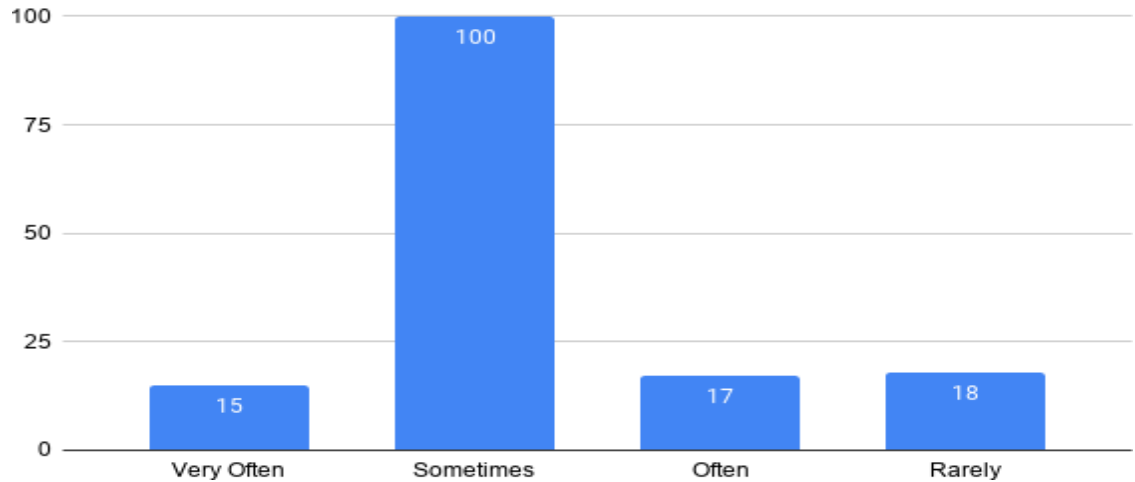
Table – 11

How often do you use internet for shopping

Internet Using	Frequency	Percentage
Very Often	15	9.9
Often	17	11.3
Sometimes	101	66.9
Rarely	18	11.9
Never	0	0

Graph – 10

How often do you use internet for shopping?

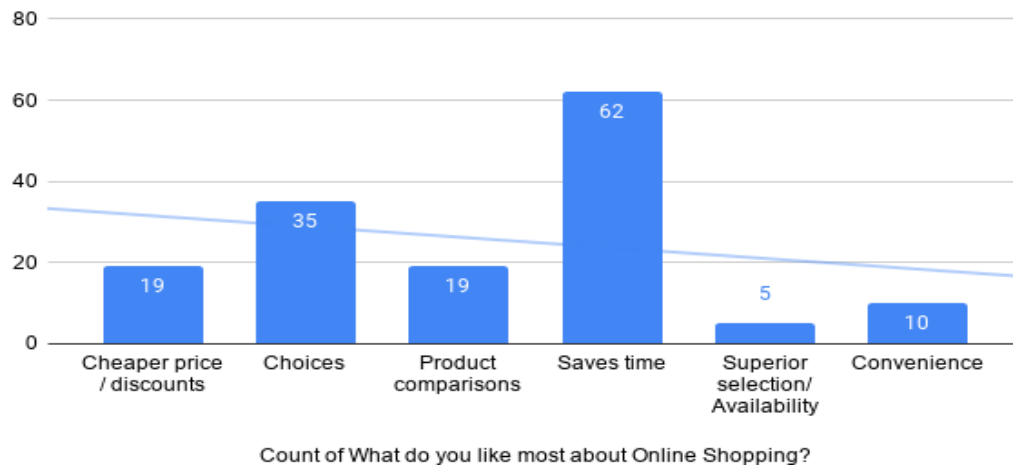


The above table and graph indicates the internet of using the shopping purpose only. Most of the students used the internet sometimes mostly they are using the internet for online shopping only.

6.2 What do you like most about Online Shopping?

Graph - 11

What do you like most about Online Shopping?

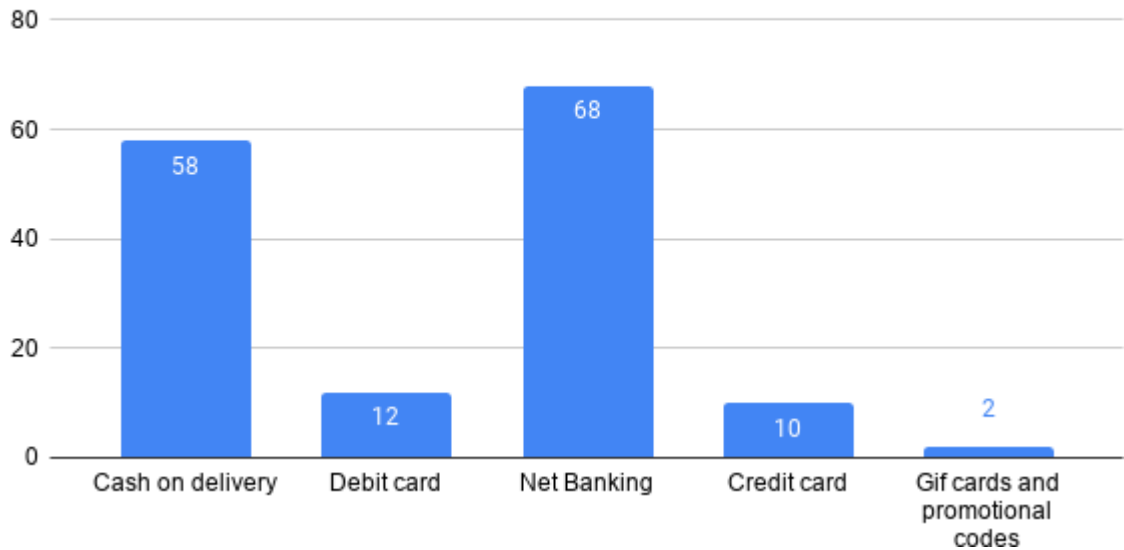


The above graph represents the most of the students doing the online shopping to saves there time and also more choices.

6.3 What are the payment methods you generally use for online purchase?

Graph – 12
Payment methods you generally used

What are the payment methods you generally use for online purchase?



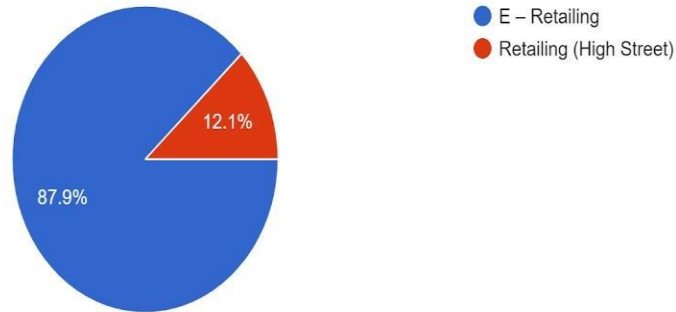
The above graph indicates the most of the students are using the online shopping they are using the net banking most of the students are using, and also cash on delivery are also using the payment mode using the students.

6.4 What method of shopping do you prefer?

Graph – 13

What method of shopping do you prefer?

149 responses

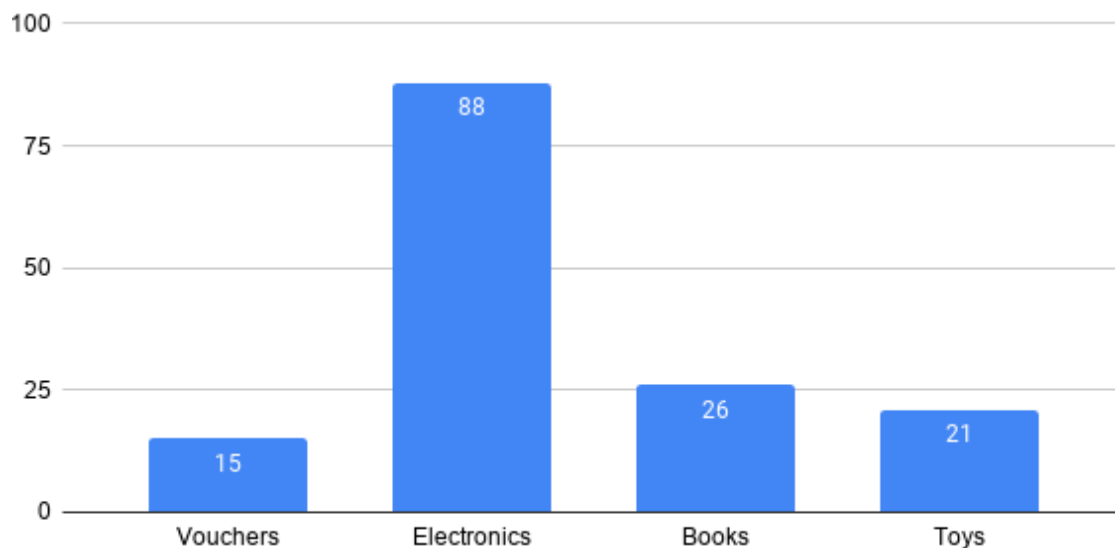


The above graph represents the online shopping mode mostly used the E – reatiling .

6.5 Have you got one particular favorite item that you normally like purchasing online?

Graph – 14

Have you got one particular favorite item that you normally like purchasing online?

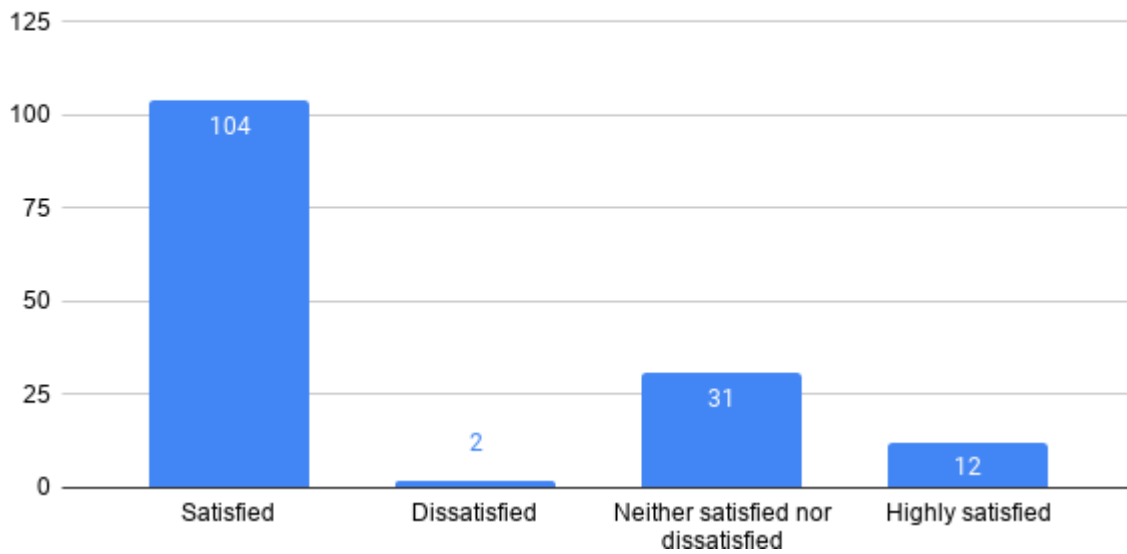


The above graph indicates the favorite item purchasing the online. Vouchers 15 students, Electronics 88 students, Books 26 students, toys 21 students. Most of the students purchasing the electronic items are liking.

6.6 How satisfied you are with your experience of online shopping

Graph – 15

How satisfied you are with your experience of online shopping?



The above graph indicates the most of the students are satisfying the online shopping.

6.6 level of an agreement to the following questions

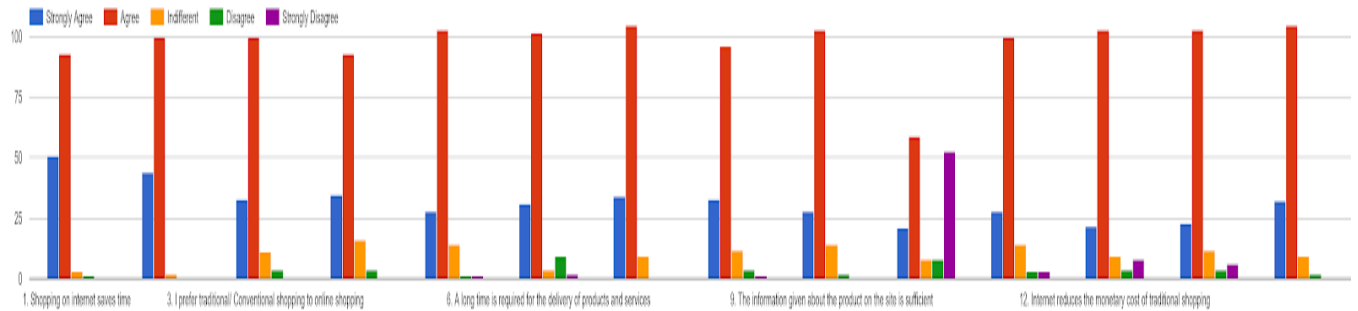
Table – 12
Level of agreement

Questions	Strongly agree	Agree	indifferent	Disagree	Strongly Disagree
Shopping on internet saves time	52	93	3	1	0
Advantage to shop at any time	45	100	2	0	0
traditional/ Conventional shopping	33	100	12	4	0
Online shopping is risky	35	93	16	5	0
eventually supersede traditional shopping	28	103	15	1	1
Long time required for the delivery of the products	31	102	4	10	2
Selection of goods available on the internet	34	106	9	0	0

Product shows websites are very accurately	33	96	13	4	1
The information of the product give sufficient	28	103	15	2	0
Online shopping is secure as traditional shopping	21	59	8	9	53
Hesitate to give my credit card no	28	100	15	3	3
Internet reduces the monetary cost of traditional shopping	22	104	9	4	8
Necessity of having a bank account	23	103	13	4	6
I prefer cash on delivery than payment	32	106	9	2	0

Graph – 16 Level of Agreement

Please select your level of agreement to the following questions



The above table and graphs indicates the online shopping saves times and more advantages of to shop at any time. They are much more selection is available on internet shopping. Some risk factors are also there and most of them using the cash on delivery

CHAPTER – 6

Chapter – 6

Conclusions:

The Approach to online shopping is related to the characteristics of consumers (students), their decision to buy and effecting factors for shopping online. Based on the analysis of specific literature, the affecting factors for online shopping are divided into following 4 groups via website reliability factors, Customer Service factors and Privacy and security factors.

The study has showed that in most cases shopping in e- stores is preferred for its convenience and simplicity. The analysis of the characteristics of the respondents has showed that women prefer to shop online because of lower prices of products offered, and men due to faster and more convenient shopping, depending upon their level of income. The most important factors of online shopping were analyzed based on age groups and it was found that 18 – 25 year old students more often chose online shopping because of website reliability and greater customer service.

E – Stores should give priority to customer orientation and should particularly focused on the ease of use of online shopping services. E – Stores should devote resources to better understand consumer behavior and their pattern of buying online products.

APPENDIX – 1

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APPENDIX – 2

Questionnaire

1. Gender
 - a) Male
 - b) Female
2. Age
 - a) 18 – 25 years
 - b) 26 – 35 years
 - c) 36 – 50 years
3. Education
 - a) Graduation
 - b) Post-Graduation
 - c) Others
4. Which of these websites have you already used or visited?
 - a) Amazon
 - b) EBay
 - c) Flip kart
 - d) Snap deal
5. Where do you mostly use the internet?
 - a) At Home
 - b) At Work
 - c) Others
6. What is main purpose for using the internet?
 - a) Shopping
 - b) Work
 - c) Education
 - d) Hobby
7. How much money spend on Online Shopping?
 - a) 1000 – 2000
 - b) 2000 – 4000
 - c) 10,000 – 15,000
 - d) More than
8. What is your favorite E – Commerce website?
 - a) Amazon
 - b) Flip kart
 - c) Snap deal
 - d) Paytm

9. How many times did you have online shopping during last one year?

- a) 2 times
 - b) 3 times
 - c) 5 times
 - d) More than
10. In general, you prefer to do your shopping of following commodities(Select only one)
- | Items | over the internet | over the phone | a retail store |
|-----------------------|--------------------------|-----------------------|-----------------------|
| 1. Groceries | | | |
| 2. Cosmetics | | | |
| 3. Clothes | | | |
| 4. Furniture | | | |
| 5. Electronic Gadgets | | | |
| 6. Computer products | | | |
| 7. Toys | | | |
11. How often do you use internet for shopping?
- a) Very Often
 - b) Often
 - c) Sometimes
 - d) Rarely
 - e) Never
12. What do you like most about Online Shopping?
- a) Convenience
 - b) Cheaper price / discounts
 - c) Saves time
 - d) Choices
 - e) Product comparisons
 - f) Superior selection/ Availability
13. What are the payment methods you generally use for online purchase?
- a) Credit card
 - b) Debit card
 - c) Net Banking
 - d) Cash on delivery
 - e) Gift cards and promotional codes
14. What method of shopping do you prefer?
- a) E – Retailing
 - b) Retailing (High Street)
15. Have you got one particular favorite item that you normally like purchasing online?
- a) Books
 - b) Toys
 - c) Electronics
 - d) Vouchers
 - e) Magazines

16. How satisfied you are with your experience of online shopping?

- a) Highly satisfied
- b) Satisfied
- c) Neither satisfied nor dissatisfied
- d) Dissatisfied
- e) Highly dissatisfied

Strongly Agree

Agree

Indifferent

Disagree

Strongly Disagree

Question

1. Shopping on internet saves time
2. It is a great advantage to be able to shop at any time of the day
3. I prefer traditional/ Conventional shopping to online shopping
4. Online shopping is risky
5. Online shopping will eventually supersede traditional shopping
6. A long time is required for the delivery of products and services
7. Selection of goods available on the internet is very broad
8. The description of products shown on the websites are very accurate
9. The information given about the product on the site is sufficient
10. Online shopping is as secure as traditional shopping
11. While shopping online I Hesitate to give my credit card no
12. Internet reduces the monetary cost of traditional shopping
13. Necessity of having a bank account or credit card creates difficulty
14. I prefer cash on delivery than payment via credit / debit card

**A FIELD PROJECT
REPORT ON CONSUMER SEGMENTATION AND CHANGING FOOD
PURCHASE PATTERNS WITH REFERENCE TO VIJAYAWADA AND
GUNTUR CITY**

A Project Report submitted in partial fulfilment of the requirement for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Submitted by

**(PEETA PRAVEENKUMAR, UPPALAPATI HARI BABU, DEEVI SAMHITA KEERTANA,
PAVANAGUNDLA PUJITHA, KOWLURI HASEEF, CHALLAPALLI SAI KRISHNA
PRASAD, BORRA PADMA VATHI)**

**(211FC01019, 211FC01020, 211FC01022, 211FC01023, 211FC01025, 211FC01026,
211FC01026)**

Under the guidance of

Mr. M.S Kishan Varma

Assistant professor



Department of Management Studies

Vignan's Foundation for Science Technology and Research University

Vadlamudi, Guntur-522 213.

April 2023



VIGNAN'S

Foundation for Science, Technology & Research

(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

Date: 20-04-2023

PERMISSION LETTER

Following are the students **PEETA PRAVEENKUMAR, UPPALAPATI HARI BABU, DEEVI SAMHITA KEERTANA, PAVANAGUNDLA PUJITHA, KOWLURI HASEEF, CHALLAPALLI SAI KRISHNA PRASAD, BORRA PADMA VATHI** of II MBA bearing roll numbers Regd. No. **211FC01019, 211FC01020, 211FC01022, 211FC01023, 211FC01025, 211FC01026, 211FC01026** were permitted to do a field project on the topic "A FIELD PROJECT REPORT ON CONSUMER SEGMENTATION AND CHANGING FOOD PURCHASE PATTERNS WITH REFERENCE TO VIJAYAWADA AND GUNTUR CITY".

M. S. K. Vasava

GUIDE

HOD, MBA



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(Deemed to be University)

-Estd. u/s 3 of UGC Act 1956

DEPARTMENT OF MANAGEMENT STUDIES

CERTIFICATE

I hereby certify that, the filed project entitled A FIELD PROJECT REPORT ON CONSUMER SEGMENTATION AND CHANGING FOOD PURCHASE PATTERNS WITH REFERENCE TO VIJAYAWADA AND GUNTUR CITY submitted by **PEETA PRAVEENKUMAR, UPPALAPATI HARI BABU, DEEVI SAMHITA KEERTANA, PAVANAGUNDLA PUJITHA, KOWLURI HASEEF, CHALLAPALLI SAI KRISHNA PRASAD, BORRA PADMA VATHI** bearing the **Regd. No. 211FC01019, 211FC01020, 211FC01022, 211FC01023, 211FC01025, 211FC01026, 211FC01026** from the Department of Management Studies, Vignan's Foundation for Science Technology and Research deemed to be University and I strongly believe that the work which was carried out by these students would immensely help them in their future Endeavour.

N. S. K. Dasu

GUIDE

HOD, MBA

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1.Introduction

The striking social and economic transformation occurring within the people of India since 2000s has resulted in significant shifts in food purchase patterns for urban Indian households. Increase in the types and the absolute number of retail venues. Economists, consumer researchers, public policy socials, manufacturers, retailers, and, not insignificantly, the farmers supplying new products to the cities of India.

Changes yet to come. Still, despite intense interest in the changing tastes and consumptions patterns of the people of India. Somewhat surprisingly, research related specifically to food purchase behavior in Vijayawada and Guntur is particularly scant, despite the fact that, at present, it is estimated that more than one half of household spending in Vijayawada and Guntur is allocated to food. Changes in food purchase behavior that have systematically accompanied economic development in this region.

These cities are competition with other metropolitan cities like Hyderabad, Bangalore, Chennai, Mumbai. They have convenient for modern supermarkets daily shopping for fruits and vegetables and fresh meats at outdoor markets remains common. Of course, meats and produce are purchased from supermarkets when time is limited, but making such purchases at an outdoor market, or a "wet market" as it is sometimes called, remains the ideal.

This study, then, will examine food purchasing from the perspectives of the primary shoppers who participated in a convenience survey of consumers living in Vijayawada and Guntur. In this research, we address several important and related questions what are the most common contemporary patterns of food shopping in Vijayawada and Guntur? What types of food purchase behaviours tend to be linked, and how do these behaviours vary by household socioeconomic and demographic characteristics? In the following section, we introduce five aspects of the food purchase behavior of this cities consumers which we believe to be important with respect to changing behaviours and attitudes. Following this discussion, the formal research questions will be presented and the methodology and data will be described. The analysis of these data follows. From the outset, it is important to recognize the limitations

which are associated with the use of convenience samples in any research. More than two years living and working in the cities of Vijayawada and Guntur, we believe the results demonstrate current conditions and quite probably reflect trends in Vijayawada and Guntur cities into the early years of the next century.

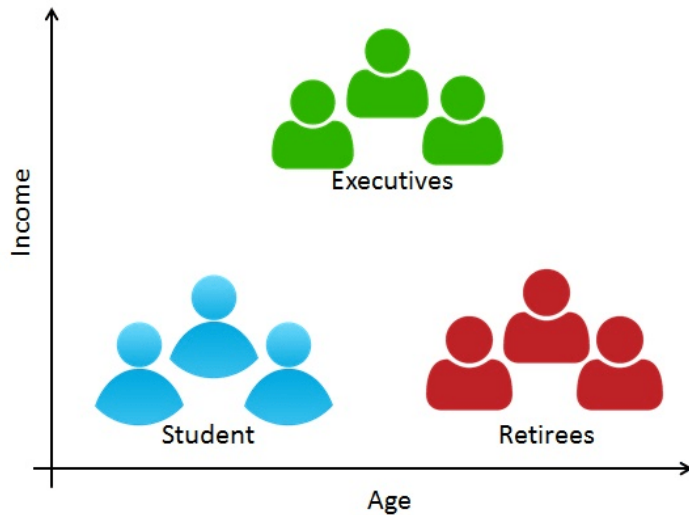
1.1 Introduction to customer segmentation

Customer segmentation is the practice of dividing a company's customers into groups that reflect similarity among customers in each group. The goal of segmenting customers is to decide how to relate to customers in each segment in order to maximize the value of each customer to the business.

In the Retail sector, the various chain of hypermarkets generating an exceptionally large amount of data. This data is generated on a daily basis across the stores. This extensive database of customers transactions needs to analyze for designing profitable strategies.

All customers have different-different kind of needs. With the increase in customer base and transaction, it is not easy to understand the requirement of each customer. Identifying potential customers can improve the marketing campaign, which ultimately increases the sales. Segmentation can play a better role in grouping those customers into various segmentation.

Customer segmentation is a method of dividing customers into groups or clusters on the basis of common characteristics. The market researcher can segment customers into the B2C model using various customer's demographic characteristics such as occupation, gender, age, location, and marital status. Psychographic characteristics such as social class, lifestyle and personality characteristics and behavioural characteristics such as spending, consumption habits, product/service usage, and previously purchased products. In the B2B model using various company's characteristics such as the size of the company, type of industry, and location.



Types of customer segmentation

Types of Segmentation



1.2 Significance of customer segmentation

Need of Customer Segmentation

- It will help in identifying the most potential customers.
- It will help managers to easily communicate with a targeted group of the audience.
- Also, help in selecting the best medium for communicating with the targeted segment.
- It improves the quality of service, loyalty, and retention.

- Improve customer relationship via better understanding needs of segments.
- It provides opportunities for up selling and cross-selling.
- It will help managers to design special offers for targeted customers, to encourage them to buy more products.
- It helps companies to stay a step ahead of competitors.
- It also helps in identifying new products that customers could be interested in.

Segmentation benefits in business

Segmentation allows businesses to make better use of their marketing budgets, gain a competitive edge over rival companies and, importantly, demonstrate a better knowledge of your customers' needs and wants. It can also help:

- **Marketing efficiency** – Breaking down a large customer base into more manageable pieces, making it easier to identify your target audience and launch campaigns to the most relevant people, using the most relevant channel.
- **Determine new market opportunities** – During the process of grouping your customers into clusters, you may find that you have identified a new market segment, which could in turn alter your marketing focus and strategy to fit.
- **Better brand strategy** – Once you have identified the key motivators for your customer, such as design or price or practical needs, you can brand your products appropriately.
- **Improve distribution strategies** – Identifying where customers shop and when can informatively shape product distributions strategies, such as what type of products are sold at particular outlets.
- **Customer retention** – Using segmentation, marketers can identify groups that require extra attention and those that churn quick, along with customers with the highest potential value. It can also help with creating targeted strategies that capture your customers' attention and create positive, high-value experiences with your brands.

There are 6 main advantages of segmentation.

1) Focus of the Company

Segmentation is an effective method to increase the focus of a firm on market segments. If you have better focus, obviously you will have better business. Numerous automobile companies have started focusing on small car segments. This is nothing else but a company changing its focus for better returns. Thus companies base their strategy completely on a new segment which increases its focus and profitability.

2) Increase in competitiveness

Naturally, once your focus increases, your competitiveness in that market segment will increase. If you are focusing on youngsters, your brand recall and equity with youngsters will be very high. Your market share might increase and the chances of a new competitor entering might be low. The brand loyalty will definitely increase. Thus market segmentation also increases competitiveness of a firm from a holistic view.

3) Market expansion

Geographic segmentation is one type of segmentation where expansion is immediately possible. If you have your market strategy on the basis of geography, then once you are catering to a particular territory, you can immediately expand to a nearby territory.

In the same way, if you are targeting customers based on their demography (Ex – Reebok targets fitness enthusiasts) then you can expand in similar products (Ex – Reebok expanding with its fitness range of clothes and accessories). Segmentation plays a crucial role in expansion. You cannot expand in a territory when you have no idea of which segment of customers you will be meeting.

4) Customer retention

By using segmentation, Customer retention can be encouraged through the life cycle of a customer. The best example of this is the Automobile and the Airlines segment. You will find major example of customer life cycle segmentation in the Hospitality segment whether they be hotels, airlines, or hospitals.

In India, Titan is an example of products which are planned through the life cycle of a customer. From fast track to Sonata and the high range watches, Titan has them by price segment as well as life cycle segment. Thus a watch is available for any customer who enters a Titan showroom, whatever be his age.

5) Have better communication

One of the factors of marketing mix which is absolutely dependent on STP is Promotions or communications. The communications of a company needs to be spot on for its target market. Thus if you need a target market, you need segmentation. Communication cannot be possible without knowing your target market.

Imagine that you were in front of a curtain. There was someone on the other side. And you were asked to explain Politics to the person on the other side. You would go on about ruling parties, states, countries and politicians. And when the curtain is taken aside, you find that the person across the curtain is a 5 year old kid.

Is there any use talking to him about politics? This shows why communication needs segmentation. If you don't know your market segment, what is their demography, what is their psychology, where they are from, what is their understanding level, then how can you form a communication message.

6) Increases profitability

Segmentation increases competitiveness, brand recall, brand equity, customer retention, communications. Thus if it is affecting so many factors of your business, then definitely it affects the profitability of the firm. Do you ever see people negotiating in a Nike, Gucci or BMW showrooms? You won't. One of the USP's of these brand is their segmentation. They are in fact targeting segments which have no need of bargaining or negotiation. Thus their profitability is high.

1.3 Introduction to food purchases

Introduction

Food purchasing is the function of ordering the food products for a foodservice organization; it's the acquiring of the basic raw materials needed to produce the meals served to customers. Since food can comprise anywhere from 25% to 45% of a restaurant's revenue it is imperative that manage exercise tight control over this area of activity.

Objectives

The exercise of the purchasing requires the all the following objects be accomplished:

- The operation must have food needed to serve customers when needed.
- The food needs to be the right quality consistent with the operation's standards.
- The food needs to be purchased at lowest cost, consistent with the other objectives.

Purchases need to made in such a way as to maintain minimum inventory levels, consistent with good operations

Changes in food purchasing

Food purchasing procedures are in a constant state of change. Some of these changes are:

- Food distributors are expanding their line of products carried; some have total shopping capability.
- In addition to food products purveyors are providing non-merchandise services such as financing.
- Small purveyors are merging into larger organizations
- Purveyors are adding new products such as convenience foods.
- Multi unit restaurant organizations have added centralized purchasing and preparation facilities.
- Restaurants that have gone to simpler and standardized menus that do not change too often have simpler purchasing requirements.

- Small restaurants have formed buying combines to increase their influence on purveyors.
- Some food manufacturers are selling direct to restaurant organization thereby eliminating the "middleman" purveyor.
- Because of rising delivery costs, purveyors are insisting on with fewer deliveries.
- Supermarkets and clubs are now acting as purveyors thus offering the foodservice organization other options.
- Management needs to be aware of potential supply problems when purchasing foods.
- Improved food shelf life and storage facilities have changed purchasing procedures.

One stop purchasing

The traditional purchase procedure is to use a selected number of purveyors. Click here to see a flow chart, which shows the steps in a traditional purchase procedure.

However a number of foodservice organizations are going to one stop purchasing because of the following advantages:

- Ease of ordering and reduced paperwork.
- Should result in better service from the purveyor.
- Utilization of purveyor's information system to supplement the restaurant's information needs.
- Larger orders should theoretically permit purveyor to provide more frequent deliveries with at lower prices
- Purveyors can provide financing at favourable terms.

The major disadvantage to one stop purchasing is that management lose a sense of market conditions and may be paying prices that are too high.

Who should purchase

The purchasing function is critical to the success of the foodservice company. The assignment of this function should recognize the following considerations:

- The employee assigned to handle purchasing should have thorough knowledge of foods used by the restaurant.

- Depending on size of organization one employee can handle purchasing; however large organizations can use several employees, each one specializing in a different products group.
- Usually an administrative employee is used for the purchasing function.
- For security reasons management should maintain segregation of duties: the employee handling purchasing should not be involved in receiving, preparation or payment of purveyors.

Purchase quantities

A major factor in ordering food is maintaining the right level of inventory. If too high a balance is allowed we end up with too much money tied up with added interest cost. Also excessive levels of inventory can lead to high spoilage .Low inventory, on the other hand can lead to shortages and poor customer service. Examining a number of factors to arrive at the proper size order and timing can control inventory levels. The following factors need to be considered:

- What is the daily usage rate?
- What is the lead time once an item has been ordered for delivery of the product?
- What is the minimum safety level for the inventory item in question?
- What level of inventory balance should be considered the reorder point for ordering
- What is the maximum inventory level that should be allowed?

1.4 Relation between customer segmentation and food markets

Even the biggest food companies categorize their offerings into difference customer segments to more effectively meet the needs of the marketplace. Segmentation helps businesses large and small market their wares effectively and devise a corporate strategy that gears their products towards the right audience. Among the categories that food companies use to segment their products are price, location, cuisine and product lines.

Price

Food companies segment their audience based on the price the customer will pay. For a restaurant, these price categories might be 100-250rs. Food vendors have their own standards based on industry norms for their individual product categories. One example of this type of segmentation comes from the increasingly significant line of store-branded products. Companies may have two or more store brands serving a particular product line, one geared towards customers who make purchasing decisions based solely on price and another for those more willing to spend more for items of actual or perceived higher quality.

Location

Segmentation by location allows food companies to align themselves with smaller local audiences, or serve regional or national audiences more efficiently. This takes into account both regional preferences and distribution concerns. Companies may find their products do better in certain areas and adjust their product distribution accordingly. Others go so far as to change their brand names based on location. For example, when Havmor ice cream expanded to the East Coast, it used Mother dairy the brand name instead to avoid confusion with ice cream, a popular regional dessert.

Cuisine

Segmenting based on the type of cuisine also leads to more effective positioning in the marketplace. Both restaurants and commercial food companies can choose to identify themselves as belonging to a particular genre. For example, a quick service restaurant might

Segment itself by whether it serves burgers, chicken, Mexican food, pizza, sandwiches or other foods common in that industry. Food products may be designated in similar categories on grocery store shelves, choosing to appear in the kosher foods section or with the ingredients found in Caribbean food.

Product Lines

Food service distributors segment based on the products they carry and the categories they fit in. Beverages, baked goods, dairy, meat, organic produce and seafood are among the relevant categories here. Some foods can belong to more than one segment; for example, fish sticks could be considered part of both the seafood and frozen food product lines. Similarly, restaurants can be divided into lines like full-service, quick-service and fast food.

1.5 Scope of consumer segmentation

The different flavours of customer segmentation

A basic approach to segmentation relies on quantitative insights such as sales and conversion rates, limiting the perspective of customers to only representations of what they're like, a more advanced approach uses qualitative insights based on behavioural and transactional data, enabling organisations to have a clear idea of who customers are.

Not only do companies strive to divide their customers into measurable segments according to their needs, behaviours or demographics but they also aim to determine the profit potential of each segment by analyzing its revenue and cost impacts. Value-based segmentation evaluates groups of customers in terms of the revenue they generate and the costs of establishing and maintaining relationships with them. It also helps companies determine which segments are the most and least profitable so that they can adjust their marketing budgets accordingly.

Customer segmentation can have a great effect on customer management in that, by dividing customers into different groups that share similar needs, the company can market to each group differently and focus on what each kind of customer needs at any given moment. Large or small, niche customer segments can be targeted depending on the company's resources or needs.

In B2B marketing, companies are concerned with decision-makers' job titles, the industry sector, whether the company is public or private, its size, location, buying patterns and their technology at their disposal, for example.

In B2C marketing, companies are concerned with particular customers' profiles, attitudes and lifestyles. B2C companies may also be concerned with geographic location. B2C companies who segment customers based on their geographic location can tailor offers based on regional events and preferences. B2C companies can also customize offers based on the predominant languages spoken in each region.

Approaches to B2B customer segmentation include vertical or horizontal alignments. In vertical segmentation, companies select certain industries or job titles that would likely find their products appealing and then focus marketing efforts on those segments that they feel are most ready to buy. The benefit of vertical segmentation is that companies can offer services that are fine-tuned to particular industries. The needs of the financial services industry are different from those of the healthcare industry. If each segment was offered services customized to that industry, adoption and satisfaction might increase.

In horizontal segmentation, companies simply focus on one job title across a wide range of industries and organizations. The benefit of horizontal segmentation is a stronger focus on the needs of particular job titles or job roles.

2. Review of literature

Customer segmentation

As long as companies have been competing for sales, markets have been separated into smaller homogenous markets. According to the founder of the market segmentation concept, market segmentation is a brief and temporary phenomenon. Effective use of this tool may result in more official recognition of market segments through seeing groups of customers as individual markets. Market segmentation refers to looking at a heterogeneous market as smaller homogeneous markets, in order to be able to change product preferences to significant market segments' needs. These segments will be subjected to similar marketing activities in order to create required behaviour. Thus, the underlying principle for segmentation is that the market is fragmented hence, a homogenous market does not exist. Further contends the notion that consumers are different from each other, and that these differences influence market demand. Serving all consumers is almost like mission impossible people have different needs and wants and therefore they cannot be targeted in the same manner. To find those consumers a company can satisfy, it is of significant importance to undertake market segmentation. In marketing literature, segmentation is a central and prevailing concept, which offers directives regarding companies marketing strategies.

Segmentation constitutes the focal point in marketing strategy and has been extensively adopted by companies for as long as companies have tried to differentiate themselves from competitors. Companies adopting segmentation receive a wide range of advantages, especially concerning information that can be obtained. Weinstein state that companies must gain the consumers trust and win them over and to accomplish this, companies must understand consumers needs and wants in the segments where they struggle. Accordingly, by using the obtained information from segmentation, companies can easier understand consumers wants and needs. As one of the aims with advertising and promotion is to inform market segments of the product or service existing on the market, this information can be applied in order to direct companies marketing activities more effectively.

Companies can then better adjust to shifting market demands and plan more distinct offerings to consumers. To gain competitive advantages, companies should identify those segments with possibilities for the firm, target the particular group of customers and finally create a certain marketing mix aimed to reach each segment.

Customer segmentation often helps companies achieving better profitability than expected, and one of the reasons why segmentation is such an accepted marketing tool is because it contributes to increased sales compared to mass marketing approaches. Since Smith first introduced the notion of segmentation, numerous ways for segmenting the market has been widely discussed in marketing literature (Mathur; Vyncke). However, independent of which segmentation classification, they all presume that consumers can be divided into homogenous clusters. Thus, companies employ segmentation as a tool to identify desirable markets, and tailor the marketing mix. (McGoldrick) For a company to successfully target its wanted group, the segmentation strategy has to be completely accurate (Solomon), and if companies have well defined and penetrated market segments, the firm will get a deeper position on the market (Smith). However, segmenting a market successfully is a difficult task. Consumers operate on several levels, and it is hard to understand how and what consumers act on (Kamineni).

Unfortunately, it is not directly obvious what individual demand thus causing different companies to come to diverse conclusions. This is due to differences in their theoretical and

analytical approach, concerning what segment is right (Dickson and Ginter). Four different traditional market segmentation approaches are frequently being mentioned in marketing research. These segmentation variables are referred to as geographic, demographic, psychographic, and behavioural variables and consumers can be segmented according to them. According to Kotler these variables are the major variables in market segmentation. They are further in this research referred to as traditional market segmentation variables. Geographic variables are such variables as country size, city size, and density. Segmenting on demographic variables involves dividing consumers with regard to their age, life cycle, income, and occupation. The psychographic variables cover social class, lifestyle, and personality. The fourth segmentation variable, behavioural consists of benefits sought, usage rate, and purchase occasion. (Kotler et al) each of these variables offer important insights to the understanding of the market. However, at the same time, there are constraints with using them. As such, critiques have been directed towards all of these traditional segmentation variables Geographic segmentation is not appropriate to use, since it has weaknesses in its nature (Haley). Furthermore, Haley claims that the geographic variables are not good predictors of the consumer behaviour, as today's society there is not much diversity between rural and urban areas. Thus, it is not effective to use this variable, as it cannot predict future buying behaviour within consumers. Moreover, geographic segmentation variables are based on ex post factor analysis of consumers in different market segments, which rely on explanatory features (Haley).

The capability of geographical variables has also been questioned due to their lack in offering an understanding of target markets (Schoenwald). Some of the problems with using demographic variables derive from marketers trying to segment whole markets. If there is not a clear segment, the demographic variables will be of no utility since they then cannot describe the segment. (Beane and Ennis) neither are they capable to predict future buying behaviour (Haley), which are essential for marketers as this is the aim with segmentation to make the consumers into a customer, meaning to make consumers buy. Marketing managers must know what it is that drive consumer's behaviour. Based on this argument, demographic variables are not effective to apply, since they are unable to capture the drivers of consumers' behaviour. (Lancioni and Oliva) demographic variables are not proficient enough to foresee

behaviour (Tynan and Drayton; Schultz). Schult also argues that segments based on demography are “nice to know but not terrible helpful”. Furthermore, these variables do not perform enough; marketers need and want to get more acquainted with their customers in order to effectively segment a market(Wells). Tynan and Drayton that demographic variables are weakly related to product choice. Additionally, these variables are not efficient to use due to that even if people share the same age, sex and so forth, they do not inevitably have common values, motivations and beliefs (Morgan). Accordingly, it is difficult for a company to act on demographics (Winter 1984) 24. Critique has also been directed towards the psychographic segmentation variables. The theoretical linkage between these segmentation variables and companies’ decisions are considered weak and which consequently leads to a lack in validity. Companies that choose to apply psychographic variables due to the belief that they can offer rich descriptions, should not always expect them to accurately forecast consumer’ behaviour.

This is because the lack of revealing important determinations of the basis for consumers’ behaviour. Additionally, the approach has also received critique, as it is perceived as being too explorative in its research process (Lesser and Hughes). Yankelovich and Meer also claim that the weakness with psychographic variables is that they do not well forecast what consumers will buy. These variables are thus not good at helping marketers to decide which market to enter nor do they focus on one of the most important determining factor the dissimilarities between different customers’ needs (Mitchell). If the aim is to investigate product innovation, companies need other segmentation variables than psychographic since they do not offer the needed information (Yankelovich and Meer). Behavioural segmentation variables do also have difficulties in understanding consumers’ behaviour (Schoenwald). Furthermore, Haley argues that volume segmentation, part of behavioural segmentation, also has difficulties to predict consumers’ behaviour. Not all heavy users are exploiting the same brand since they are not looking for the same product benefits. A withdrawal when segmenting a market based on consumers attitude towards a product, is the use of performance data which do not reveal what the customers actually will do; only what they think about the company. Although traditional market segmentation research has received criticism, there still has not been much investigations undertaken focusing on finding new

directions in the doctrine. Much literature on segmentation is very old, even though it is prominent place in marketing. Furthermore, there has been a tendency among researchers to have predisposition towards standardization of actions, and consequently little has been done to move outside of their ordinary area. Thus, new contributions have been somewhat restricted in their findings. This has contributed with favouring the continuous usage of traditional market segmentation variables. Reluctance in undertaking new methods is though peculiar, since segmentation is such a well established concept and prevailing in marketing literature.

Thus there is need to undertake additional investigations towards these widely discussed segmentation variables, which focus more on innovative methods. It is for instance important to commence research in areas where new variables can be found and in turn used when segmenting a market. According to Senn, awareness about new, potential segment groups can help to enlighten companies when implementing their marketing strategy.

By observing consumers' behaviour, companies can receive advantages concerning what actions to take. In order to comprehend the multifaceted reasons and motives behind consumer's behaviours and actions, we argue, there is a need and demand for a method, which can capture the meanings individuals have, and their consequential behaviour. We furthermore argue that a deeper examination is needed on traditional market segmentation variables, to be able to segment a market properly. Rosenthal and Capper claim that the boundaries with basing product innovation decisions on listening to consumers' voices have contributed to the use of new research techniques, for example ethnographic studies.

According to Arnould and Wallendorf ethnographic studies are appropriate to use for marketing managers in order to understand the meaning of consumption gatherings in specific market segments. Additionally, the use of ethnography can assist when explaining the influence of marketing uncontrollable on specific market segment (Ibid). Ethnographic studies have thus the ability to capture more profound knowledge of consumers as it focuses on consumers underlying behaviour, thoughts and feelings, instead of listening to what consumers have to say. (Arnould and Wallendorf 1994)³⁰ as current research on traditional market segmentation has focused on descriptive features when developing strategies, an

ethnographic study would contribute with a new perspective. Elliot and Jankel Elliot furthermore argue that ethnographic studies can obtain significant knowledge, which other research methods are incapable to reach. This means that insight on subtle often tacit requirements of consumers can be conveyed (Rosenthal and Capper). Invariably, marketers have used traditional methods as quantitative surveys (Mathur et al; Hu and Rau; Lin) and qualitative interviews (Steenkamp and Wedel; Vyncke) when analysing consumers for finding new market segmentation possibilities.

Several researchers have conducted research on segmentation in a too narrow-minded setting they have been too focused on their own approach (Wind 1978) 9. This has led to a continuous use of ordinary segmentation variables, as studies have been unable to capture new ways of reaching consumers.

However, as researchers have contended that traditional segmentation variables have triviality in capturing consumers' behaviour, are there any new ways, which are more appropriate ways of segmenting the market? As many of the traditional applied segmentation variables were developed a long time ago, and since critique (e.g. Singleton and Zyman) has been directed towards them, we question whether these still are applicable and arguing for the possibility of finding new segmentation variables. Therefore, we assert for the potential of obtaining new knowledge by using unconventional methods. Hence, a new approach can lead to new insights.

William D. Neal; John Wurst, quoted in "Magazine of Management and Applications", for most business firms, locality and effectively targeting unique market segments is both a reality and a necessity in today's competitive market place. Creative market segmentation strategies usually afford the business organization a strategic advantage over their competition and provide marketing efficiencies that greatly improve customer retention and profitability. If a firm can address its markets by way of a creative new vision of how that market is structured and operates, and can uncover the needs and wants of the segments therein, then it has the opportunity to act on that vision to enhance its own profitability, often at the expense of the competition.

Jerry W. Thomas, President/CEO at Dallas Fort Worth based Decision.

Analyst, has quoted that, “The purpose of segmentation is the concentration of marketing energy and force on the subdivision (or the market segment) to gain the competitive advantage within the segment. If a brand pours its entire budget into one media, it can possibly dominate the segment of the market that listens to that radio station or reads that magazine. Markets can be segmented by hobbies, by political affiliation, by religion, by special interest groups, by sports team loyalties, by university attended, and hundreds of other variables. You are only limited by your marketing imagination.

Verbatim comments from consumers are used to build batteries of psychographic or lifestyle statements. A good psychographic segmentation is to first identify the statements that are more important (i.e., the statements that tend to explain or cause specific consumer behaviors). The market should be broadly defined for a segmentation analysis to be most effective.

In other words, do not preordain the results by sampling restrictions. Often, hidden in plain view in the plain old cross tabs, are tremendous findings that could form the basis for new or improved marketing strategies, advertising campaigns, or new products.” Charlie Nelson, in his work on Market Segmentation wrote, “Market segmentation is important because markets are becoming increasingly diverse and it is rare for mass marketing to be a profitable strategy. Market segmentation enables more accurate and effective communication of benefits in relation to needs. It helps to identify growth opportunities.”

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3. Research methodology

3.1 Problem of study

customer segmentation provides a strategic way for aligning services and profitability. For businesses looking to improve bottom line results and the cash conversion cycle, creating an effective customer segmentation process is invaluable.

With that said, creating a proper customer segmentation process is one that eludes many businesses for a plethora of reasons, including inaccessibility to tools that can help in creating an easy customer segmentation process. Even with the right tools, creating an effective customer segmentation process involves a cross-functional buy-in and a clear alignment with the overall business goals.

1. No Customer Segmentation in Place. Not Knowing Where to Start.

The first challenge that most businesses face with customer segmentation is not knowing where to start when they don't have a customer segmentation strategy or process in place. While this can be a hurdle, identifying the need for a customer segmentation process is the first step to implementing a process that aligns with your overall business plan. When businesses don't have an effective customer segmentation process, they might find themselves providing the same service level for all customers and all products without focusing on the top-level customers or products that bring in the best margins. Simply put, to maximize productivity and profitability, customer segmentation helps businesses apply the 80/20 rule, instead of spreading themselves thin by trying to provide the same service level for every customer regardless of whether they are a top customer or not.

2. Not establishing the right data collection and analysis process

Creating the right data collection and analysis process is crucial to the success of any customer segmentation project. Key questions that should be answered include:

- What tools we will use to gather customer data?
- How can we integrate data from all our systems to help the segmentation process?
- What's the process for analyzing the data?

3. Making Segmentation One-Dimensional

Creating a segmentation strategy that isn't one dimensional is essential to the success of the segmentation process. An example of a one-dimensional segmentation process would be to have a segmentation process that is only customer driven and usually implemented by the sales or marketing department. On the other hand, a supply chain driven customer segmentation process may highlight products or SKUs. While both types of segmentation are important, the segmentation process often works best when both supply chain and sales initiatives are coupled to create a customer segmentation mix that analyzes customer data, including buying history, etc., as well as, product data to help identify fast moving products.

4. Having too many Segmentation Parameters

On the converse side to having a one-dimensional segmentation process, you also want to avoid having too many segmentation parameters. Each customer and product segmentation implementation should be unique to your current business needs. It may not be a business' best interest to implement standard customer parameters that do not impact their overall customer analysis. In the end, it may only lead to a convoluted system that could prevent easy visibility and decision-making. For instance, while you can certainly have many customer segmentation parameters such as:

- demographics
- life cycle stage
- occupation
- income
- customer behavior
- payment patterns
- order history
- customer satisfaction

- Revenue generated from a customer (can be segmented on a per product basis).

5. Lack of Differentiation

One of the objectives with customer and product segmentation should be to differentiate between your customers and products to help improve productivity and bottom line results. As such, while you may want to provide a high customer service level to all your customers, it may not be a feasible practice. Your top or 'A' level customers should certainly receive a higher precedence in service levels to help deepen relationships and retain those customers over a longer period. On the product level, without clear differentiation, businesses may invest in products that may not align with current market trends and profitability goals. Differentiation helps businesses to make more strategic investments in customer service and products.

6. Lack of Communication between different business units or departments

As mentioned earlier, the segmentation process should not be one dimensional or have a singular focus. It should include information from both marketing, customer service, and the supply chain. Without an effective communication strategy across all relevant business units or departments, the implemented segmentation process may lack the Intel needed for making business decisions that enhance all areas of the business.

7. Not Aligning Business Objectives with Segmentation Objectives

While customer segmentation helps businesses gain a deeper understanding of consumer buying behavior; implementing a segmentation process should align with your overall business goals. It should aim at increasing profitability and the lifetime customer value. Bram Demit Managing Director at Sol venture – an Arkieva channel partner – often talks about how to balance the supply chain triangle. Balancing the supply chain triangle involves continuously looking at three main areas of the supply chain: cash, cost, and service. In implementing a customer segmentation process to improve service levels, it's essential not to ignore how that affects your cash flow and cost reduction initiatives.

3.2 Objectives of study

You can use market segmentation to increase the efficiency and effectiveness of your marketing initiatives by identifying strategic marketing goals and breaking down mass markets into groups of consumers that have clearly expressed common needs. This type of strategic approach lets you leverage your marketing efforts to achieve improved performance while reducing promotional costs aimed at people who are not interested in your products.

Product

Your product could be improved in various ways, but you don't want to spend money on extra features if they don't result in additional sales. Determining which features to add can be a market segmentation objective. When you separate your market into groups of similar customers, you can identify specific needs for each segment. If the group is large enough and you can satisfy its needs with an extra product feature, it makes sense to proceed and create a product that has greater appeal to that target market segment.

Pricing

A key objective for market segmentation is determining what price different groups of consumers are willing to pay for your product. When you have divided your market into segments based on what people can afford to pay, you can focus on segments that can pay the lowest or the higher prices. For those segments that can afford more, you can offer additional features or a higher level of service. Market segmentation allows you to serve each segment at a price level its members can afford.

Promotion

Market segmentation in terms of promotion lets you target members of each group in terms of what is important to them, and the objective is to focus your promotional initiatives on those themes and issues. For a low-income market segment, you may run promotions focused on value. For a market segment of young singles, you might emphasize lifestyle ads and outdoor activities. For a segment made up of families, a kid-friendly approach is appropriate. As part of your promotional efforts, you would emphasize product features that appeal to the particular market segment.

Channel

Market segmentation lets you decide how to offer a product or service to each group of consumers for maximum convenience, so you can tailor your sales channels to the preferences of the members of each market segment. Someone who can afford your product and wants to buy it will make the purchase if it is convenient. A market segment made up of seniors may prefer direct in-home sales; business people might find meeting in your or their office more convenient. For less expensive items, a convenient retail location might be appropriate.

3.3 Nature of study

Generally, development is initially associated with a growing separation between food producers and consumers, and then, a movement towards increased branding, packaging, and processing of food products (Goldman, Kaynak, Yavas, Kaynak & Borak, Kaynak & Rice). While an increase in the purchase of convenience goods has indeed accompanied economic growth in most industrializing nations, as mentioned earlier, increases in the purchase of convenience foods in East Asian nations has been tempered by the "ideal" diet which places a great emphasis on fresh fruits, vegetables, and meats (Goldman; Ho & Lau). The traditional preference for fresh food in India can be traced at least back to the writings attributed to Confucius more than years ago (Passmore & Reid). "Fresh," to the people, does not merely mean "not frozen or canned," but more accurately, for food to be "fresh," it must have come straight out of the farm in a timely manner. Urban Indian cities are accustomed to selecting among vegetables that were picked that morning, choosing meat from animals that were slaughtered earlier that day, and examining fish that are still swimming about in blissful ignorance. Although statistics indicate that more than half of Indians urban households now own refrigerators, the refrigerators are small in size, and are generally used to accommodate meat, beverages and leftovers, not bulkier fruits and vegetables.

The greater frequency of dining in restaurants can be associated with both an increase in expendable income and the increased demands on time that often accompany economic

development and the corresponding shifts in sectoral employment. In India, restaurants of all kinds are reportedly enjoying tremendous growth in urban areas. An increased variety of full-service and fast food restaurants, offering both "Western" fare of several types as well as Chinese entrees, is visible throughout India's urban landscapes. Although no official sales figures exist, outdoor food stalls, offering snacks to passing pedestrians, are also undoubtedly increasing in number and sales volume as a greater number of entrepreneurs try their hand in India's emerging semi-market economy. This is particularly true in the late 2000s as fiscal reforms of government agencies and state-run industries have pushed tens of thousands of people out of their jobs, many of whom are entering the service sector in the absence of alternatives. Products from outdoor food stalls are also reported to be frequently purchased as "carry out" by harried workers racing home.

Development is frequently characterized by greater use of large, multi-line food retail outlets, such as supermarkets. Perhaps due to India's mercurial economic and social environment, however, food consumption change in China may be assuming a different pattern. Most urban residents of India could only shop in state run markets, infamous both for their lack of choice and the remarkable incivility of their employees. With the expansion of reform "free markets" developed throughout urban cities. The incongruous name is derived from the fact that such vendor markets represented an alternative to the state retail marketing system. In large cities, every main residential district now has one or more designated shopping areas with power hook-ups, running water, and booths where licensed individuals can sell consumer products including all types of fresh and prepared food with prices set by consumer's willingness to buy. Farmers and wholesalers bring their goods, ranging from cabbages, fresh, other meat, and noodles to more exotic specialty rice, roasted meats and beverages to vend at these markets or to sell wholesale to established vendors in the markets. The reform era has also seen an explosion of small private grocery stores, offering mainly dry and packaged goods, such as noodles, canned meats, soda, tobacco, and alcoholic beverages. Such stores can be found in virtually every block of any large cities.

Related to changes in the time spend shopping are possible changes in the frequency of food shopping trips. Traditionally, food purchase patterns in less-developed countries are

represented by daily, or even more frequent, food shopping trips (Goldman, Kaynak, Slater et al., Slater). Correspondingly, the food shopper for the urban cities family has generally conducted daily shopping trips, purchasing only the food necessary for the meals within the coming 24 hours or less. The close proximity of markets to living areas, the fact that the shopper is usually travelling on bicycle or foot, the legendary congestion on public transport, and the lack of refrigeration in the home have all contributed to this pattern. With the recent high penetration of refrigerators, the increased availability of non-perishable food, and the increased time pressures mentioned previously, some consumers are undoubtedly decreasing the number of trips weekly to buy food. The current research will provide concrete evidence of this trend, a large proportion of consumers will probably maintain their preference for daily shopping for fresh meats, fruits, and vegetables

3.4 Sample of study

The purpose of study is to identify to know the food purchases in Vijayawada and Guntur with relation to customer segmentation. Customer segmentation is quite different in these cities when compared to other developed urban cities and these cities are developing urban cities.

Giving competition to other developed cities, people also changing their tastes and their living culture and their life too. Most of the people do not have enough time for make food for lunch or dinner. So, they are showing interest to buy the food from food vendors. Some are readymade and some are half made other can be easy to eat. As these cities are developing in the state people also upgrading their lifestyle towards and also their food style also there are many food patterns and food styles and different types of cuisines.

More than 100 responses are taken for the study with in structured questionnaire. This questionnaire is sent to maximum number of people. This says as middle age people and teenagers are different in their options of choosing food. Everyone has different style in selecting the food.

3.5 Statistical methods used for analysis

For the following study researches have used the following statistical methods to analyse the obtained data.

(A). A three-cluster (three distinct groups of households) solution provided the best results. The means and standard deviations for the five food purchase behavior variables for each cluster are reported in Table 1. Findings from MANOVA procedures demonstrated that the means of the behaviours were significantly different among the clusters. In addition, post hoc comparison of means via Duncan's multiple range tests revealed that each cluster was significantly different from every other cluster for all five behaviours. Thus, the solution was found to be quite satisfactory and robust. Most importantly for this research, the results of the cluster analysis clearly show that there are at least three distinct types of food shopping behavior exhibited by the surveyed households from urban cities like Vijayawada and Guntur.

(B). Descriptions statistics of food purchase patterns. (Table 2)

(C). Food purchase behaviours means, standard deviations, MANOVA results, and post hoc comparison of means.

4. Company and industry profile

4.1 Introduction to consumer segmentation and food purchase patterns

Consumer Segmentation:

Customer segmentation is the process of dividing customers into groups based on common characteristics so companies can market to each group effectively and appropriately.

In business-to-business marketing, a company might segment customers according to a wide range of factors, including:

- Industry
- Number of employees
- Products previously purchased from the company
- Location

In business-to-consumer marketing, companies often segment customers according to demographics that include:

- Age

- Gender
- Marital status
- Location (urban, suburban, rural)
- Life stage (single, married, divorced, retired, etc.)

Why Segment Customers?

Segmentation allows marketers to better tailor their marketing efforts to various audience subsets. Those efforts can relate to both communications and product development.

Specifically, segmentation helps a company:

- Create and communicate targeted marketing messages that will resonate with specific groups of customers, but not with others (who will receive messages tailored to their needs and interests, instead).
- Select the best communication channel for the segment, which might be email, social media posts, radio advertising, or another approach, depending on the segment.
- Identify ways to improve products or new product or service opportunities.
- Establish better customer relationships.
- Test pricing options.
- Focus on the most profitable customers.
- Improve customer service.
- Up sell and cross-sell other products and services.

How to Segment Customers:

Customer segmentation requires a company to gather specific information – data – about customers and analyse it to identify patterns that can be used to create segments.

Some of that can be gathered from purchasing information – job title, geography, products purchased, for example. Some of it might be gleaned from how the customer entered your system. An online marketer working from an opt-in email list might segment marketing messages according to the opt-in offer that attracted the customer. Other information however, including consumer demographics such as age and marital status, will need to be acquired in other ways.

Typical information-gathering methods include:

- Face-to-face or telephone interviews
- Surveys
- General research using published information about market categories
- Focus groups

Using Customer Segments:

Common characteristics in customer segments can guide how a company markets to individual segments and what products or services it promotes to them. A small business selling hand-made guitars, for example, might decide to promote lower-priced products to younger guitarists and higher-priced premium guitars to older musicians based on segment knowledge that tells them that younger musicians have less disposable income than their older counterparts. Similarly, a meals-by-mail service might emphasize convenience to millennial customers and “tastes-like-mother-used-to-make” benefits to baby boomers.

Customer segmentation can be practiced by all businesses regardless of size or industry and whether they sell online or in person. It begins with gathering and analysing data and ends with acting on the information gathered in a way that is appropriate and effective.

Food Purchase Patterns:

The Food Industry has changed and developed over the decades in order to satisfy customer needs and consumer behavior. This industry is characterized by a complex system of activities concerning supply, consumption and delivery of food products across the entire globe.

My dissertation will focus on the history of the food industry, concentrating on the development of the market until today. All over the world the people used to eat in very simple ways using only local and seasonal products as they were constrained to a geographical area. Another important change occurred in the role that women played within their family as the men left to work the female population had to replace them working in industry.

While their disposable income increased, the time they could dedicate to housework decreased drastically, with a consequent rise in demand for industries that could produce readymade food in their place. The processed food that was initially developed for soldiers on the frontline became produce for grocery stores and restaurants in towns and cities. This phenomenon became even more evident and understood the importance of making food quickly, selling it cheaply and spending less time and resources in looking for the best quality food sources and in the final product. And redesigned the food preparation sector, as in the automobile assembly line, in order to achieve the product at a lower cost. McDonald's was the first of a series of fast food restaurants that, in a brief period, managed to compete in the market by offering reasonable products at a low price.

However, very soon studies started showing how cardiovascular problems, diabetes, musculoskeletal disorders, cancers and obesity, all diseases related to poor eating habits, were drastically on the increase. The results were analyzed by several scientists, as, how, unlike monounsaturated fats, saturated fats caused heart diseases. The Senate State Committee on Nutrition and Human Needs started out on a mission to fight bad dietary habits. They worked on several food assistance programs aimed at formulating science-based recommendations on which healthy foods people should eat in order to lower their risk of heart diseases and other chronic illnesses. The word "Dietary Goal" was published and stimulated reactions in the scientific community, in the food industry and numerous public health organizations.

Soon food producers had to face a new challenge: awareness about healthy nutrition was increasing, the slogan "you are what you eat" became more and more representative of the people's new mindset. However, people wanted to consume food with no fat, it was the fat that gave it flavor and so, once it was removed, the consumer no longer found it attractive.

The industry had then to invest adapting to the consumers' new requests but also maintaining the products' appeal. Not only fast food chains tried to diversify and introduce new lines of products such as salads, fruit and organic food, but also competition between restaurants and fast food chains that offered healthier foods increased.

As people looked for healthy alternatives, this phenomenon caused the decline of many conventional fast food companies that in the past had been market leaders. The opening chapter of this dissertation will initially analyze the changes in consumer behavior and the different business models.

Consumer behavior describes how people make decisions when purchasing goods. Businesses continuously search the solution to this question in order to have a much better chance of creating and producing the right merchandise for the right target consumers at the right time. People make decisions about goods from much earlier than they probably realize. Over time they develop a systematic way to choose from among the alternatives sometimes not even being not aware of it. Other consumers, instead, follow a similar process of making decisions.

Business enterprises are established in order to create, deliver and capture prominence with the customer. Whenever a business enterprise is established, it either explicitly or implicitly employs a business model that represents the design and architecture of the mechanisms it uses. It thus reflects management's attitudes to what customers want, how they want it, and how the business can best meet those needs, get paid for doing so, and make a profit.

In the second chapter of my dissertation I will focus on the food industry, its development through time and its specific characteristics. By observing its complete story and changes over the decades, clear evidence of market trends, transformation and mechanization will emerge.

The one factor of our lifestyle that changed drastically the way we eat. Food had to evolve, and with that evolution came industrial farming at a scale we had never seen before, mass food preservation through canning or freezing, and a technical revolution in the kitchen. One of the biggest changes instituted was the increased demand of women went out to work to replace the male workers and had less time to cook in the home. To feed the soldiers at front, the market developed new ways of offering readymade food that was easy to eat and to store; thanks to its success, it was also implemented in society creating a revolution in food production.

4.2 History of food purchase patterns

Food history is an interdisciplinary field that examines the history of food and nutrition, and the cultural, economic, environmental, and sociological impacts of food. Food history is considered distinct from the more traditional field of culinary history, which focuses on the origin and recreation of specific recipes.

Cereals remained the most important staple during the early Middle Ages. Barley, oats and rye were eaten by the poor. Standard foods included bread, porridge, and gruel. Fava beans and vegetables were important supplements to the cereal-based diet of the lower orders. Meat was expensive and prestigious. Game was common only on the tables of landowners. The most prevalent butcher meats were pork, chicken, and other domestic meat, beef, which required greater investment in land, was less common. Cod and herring were mainstays among the northern populations; dried, smoked or salted, they made their way far inland, but a wide variety of other saltwater and freshwater fish was also eaten.

The meals people ate were controlled by the seasons, geography, and religious restrictions. For most people food supply was limited to what the nearby lands and seas could

provide. Peasants made do with what they could, primarily cooking over an open fire, in a cauldron or on a spit. Their ovens were typically outside of the home and made on top of clay or turf. Poor families primarily consumed grains and vegetables in the form of stew, soup, or pottage, and anything grown on their own small plots of land. They were unable to afford spices, and it was a crime to hunt deer, boar, or rabbits. Their staples included rye or barley bread, stews, local dairy products, cheaper meats like, pork or lamb, fish if there was access to freshwater, vegetables and herbs grown at home, fruit from local trees and bushes, nuts, and honey.

The upper class and nobility had better food and diet than that the lower classes, but food was eaten in small portions. Meals were laid out with many different colours and flavours—a very different experience from those in the lower class. Smaller portion sizes developed around this time due to various cultural influences, and these large, table-long meals were essentially picked at by the nobility. Foods were highly spiced, and many of these were expensively imported, often from outside Europe. The Middle Ages diet of the upper class and nobility included bread, a variety of meats like venison, pork, and lamb, fish and shellfish, spices, cheese, fruits, and a limited number of vegetables.

Rice comes from the seasonal plant *Oryza sativa* and has been cultivated since. The principal rice-producing countries are in east and south Asia. The origin place of rice has always been a hot point of debate between India and China as both countries started cultivating it around the same time period. The average amount of rice cultivated every year ranges between 800 billion and 950 billion pounds.

After the 15th century, rice spread throughout Italy and then France, later spreading to all the continents during the age of

European exploration. As a cereal grain, today it is the most widely consumed staple food worldwide. Currently India is leading rice producing country according to Food and Agriculture Organization of the United Nations.

Sugar is thought to be originated from India by taking sugarcane plant through some chemical and mechanical processes, the word sugar is derived from a Sanskrit word Sarkara. Previously people used to chew the juice out of sugarcane to enjoy the sweetness of the plants. Later, Indians found the technique to crystallize the sweet liquid. This technique then spread towards the neighbouring countries of India.

Sugar was a rare and expensive sweetener during Middle Ages. Due to the increase of sugar cultivation, obtaining sugar became easier and more affordable. Thus, Europeans could now enjoy Islamic-inspired confectionary goods that were previously costly to produce. The Jesuits were leading producers of chocolate, obtaining it from the Amazon jungle and Guatemala and shipping it across the world to Southeast Asia, Spain and Italy. They introduced Mesoamerican techniques to Europe for processing and preparing chocolate. Fermented cocoa beans had to ground on heated grindstones to prevent producing oily chocolate, a process that was foreign to many Europeans. As a beverage, chocolate remained largely within the Catholic world as it was not considered a food to the church and thus could be enjoyed during fasting. Brazil is currently largest producer of sugar followed by India which is also the largest consumer of sugar.

India is one of the most diverse countries when it comes to food. Due to wide variety of soil and highly diverse culture, ethnic groups and beliefs this cuisine varies from religion. Not just non-veg, India can serve you a delicious plate of veggie food too, which shows how Hinduism has affected this cuisine. Islam religion has also influenced this cuisine during Mughal rule. Samosas being one of the most famous examples of it. Years after Mughal rule when Britishers took over the country they developed a new kind of fusion cuisine known as Anglo-Indian Cuisine; the British wives added a British essence in Indian food giving birth to this fusion cuisine. Just like Anglo-Indian cuisine there are many other fusion cuisines. Indian Chinese cuisine, also known as Indo-Chinese cuisine came into existence when

Hakka Chinese people migrated from Canton to Calcutta and interacted with local Indian food. Cowmen and chicken Manchurian are some delicious Indo-Chinese dishes. This cuisine is a mixture of Malaysian cuisine and Indian cuisine (mostly south Indian).

In the first half of the 20th century there were two world wars, which in many places resulted in rationing and hunger; sometimes the starvation of the civilian populations was used as a powerful new weapon. The rationing system in urban areas virtually collapsed, with people eating animal fodder to survive the Turnip Winter. In Allied countries, meat was diverted first to the soldiers, then to urgent civilian needs in Italy, Britain, France and Greece. Meat production was stretched to the limit in the United States, Australia, New Zealand, Canada and Argentina, with oceanic shipping closely controlled by the British.

In the first years of peace after the war ended, most of eastern and central Europe suffered severe food shortages. The ARA was set up under the American wartime was charged with providing emergency food rations across Central and Eastern Europe. The ARA fed millions, including the inhabitants of Germany and the Soviet Union. After U.S. government funding for the ARA expired in the summer, the ARA became a private organization, raising millions of dollars from private donors. Under the auspices of the ARA, the European Children Fund fed millions of starving children.

The introduction of new foodstuffs, especially fruit, transported from around the globe. After the World War many new food products became available to the typical household, with branded foods advertised for their convenience. Now instead of an experienced cook spending hour on difficult custards and puddings, the housewife could purchase instant foods in jars, or powders that could be quickly mixed. Wealthier households now had ice boxes or electric refrigerators, which made for better storage and the convenience of buying in larger quantities.

Germany tried to feed its population by seizing food supplies from occupied countries, and deliberately cutting off food supplies to Jews, Poles, Russians and the Dutch

As part of the Marshall Plan, the United States provided technological expertise and financing for high-productivity large-scale agribusiness operations in post-war Europe. Poultry was a favourite choice, with the rapid expansion in production, a sharp fall in prices, and widespread acceptance of the many ways to serve chicken.

This market only really took off in the second half of the 20th century. Women started going out to work contributing to the family income; the main trade off their new lifestyle was that they had now limited time to take care of the house and their children. Soon entrepreneurs understood that they had to offer fast and attractive snacks that could be consumed in short breaks at work. With the increasing standard of living, women soon understood that restaurants could be a good alternative to their home cooking. The feminist movements of the period proposed automated food chains and centralized kitchens, the main goal was to liberate women from the preparation of food that was time-consuming and, at the same time, very costly.

4.3 Classification of food purchase patterns

The concept of ready cooked food soon spread around the country, fast food describes describes food products that can be prepared and served very quickly. This type of fare offered by restaurants and stores was initially characterized by being very cheap and of low quality. In the 1950s fast food restaurants began to proliferate around the country. This type of restaurant focused on gaining experience and abilities in product development, sourcing practice, service levels and standardization of operations.

The propagation of restaurants, its benefits and disadvantages:

There were several factors that favoured the expansion of this new type of restaurant

the increased diffusion of cars, the construction roads, the development of suburban communities, the post war baby-boom, improved standards of living and a reduction in the time available for domestic chores. This new type of business was immediately popular, the reasons were several firstly, there was a change in gender roles, women started working outside the family home and had limited time to spend on housework, fast food restaurants could offer a good alternative to cooking. Secondly, consumers increased their standard of living and became more refined they did not want to spend their time and energy on housework.

As in the second half of the 20th century, both men and women worked, and the disposable income of families almost doubled allowing the members to spend more money on eating out and other activities. A third important factor that helped the diffusion of this type of restaurant was the arrival of immigrants in America who wanted to be able to find their traditional foods. Different types of fast food restaurants soon spread around the country offering diverse type of cuisines from Japanese to Italian, Chinese, Mexican and British. Soon the fast food concept spread all over the India, dominating the food industry market. However, the diffusion of these restaurants soon had several negative consequences: focusing on the costs and speed of production rather than the quality of the product, lead to the production of food that was not healthy for the consumer.

Studies began to show how the food produced in fast food restaurants contained high levels of trans fats that could be linked to numerous diseases like obesity, diabetes and cardiovascular problems. Trends show how the level of overweight people in the United States has drastically increased in recent years. In the 1990s only the 9% of the population was obese, during the 90's access to food become very easy and there was an oversupply in the market. At that time men consumed approximately 2200 calories a day while women consumed about 1500. Through the '80s and '90s the percentage of obese and overweight

people continued to rise, reaching 30.5% and 70% in 2000. Today, men consume about 2700 and women about 1950 calories daily. In 2014 the level of overweight people arrived at 72.1% and obese levels reached 35% of the population.

The development of a strategy based on low costs, not only had negative consequences on the quality of food and, therefore, the population's health but also on the environment: the cheaper materials used for packaging in this sector were not biodegradable nor environmentally friendly.

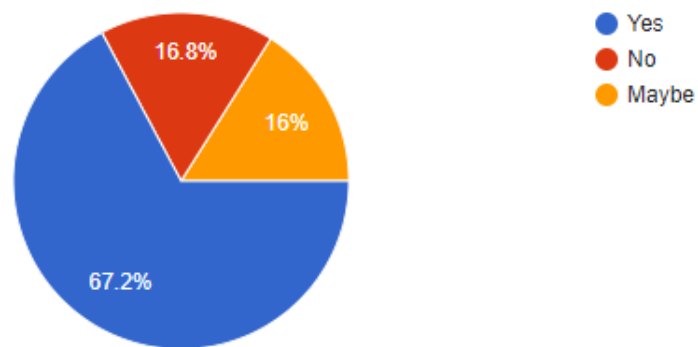
By looking at these figures we can see how the situation has completely changed over the last 10 years. In 2000 most of the population was poor and malnourished, almost all working-class children were underweight, and women often suffered from anaemia. The low levels of food hygiene were also an important source of diseases like tuberculosis, typhoid, salmonellosis and numerous other infections. Only were there advances in nutrition, medical and food science that helped the industry to develop and grow in an impressive way. Food production, standards, safety and accessibility improved over the years. As mentioned earlier, the increase in standard of living lead to an increase in the availability of ready foods, and malnutrition became a problem of the past. However, other social problems arose there was a drastic increase in heart disease, cancers and diabetes, all health issues tightly linked with a bad diet and poor nutrition. In the second half of the 20th century people started to consume large amounts of trans fats, refined carbohydrates and lower levels of fiber than ever before. Seeing this worrying situation soon governments, administrations and different institutions began to realize how important it was to raise public awareness of how significant it was to conduct a healthy lifestyle and eat a balanced diet. Very soon consumer's needs and desires changed and consequently the type of demand, accordingly, the food industry started to offer a new variety of products. As people became aware of the strong link between food and health, manufacturers started to offer food products with lower levels of fats, sugar, salt and with higher levels of fibres.

5. Data analysis and findings

As we given a questionnaire to random people we got many results from many people who are into food purchase. A standard questionnaire is given to them accordingly. The results are

Are there any systematic form of food purchases in Vijayawada and Guntur

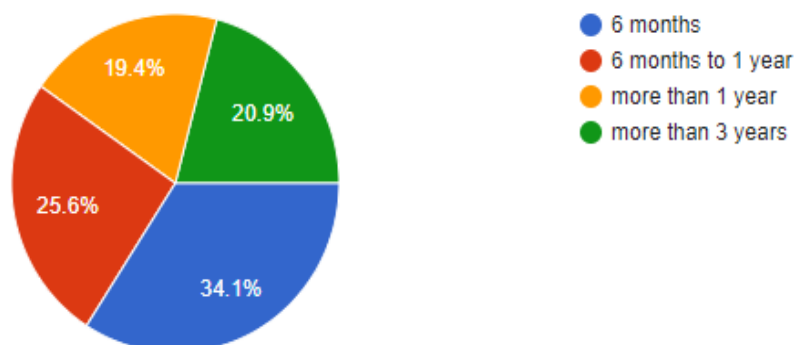
131 responses



In the above picture there is a result that there is a systematic form of food purchases in regions given as many people know that there are systematic food purchases in this region.

If how long you are in food purchase

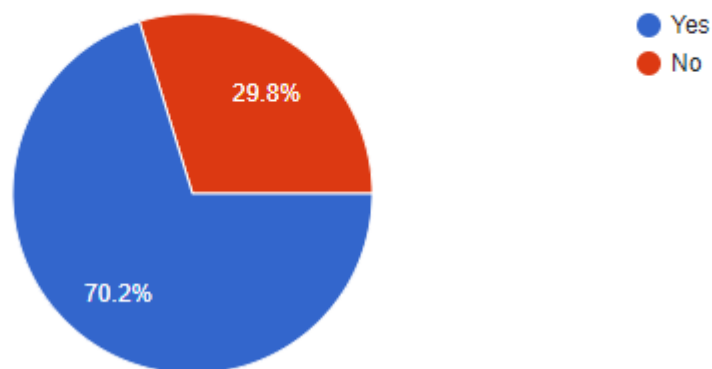
129 responses



In the above figure the people who are involved in food purchase and their period of food purchase is taken. This says how many people involved in purchase of food and their time period.

Are you happy with food purchases in cities

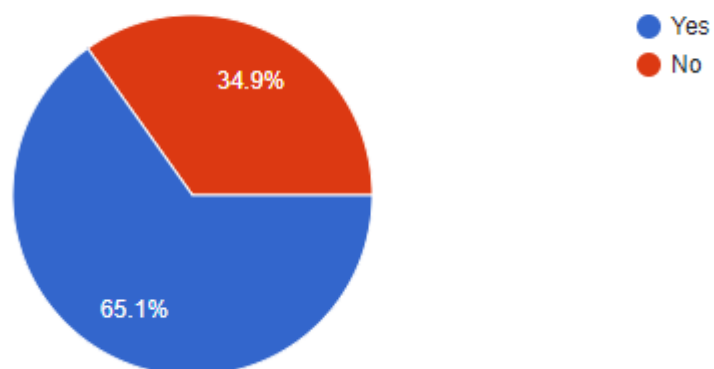
131 responses



The above figure represents how people are happy with food purchases and their opinions.

In your opinion food purchase valuable?

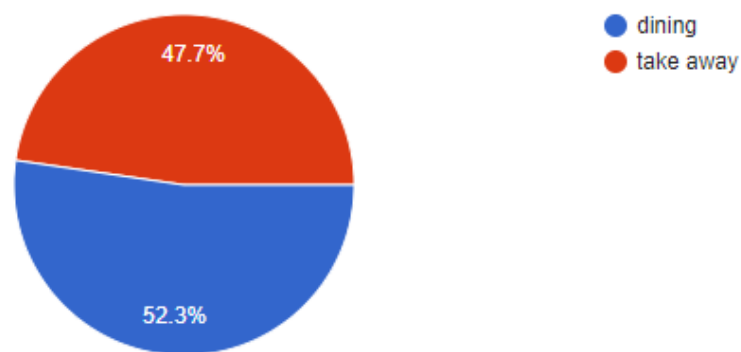
129 responses



In above picture shows that food purchases are valuable to some of segment of people. This says that for some segment of people food purchases are valuable.

what type of food purchase do you prefer

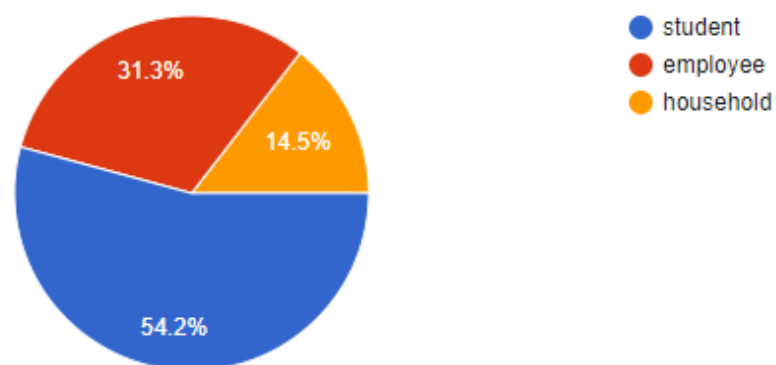
130 responses



The above figure shows that we divided food purchase into two segments as we can know the results in which segment people are keen.

You are currently

131 responses



In above figure shows that people are from different occupations and their responses are collected by this we may easily know that from which segments people are interested in food purchases. Households are also in food purchase this says as this regions are developing in food purchase patterns.

As we got many results from different people from these two regions. We divide some people into clusters there are three clusters divided and people are taken to three clusters and some data is collected and analysed.

Demographic and household variables	Total Sample <i>n</i> = 120	1 <i>n</i> = 20	2 <i>n</i> = 44	3 <i>n</i> = 56	<i>F</i>	Duncan's test of significantly different pairs (<i>p</i> < 0.05)
Gender (% Female)	67% (0.47)	33% (0.49)	73% (0.45)	73% (0.45)	5.82**	1&2, 3
Age	46 (12.3)	38 (11.3)	49 (11.2)	46 (12.5)	5.41**	1&2, 3
Marital status (% Married)	91% (0.29)	74% (0.45)	93% (0.25)	95% (0.22)	4.08*	1&2, 3
Education (scale from 1 to 5)	3.4 (1.2)	3.9 (1.2)	3.4 (1.2)	3.3 (1.2)	1.79	No pairs different
Household size	3.2 (1.1)	3.9 (1.2)	3.3 (1.1)	2.8 (0.8)	10.23***	All pairs different
Number of children in household	0.64 (0.57)	0.75 (0.55)	0.67 (0.64)	0.57 (0.57)	0.44	No pairs different
Family income (in yuan)	1,258 (749)	1,535 (599)	1,544 (895)	934 (515)	11.52***	3&1, 2
Monthly rent of living residence (in yuan)	57 (100)	121 (83)	66 (146)	25 (19)	7.12**	1&2, 3
Distance of living residence from nearest market (in li)	0.70 (0.64)	1.2 (0.55)	0.49 (0.40)	0.68 (0.72)	10.18***	1&2, 3

Table 2. Descriptions of food purchase patterns

Food purchase behavior	Food purchase behavior	Cluster 2 "Frequent Shoppers"	Cluster 3 "Traditional Shoppers"
Purchase of convenience foods	Frequent purchaser of convenience food products	Moderate purchaser of convenience foods	Light purchaser of convenience foods
Dining out	Eats at restaurants at a very high level of frequency	Dines out at a moderate level	Very rarely dines out
Types of retail stores patronized	Shops at a wide variety of retail food outlets	Shops at a moderate variety of food outlets	Shops at only a few types of retail food stores
Time spent on food trips	Spends little amount of time on a weekly basis shopping for food	Spends a great deal of time weekly shopping for food	Spends a fairly large amount of time weekly shopping for food
Frequency of food trips	Makes only a couple of trips to buy food weekly	Shops at least once a day for food	Shops almost daily for food

The first cluster is the smallest cluster, characterizing one of every seven households. Consumers in this segment shop for convenience. They dine out quite frequently at all kinds of restaurants, particularly full-service restaurants, fast food restaurants, and outdoor food stands. They purchase a great deal of convenience food, particularly frozen, canned and pre-cooked foods. They spend little time shopping and make only a couple of trips weekly. Interestingly, however, they seek out the largest variety of food retail outlets at which to conduct their shopping and patronize supermarkets more often than the average consumer. With due respect, this group might be seen as "trendy," but regardless of what they are called, this group may well represent the greatest deviations from what might be considered to be "traditional" shopping behavior.

The second cluster constitutes a little more than one-third of consumers. Consumers in this cluster are moderate purchasers of convenience foods, but purchase packaged food as frequently as consumers in Cluster 1. Convenience foods that are frequent purchases of these consumers include (steamed bread), powdered milk, and packaged noodles. They dine out only a few times a month. They shop at several types of retail outlets. They spend more time shopping than other consumers, shopping for food at least once daily.

Cluster 3 is the largest cluster, characterizing almost half of households in the survey. Consumers in this cluster dine out rarely, perhaps only once a month. They seldom purchase convenience foods. They tend to patronize only a couple of types of food stores. In addition, they shop for food almost daily, spending a little more than one hour for each shopping trip. These households might be seen exhibiting what might be thought of as the most traditional shopping patterns and behaviours.

Food purchase behavior ^a	Total sample <i>n</i> = 120	Cluster 1 “Convenience Shoppers” <i>n</i> = 20	Cluster 2 “Frequent Shoppers” <i>n</i> = 44	Cluster 3 “Traditional Shoppers” <i>n</i> = 56	<i>F</i> ^b
Purchase of convenience foods	11.1 (2.7)	19.2 (7.1)	13.5 (2.5)	6.4 (2.0)	99.4
Dining out (times per month)	4.5 (6.7)	17.3 (6.1)	3.4 (3.2)	0.8 (1.8)	178.9
Types of retail stores patronized	3.6 (1.6)	5.1 (2.3)	4.0 (1.2)	2.8 (1.1)	22.19
Time spent food shopping (hours per week)	7.2 (3.7)	2.8 (3.3)	9.1 (3.6)	7.2 (2.2)	31.27
Frequency of food trips (trips per week)	6.3 (2.8)	2.4 (1.5)	7.8 (2.7)	6.6 (1.6)	47.0

Cluster analysis techniques were conducted to determine whether distinct patterns of food purchase behavior commonly occurred together. Cluster analysis, based on the criterion variables discussed in the previous section, permits the identification of groups of households which behave in similar ways. The criterion variables used for the cluster analysis were the five food consumption behaviours described in the previous section: purchase of convenience foods, patronage of food retail stores, frequency of dining outside the home, time spent food shopping, and frequency of food shopping trips. For the clustering procedure, both hierarchical and non-hierarchical methods were employed to combine the advantages that each technique offers. First a hierarchical method (Ward's method; squared Euclidean distance) was used to select a range of cluster solutions and identify seed points for the solutions. Then a non-hierarchical cluster technique (parallel threshold procedure) was used to calibrate the solutions. The final cluster solution was chosen based on uniformity of cluster sizes, change in agglomeration coefficients, and variance among cluster groups as examined by MANOVA.

A three-cluster (three distinct groups of households) solution provided the best results. The means and standard deviations for the five food purchase behavior variables for each cluster are reported.

Most importantly for this research, the results of the cluster analysis clearly shows that there are at least three distinct types of food shopping behavior exhibited by the surveyed households.

6. Discussions and conclusions

Discussion of results

Our findings indicate that, at least for this sample, but we believe by extension for consumers in many of the large urban places, there are several distinct patterns of shopping behavior. Further, socioeconomic commonalities exist among consumers that share similar food consumption habits. Although further studies based on more rigorous samples are necessary to explore the nature of the relationships identified, the results are certainly interesting, and we believe that, while recognizing the limited nature of the sample, the implications of the research are interesting and intellectually provocative. Because the distinctive habits of the households within the first cluster, the "Convenience Shoppers," include the behaviours most closely associated with rapid economic growth, the impetus for their activities is interesting to explore. Explain the habits of these consumers, by suggesting that this segment is willing to spend extra money to dine out and purchase convenience foods for the purpose of saving time. This inclination to save time is reflected in the decreased number of shopping trips and the decreased time spent shopping of these consumers.

Cluster 2 might be viewed as a more cautious emerging "middle class." These households still are purchasing traditional products from local markets in close proximity to home, and they spend the greatest amount of time each week for shopping. They seldom dine out. For all those dreaming of untapped market, this type of household may be the enigmatic "hard sells." Still this second group may represent a more important trend among urban consumers in the short run.

While Group 1 may be the emerging market of greatest potential appeal for both domestic and international purveyors of processed and packaged "non-traditional" foods, the behaviours exhibited by Group 2 may well be more important for farmers and by extension the agricultural sector as a whole. Group 2 is both much larger and more conservative in purchase behaviours. Despite available income, they are inclined to look for bargains, and minimize cash outlays. While interest in new foods may be limited and their shopping

behaviours are conservative, their greater incomes permit them to purchase more produce and fresh meat and transforming the domestic market and the internal production structure of the agricultural sector as well. The ability to buy more vegetables, melons, poultry, and fish all bode well for the farmers.

There are marked differences between households in this second cluster which we call "Frequent Shoppers," and the majority of the sample households assigned to the third cluster called "Traditional Shoppers." Since both segments shop for food on a daily basis, or even more frequently, the most striking difference between the two groups is the different patterns represented by the purchase of convenience foods and the incidence of dining out. While Frequent Shoppers purchase a moderate amount of convenience foods and dine out several times a month, Traditional Shoppers buy very limited quantities of convenience foods and almost never dine out. Since Traditional Shoppers have much lower incomes than the other two groups, the logical explanation is that they simply cannot afford these luxuries, but perhaps would buy more products if they could afford them. Alternately, however, we recognize that an unknown confounding variable might actually be responsible for these patterns, or, alternatively, the difference could again simply be attributed to differences in taste or in household strategies of capital outlay.

The finding that distinct sets of food purchase behavior exist that can be linked to consumers with common characteristics has a number of implications. Public policy officials can use the information to assist in decisions concerning the expansion of domestic manufactures in the food industry in both the public and private sector. Manufacturers and retailers can benefit from exploring these issues to improve segmentation and product differentiation. Consumer and economic researchers may gain further insight into the development of food purchase behavior by employing theoretical frameworks that recognize the dissimilarities in the habits of the different types of consumers which the study has robustly identified.

There are also broader societal issues which are implicated by these findings. Clearly, more processed and semi-processed food will be produced and consumed in the coming years, by at least some segments of the population. New food-processing firms will develop in pursuit of the market. For a variety of social and economic reasons, an increasing number of small

entrepreneurs will enter the marketplace spurring the need for more, and more effective advertising, but also for new products and new crops from which to produce these products. Presumably, soon to be streamlined state-owned firms will concurrently also be drawn to the potential profits represented by food manufactures and restaurants as well.

This profit-seeking behavior will also force reforms in existing state-run food-related industries and operations. The market effects will most certainly move beyond the city's boundaries. Competition for consumer dollars will also be joined by an increasingly well organized and better informed farm sector seeking to offer better produce, fruits, meat, agricultural products and poultry. The diversification of urban food options then represents a feedback loop among the farm sector, manufacturing concerns, and consumers, with an increasing number of participants. Such participation will require new avenues to venture capital-new types of loans, a more mature system of collateral provision, and operating budgets which now require significant outlays for product development, marketing research, and advertising.

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Appendices:

Purchase of convenience food Total

number bought in the last 30 days of the

following items:

Cooked duck

Cooked chicken

Cooked rice

Canned pork

Canned chicken

Canned mushrooms

Canned water chestnuts

Roasted sweet potato

Frozen mutton

Steamed bread

Canned tomatoes

Canned fruit

Frozen chicken

Frozen seafood

Frozen pork

Soda

Frozen dumplings

Packaged milk

Curd

Packaged noodles

New Years cake

Spiced cake

Cooked sausage

Fried egg roll

Cooked mutton

Packaged oats

Frozen shrimp

Cleaned and cut vegetables.

**Types of retail stores patronized total
number visited within the last 30 days of the
following types of retail food stores:**

Outdoor food market

Private grain store

Grocery store

Supermarket

State food shop

State vegetable shop.

**Dining out total number of times within the
last 30 days eaten a meal at the following types
of restaurants:**

Full-service restaurant

Fast-food restaurant

Outdoor restaurant

Bar

Hotel

Outdoor food stand.