

Work and Life: How is it Balanced?

An Empirical Study

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Abstract

The employed youths have lately sensed the need to prioritize work over family, friends, entertainment and hobbies. Be it the anxieties of professional growth or cut-throat competition in organizations, individuals are unconsciously neglecting their personal interests in one way or the other. Yet, there exists another section of the same generation who juggle between work and home trying to strike a balance. How perfect is the balance they achieve? Is it precisely 50-50 or at least 70-30? More often than not we see an ever-changing ratio. These variations are caused by eventualities, family obligations, challenging deadlines, demanding customers. "Work-life balance" addresses the unfair life choices people make with an intention to get ahead in their professional lives. This paper examines the work-life balance of 100 employees working in the IT Enabled Services Sector and introspects on the three facets put forth by McAuley et al (2003) - Work Interference in Personal Life, Personal Life Interference in Work, Work and Personal Life Enhancement.

Keywords: work-life balance, work environment, personal enhancement, work enhancement

Introduction

Contemporary changes in the socio-economic environment have brought to light the importance of work-life balance. Salaried jobs are much more in demand than what it was a decade ago. A lot of youngsters are migrating to the cities in search of regular income and better standard of living. The joint family business system too has seen a dramatic change over the years. Stay-at-home mothers are no more a tradition, the income they bring home is valuable and crucial in most families. Families, today, understand the importance of each individual's work-life and recognize their efforts. They respect each other's responsibilities and priorities at work. Managing work and personal life involves innumerable challenges, proper planning and time management. Better the balance, happier the families. However, there is a flip-side to this happy story too. Individuals holding glamorous designations and heavy pay cheques have something more in their kitty - long work hours, unearthly shift timings, strenuous daily schedules, traumatic deadlines added to low esteem, relationship issues, anxieties about home and children. Spas and luxury homes may be their destinations, but not as frequent as the counseling

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centre or medical cells. They have plunged into the fallacies of corporate career, income and lifestyle, sacrificing their health and emotional wellness.

Work-life balance: the dilemma

Organizations across the globe are demanding more and more from their employees and pressurising them to deliver the best. They are focusing more on motivation and recognition of employees to enhance productivity. A healthy balance is a strategy that the new-age employers are aiming at. Research findings show that Work-Life Balance Programs help employees manage their work and family better (Thomas and Ganster, 1995). There is less boundary between employee work and non-work lives (Hochschild, 1997).

The percentage of stay-at-home mothers has come down drastically over the last decade. The health benefits of leading a balanced life is well known (Quick et al., 2004). Research from North America has shown that organizations with a greater concern for employee work life strategies find it easier to attract and retain valued employees (e.g., Bailyn, 1993). Work-life balance reduces employee absenteeism (Dex and Scheibl, 1999) and enhances the productivity in organizations (Sands and Harper, 2007).

Today, it has become difficult to define what work is and what life is. "Work", in today's scenario has no fixed place and timing; young professionals work beyond what they ideally should and strive to meet targets even at the cost of their physical wellness. Advances in technology have made work-life balance more complex. Employees are expected to be available 24/7 with the usage of mobile phones, internet connectivity, data cards and text messaging. This makes compartmentalizing work and personal life nebulous.

Review of Literature

Felstead et al (2002) state that work from home options is more likely to be available in large establishments and work environment. J.Caproni (2004) illustrates how the dominance of an individualistic ethos pervade both the labour market and the welfare state. Gillian Maxwell and Marilyn McDougall (2004) explore connections between macro, organizational and individual levels of WLB policy and practice. Una Byrne (2005) discusses the development of the concept of the 'work-life balance' as a means of tackling the problem of increasing amounts of stress in the work-place. Rosemay Crompton and Clare Lyonette (2006) found evidence of a 'societal effect' in the cases of Finland and Norway. Fisher-McAuley et al, (2003) examined the antecedents and outcomes of work life balance with a 19 items instrument designed to capture employee perceptions of work life balance. Jeremy Hayman (2004) undertook an exploratory factor analysis and evaluated the worth of an instrument developed by Fisher et al, (2003). They found that the instrument has acceptable validity and reliability.

This indicates that the instrument has potential for providing managers with a useful tool for determining work life balance perceptions among employees.

Objective of the study

This paper examines the work-life balance of employees working in the IT Enabled Services Sector and introspects on the three facets put forth by Fisher et al, (2003); Work Interference in Personal Life, Personal Life Interference in Work, Personal Life and Work Enhancement. Further the study analyses the effect of factors such as Age, Gender, Marital Status, Parental Status, Income and Work Experience on work-life balance.

Methodology

The study is an empirical one. It is based on primary data collected with the help of structured questionnaire from 100 respondents. Work life balance is measured with a 15 item scale adapted from an instrument reported by Fisher et al. (2003). In this study, the respondents are asked to indicate the extent to which they agree or disagree using a seven point time related scale (e.g., 1=Not at all, 7=All the time).

Profile of the Respondents

The respondents are employees of multinational companies in the ITES Sector. Age-wise classification reveals that 75 per cent of the sample constitutes individuals who are less than 35 years. Gender-wise classification shows that the 70 per cent of the respondents are males. An analysis of the marital status of employees revealed that 64 per cent are married and 53 per cent of the respondents have children. Income wise analysis showed that 78 per cent of the respondents had an annual gross salary of less than 3 lakhs and only 7 per cent earned an annual salary of more than 5 lakhs. However, a large number of the respondents (57 per cent) have an overall work experience of more than 5 years. The findings reflect the influence of work and life on each other. It throws light on the factors enhancing life and work achievements.

Results and Discussion

Table 1: Age of the Respondents and Work-Life Balance

Age of the Respondent	Work Interference with Personal Life			Personal Life Interference with Work			Work and Personal Life Enhancements		
	Low Impact	Medium Impact	High Impact	Low Impact	Medium Impact	High Impact	Low Impact	Medium Impact	High Impact
Less than 25 years	7	11	-	7	8	3	5	10	3
	39%	61%	-	39%	44%	17%	28%	56%	17%
26 years to 30 years	11	8	21	14	12	14	4	25	11
	28%	20%	53%	35%	30%	35%	10%	63%	28%
31 years to 35 years	7	5	23	10	5	20	5	24	6
	20%	14%	66%	29%	14%	57%	14%	69%	17%
36 years and above	-	7	-	3	2	2	2	5	-
	-	100%	-	43%	29%	29%	29%	71%	-
Total	25 25%	31 31%	44 44%	34 34%	27 27%	39 39%	16 16%	64 64%	20 20%
Chi-Square	39.727			10.483			6.373		
df	6			6			6		
p value	0.000			0.106			0.383		

Source: Field Survey

Table 1 indicates that among young employees there is moderate to low impact of work on their personal life. 61 percent of them feel that work interferes in their personal life, while 39 percent of them agree that the interference of work in their personal life is low. None of the respondents who are less than 25 years have indicated high impact of work on personal interests, hence showing a good balance between work and personal life. Similarly, an analysis of personal life interference on work shows that the impact of personal life on work is moderate to low among young employees. The highest impact of work on personal life and vice versa is seen among employees in the age group of 31 years to 35 years, indicating low work-life balance. A majority of respondents in this age group have agreed that there is high level of interference of work in personal life (66 percent). Chi square analysis indicates that there is a significant association between age and 'work interference in personal life' as the p value is 0.000. However, there is no significant association between age and personal life interference in work and 'work and personal life enhancement'.

An examination of the impact of the respondents' gender on work life balance is shown in table 2. A majority of male respondents (49 percent) are highly impacted by their work and 44 percent of them agree that their work is affected due to personal reasons. However the study shows that there is

Table 2: Gender of the Respondents and Work-Life Balance

Gender of the Respondent	Work Interference with Personal Life			Personal Life Interference with Work			Work and Personal Life Enhancements		
	Low Impact	Medium Impact	High Impact	Low Impact	Medium Impact	High Impact	Low Impact	Medium Impact	High Impact
Male	18 26%	18 26%	34 49%	23 33%	16 23%	31 44%	10 14%	49 70%	11 16%
Female	7 23%	13 43%	10 33%	11 37%	11 37%	8 27%	6 20%	15 50%	9 30%
Total	25 25%	31 31%	44 44%	34 34%	27 27%	39 39%	16 16%	64 64%	20 20%
Chi-Square	3.259			3.244			3.884		
df	2			2			2		
p value	0.196			0.197			0.143		

Source: Field Survey

only a moderate impact of gender on work and personal life enhancements. Chi-square analysis shows that the association between gender and work interference on personal life is not significant as the p value is higher than the commonly accepted level. This is an interesting outcome as most studies focus on gender as an influential factor in analyzing work-life balance. However we decipher a positive cultural change which could be the reason for gender not being a prominent factor in influencing work-life balance. The difference between men and women may not be consistent across generations. Hence, further analysis will be required to get a clearer idea. There is no significant association between gender and work interference on personal life, personal life interference with work, as also between gender and life enhancements

Table 3: Marital Status of the Respondents and Work-Life Balance

Marital Status of the Respondent	Work Interference with Personal Life			Personal Life Interference with Work			Work and Personal Life Enhancements		
	Low Impact	Medium Impact	High Impact	Low Impact	Medium Impact	High Impact	Low Impact	Medium Impact	High Impact
Married	13	21	30	24	14	26	9	40	15
	20%	33%	47%	38%	22%	41%	14%	63%	23%
Unmarried	12	10	14	10	13	13	7	24	5
	33%	28%	39%	28%	36%	36%	19%	67%	14%
Total	25	31	44	34	27	39	16	64	20
	25%	31%	44%	34%	27%	39%	16%	64%	20%
Chi-Square	2.085			2.49			1.53		
Df	2			2			2		
p value	0.353			0.288			0.465		

Source: Field Survey

Table 3 shows the association between marital status and work-life balance. The table indicates that the personal life of majority of married respondents (47 percent) is highly impacted by their work. Similarly, 41 percent of them agree that their work is affected due to family commitments. However, majority of respondents have shown a moderate impact of marital status on work and personal life enhancements. Chi-square analysis shows that the association between marital status and work-life balance is not significant as the p value is higher than the commonly accepted level of 0.05

Table 4: Parental Status and Work-Life Balance

Children in the family	Work Interference with Personal Life			Personal Life Interference with Work			Work and Personal Life Enhancements		
	Low Impact	Medium Impact	High Impact	Low Impact	Medium Impact	High Impact	Low Impact	Medium Impact	High Impact
Yes	6 11%	16 30%	31 59%	17 32%	12 23%	24 45%	7 13%	34 64%	12 23%
No	19 40%	15 32%	13 28%	17 36%	15 32%	15 32%	9 19%	30 64%	8 17%
Total	25 25%	31 31%	44 44%	34 34%	27 27%	39 39%	16 16%	64 64%	20 20%
Chi-Square	13.846			2.058			0.943		
Df	2			2			2		
p value	0.001			0.357			0.624		

Source: Primary Data

An examination of the impact of the respondents' parental status on work life balance is shown in table 4. A majority of respondents who have children (59 percent) are highly impacted by their work. Similarly, 45 percent of them agree that their work is affected due to personal reasons. However majority of respondents have shown a medium impact of parental status on work and personal life enhancements. Chi-square analysis shows that the association between parental status and work interference on personal life is significant as the p value is 0.001. There is no significance in the association between marital status and personal life interference with work, and also between marital status and life enhancements.

Table 5 shows the association between income of the respondents and their work-life balance. A quick look at the table shows that majority of the respondents earn an annual gross salary of less than Rs.3 lakhs. They show a high impact of personal life on their work. However, work and personal enhancements are at a moderate level for the groups. The association between gross annual salary and work interference in personal work is significant as the p value is 0.033 which is lower than the acceptable level of 0.05. Chi-square analysis shows that there is significant association between income and

Table 5: Gross Annual Salary and Work-Life Balance

Gross Annual Salary	Work Interference with Personal Life			Personal Life Interference with Work			Work and Personal Life Enhancements		
	Low Impact	Medium Impact	High Impact	Low Impact	Medium Impact	High Impact	Low Impact	Medium Impact	High Impact
Less than 3 Lakhs	23	26	29	26	20	32	14	47	17
	30%	33%	37%	33%	26%	41%	18%	60%	22%
3 Lakhs to 5 Lakhs	-	5	10	6	2	7	2	10	3
	-	33%	67%	40%	13%	47%	13%	67%	20%
More than 5 Lakhs	2		5	2	5	-	-	7	-
	29%		71%	29%	71%	-	-	100%	-
Total	25	31	44	34	27	39	16	64	20
	25%	31%	44%	34%	27%	39%	16%	64%	20%
Chi-Square	10.52			9.476			4.502		
df	4			4			4		
p value	0.033			0.05			0.342		

Source: Primary Data

personal life impact on work. However, there is no significant association between income and enhancements in work and life.

Table 6: Work Experience of the Respondent and Work-Life Balance

Work Experience	Work Interference with Personal Life			Personal Life Interference with Work			Work and Personal Life Enhancements		
	Low Impact	Medium Impact	High Impact	Low Impact	Medium Impact	High Impact	Low Impact	Medium Impact	High Impact
Less than 1 year	7	8	-	7	5	3	5	7	3
	47%	53%	-	47%	33%	20%	33%	47%	20%
2 Years to 4 Years	4	15	9	9	10	9	4	22	2
	14%	54%	32%	32%	36%	32%	14%	79%	7%
5 Years and above	14	8	35	18	12	27	7	35	15
	25%	14%	61%	32%	21%	47%	12%	61%	26%
Total	25	31	44	34	27	39	16	64	20
	25%	31%	44%	34%	27%	39%	16%	64%	20%
Chi-Square	27.832			5.341			8.505		
df	4			4			4		
p value	0.000			0.254			0.075		

Source: Primary Data

An examination of the impact of the respondents' overall work experience on work life balance shows that majority of the respondents with less than a year's experience have low to moderate impact on work interference with personal life, and vice versa. Employees with work experience exceeding 5 years have a high effect on all aspects of work life balance. However majority of respondents have shown a moderate impact of work experience on work and personal life enhancements. Chi-square analysis shows that the association between work experience and work-interference in personal life is significant. However, work experience and personal life interference in work and enhancements have no significant association.

Conclusion

The present study examined the work life balance of employees in the IT Enables Services sector and attempted to identify the association of work-life balance with age, gender, marital and parental status, income and work experience of the respondents. The study indicates a significant association between age and 'work interference in personal life. The association between parental status and 'work interference on personal life' is also significant. Chi-square analysis indicates that there is significant association between income and personal life impact on work. The association between work experience and work-interference in personal life is significant. Most organizations are giving high-priority to work-life balance through flexi-timings, work from home options, extended maternity/paternity leave, fun activities at work, comfortable environment with fitness centres, cafeteria and recreation rooms. Work-life balance need not always be viewed as negative. If each busy day were treated as a day well-spent, employees can derive satisfaction out of the same. Focus is what is important; be it home or office, it is essential that employees create a compartment and live each to its fullest and devote 100 percent attention to where they are. Open communication, planning for forthcoming events both at home and work, and setting priorities is the key to striking a near-to-perfect work-life balance. With a little effort and time-management, managing both work and home seamlessly is definitely possible.

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Psychological Mapping of Consumer Toward Mobile Number Portability: An Empirical Study

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Abstract:

India is a developing economy and is moving ahead better compared to other similar economies with rapid speed. Communication is the key to growth and a mobile-phone is an essential part of this communication system. This research paper focuses on the different purposes for which people use their mobile phones and their criteria of selection of a service provider in their region. Apart from that, with the new introduction of Mobile Number Portability (MNP) scheme there have been quite a lot of transitions of service-providers among the customers. This research paper focuses on specific factors pertinent to a service provider, which is fueling this transition. It has been mapped to a service-provider level consisting of 207 people from State capital Dehradun, various section of persons have been surveyed to conduct this research. This research is of strong significance to the existing mobile service providers, marketers, new entrants in mobile communication sectors, market analysts, policy makers and customers to understand the prevalent consumer perception and factors for future growth. Analysis of various factors and inputs collected in the study show varying customer satisfaction levels across different mobile subscribers. The research suggests certain service aspects that the existing players should focus more closely to allure the customers with better services and at the same time to retain the existing customers.

Keywords: Mobile Number Portability, consumer satisfaction,

Introduction

Mobile Number Portability(MNP) is defined as a system that allows consumers to change operator without a necessity of changing the mobile phone number. Since it gives consumers the chance of giving service from any operator whichever they want, it does not only increases competition level in mobile communication market but also increases consumer welfare. With a consumer oriented perception, being the aim of this study, the effects of the mobile number portability application have been examined theoretically at first. Then, the relationships among “mobile number portability application satisfaction”, “perceived public illumination activities” and “knowledge (information level) about the application” with “the intention to change the operator (switching intention)” are scrutinized and the results are interpreted.

The introduction of MNP by TRAI has created unsettle situation for telecom service provider in the market. It has generated fierce competition between service providers and force big ones to

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improve their services. At the same time, it will benefit new players immensely. Several surveys have found that about 7-10 percent of all mobile users are unhappy with their current mobile service provider. Introduction of mobile number portability will facilitate the easy exit of disgruntled users which will also mean that telcos will have to put more effort to retain those customers, who earlier stayed loyal to the operator out of the necessity of retaining their number. Mobile operators offering telecom services in India include state-owned BSNL and MTNL, besides private operators like Airtel, Reliance Communications, Vodafone, Idea Cellular, Loop Mobile, Aircel, MTS and Tata Indicom/Do Como. Once mobile number portability is across in India, every operator will have to facilitate customers' exit from and entry to their networks with the same number.

The change of paradigm and the symptoms of a market in transition are driving the industry's restructuring efforts and intensifying competition between companies. Mobile phone service providers in India are coming to a full realization of the importance of a customer-oriented business strategy as a condition for sustaining their competitive edge and maintaining a stable profit level, and, indeed, for their very survival. When the number of subscribers has reached its saturation point, creating and securing new customers is not only difficult but also costly in terms of marketing. Hence, it is becoming an industry-wide belief that the best core marketing strategy for the future is to try to retain existing customers by heightening customer loyalty and customer value.

Review of Literature

Earlier studies suggest that customer loyalty provides the foundation of a company's sustained competitive edge, and that developing and increasing customer loyalty is a crucial factor in companies' growth and performance (Lee & Cunningham, 2001; Reichheld, 1996). However, not enough studies have been conducted on the subject of the mobile telecommunication services industry inside or outside India; a mere handful of research papers have been published. This is partly due to the relatively short history of the industry. Only in the late 1990s did research on factors affecting customer loyalty and carrier switching begin. In particular, there are few studies examining interactions between factors affecting customer loyalty. This paper analyses the effects on customer loyalty of customer satisfaction and the switching barrier, and the structural relationship between these factors in the mobile telecommunication services industry.

Behavioral approach examines the customer's continuity of past purchases, and then measures customer loyalty by rate of purchase, frequency of purchase, and possibility of purchase. The attitude approach infers customer loyalty from psychological involvement, favoritism, and a sense of goodwill towards a particular product or service approach takes account of both behavioral and attitudinal variables, in order to create its own concept of customer loyalty. We adopt the integrated theory of customer loyalty as our methodological framework. The concept of customer loyalty is understood as

a combination of customers' favorable attitude and the behavior of repurchase. Earlier studies of factors affecting customer loyalty usually set the focus on customer satisfaction and the switching barrier (e.g., Dick & Basu, 1994; Gerpott, Rams, & Schindler, 2001; Lee & Cunningham, 2001). Customers experiencing a high level of satisfaction are likely to remain with their existing providers and maintain their subscription. However, according to some research, customer satisfaction, while positively influencing customer loyalty, is not always a sufficient condition, and, in some cases, fails to produce the expected effect. Hence, these researchers suggest that it is necessary to analyze other potentially influential factors. It is in this context that the concept of the switching barrier was proposed (Jones, Mothersbaugh, & Betty, 2002). Further, it has been demonstrated that the switching barrier plays the role of an adjustment variable in the interrelationship between customer satisfaction and customer loyalty. In other words, when the level of customer satisfaction is identical, the level of customer loyalty can vary depending on the magnitude of the switching barrier (e.g., Colgate & Lang, 2001; Jones et al., 2002; Lee & Cunningham, 2001). The significance of customer loyalty is that it closely relates to the company's continued survival, and to strong future growth. Hence, for a company to maintain a stable profit level when the subscription level has reached the saturation point, the market is mature, and competition is fierce, a defensive strategy which strives to retain existing customers is more important than an aggressive one, which expands the size of the overall market by inducing potential customers (Fornell, 1992; Ahmad & Buttle, 2002). In the case of Korean mobile telecommunication services, customer loyalty is particularly significant, given the rising customer churn rate as the market matures. Specifically, the monthly average customer churn rate rose sharply from 1.3% in the late 1990s (1998–1999) to 3.3% in the early 2000s. These rates are rather high, compared to the rates recorded by other major foreign mobile carriers during the same period (from 1.0% to 3.0%).² Further, the full-scale launch of the IMT-2000 service and the introduction of mobile number portability are likely to increase customer churn, making customer loyalty more crucial than ever.

3.2. Customer satisfaction

Customer satisfaction generally means customer reaction to the state of fulfillment, and customer judgment of the fulfilled state (Oliver, 1997). There are many benefits for a company from a high customer satisfaction level. It heightens customer loyalty and prevents customer churn, lowers customers' price sensitivity, reduces the costs of failed marketing and of new customer creation, reduces operating costs due to customer number increases, improves the effectiveness of advertising, and enhances business reputation (Fornell, 1992). The main factor determining customer satisfaction is the customers' own perceptions of service quality (Zeithamal & Bitner, 1996). In this study, we shall define service quality as the customers' satisfaction or dissatisfaction formed by their experience of purchase and use of the service (Parasuraman, Zeithamal, & Berry, 1988). In earlier studies on mobile telecommunication services, service quality has been measured by call quality, pricing structure, mobile devices, value-added services, convenience in procedures, and customer support (e.g., Kim, 2000; Gerpott et al., 2001; Lee, Lee, & Freick, 2001).

The Switching Barrier

The switching barrier refers to the difficulty of switching to another provider that is encountered by a customer who is dissatisfied with the existing service, or to the financial, social and psychological burden felt by a customer when switching to a new carrier (Fornell, 1992). Therefore, the higher the switching barrier, the more a customer is forced to remain with his or her existing carrier. According to a previous study, the switching barrier is made up of switching cost, the attractiveness of alternatives, and interpersonal relationships.³ Switching cost means the cost incurred when switching, including time, money and psychological cost (Dick & Basu, 1994), and is defined as perceived risk, insofar as there are potential losses perceived by customers when switching carriers, such as losses of a financial, performance-related, social, psychological, and safety-related nature (Murray, 1991). Attractiveness of alternatives means the reputation, image and service quality of the replacing carrier, which are expected to be superior or more suitable than those of the existing carrier. Attractiveness of alternative carriers is intimately linked to service differentiation and industrial organization. If a company offers differentiated services that are difficult for a competitor to match or to provide with equivalents, or if few alternative competitors exist in the market, customers tend to remain with the existing company (Bendapudi & Berry, 1997). Interpersonal relationship means a psychological and social relationship that manifests itself as care, trust, intimacy and communication (Gremler, 1995). The interpersonal relationship built through recurrent interactions between a carrier and a customer can strengthen the bond between them and finally lead to a long-term relationship. Companies are not alone in desiring a sustained relationship. Many customers wish to establish, develop and continue with a company an

The relationship between customer satisfaction, the switching barrier and customer loyalty as a general rule, customer satisfaction and customer loyalty are very closely related. Customer satisfaction functions as an antecedent of customer loyalty. It prevents customer churn and consolidates retention, thereby constituting an important cause of customer loyalty (Fornell, 1992; Reichheld, 1996). Further, while affected by market structure, customer type and customers' individual ways of solving problems, the connection between customer satisfaction and customer loyalty is not always a linear relation, although it constitutes a positive relationship (Fornell, 1992; Soderlund, 1998). And when customers switch the service provider, they tend to perceive the burden of risks which becomes the switching barrier that influences customer loyalty. Based on the results of earlier studies discussed in Section 3, we have formulated the following hypotheses in Table 2. 4. Research methodology

Zhou Hui of Coll. of Econ. & Manage., Nanjing Univ. of Inf. Sci. & Technol., Nanjing, China, in his study reveals that welfare effect of introducing number portability is uncertain in a growing market. Number portability may reduce the social welfare if it is introduced when the market scale is increasing substantially, while it may increase the social welfare when the growing speed is not so

high. He is of opinion that number portability should be introduced when the scale of the telecommunication market has developed to the mature stage.

MNP is seen as a great opportunity which can increase acquisition and to a greater extent encourage healthy competition among telephone operators but the process, functionality, subsequent administration and maintenance is a complex one, involving the careful planning and balancing of factors such as cost, convenience, simplicity, speed, reliability, heterogeneous integration and robustness. The reduced tariff transparency, increased competitiveness and lower cost of call and inter-connection rate that would normally result from the introduction of MNP is a problem that could seriously affect the usability, affordability, on-line connection of mobile services for users and have great impact on the profit margin.

Objectives and Methodology

The globalizing world necessitates being customer centered and taking into consideration of their problems, wants and expectations. As time goes by, customer oriented practices and the applications that lead more competitive environments in markets and higher quality of service/good, increases inevitably. This research has been taken to an importance to ensure the better understanding of consumer expectations and identifying the faults, failures and defects of consumer oriented applications. In the research, measuring the MNP awareness of consumers, MNP process satisfaction, perceived public illumination activities and relationships of them with the consumer switching intention are targeted. To reach this target the hypothesis listed below are constructed;

- 1.To study and analyze Consumer Perception towards mobile number portability services and their intention to avail service provider.
- 2.To study and analyze factors Influencing consumer perception to change their service provider.
- 3.To determine the rate of switching of customers to different service providers
- 4.To analyze the most preferred service provider

Hypothesis

H1: There is a no relationship between MNP awareness of consumers and consumer switching intention.

H2: There is no relationship between MNP satisfaction (about process and results) and consumer switching intention.

H3: There is a meaningful relationship between perceived public illumination activities and consumer switching intention.

To attain the listed objectives and test the hypothesis, a survey of 207 respondents of different categories located in Uttarakhand were administered. To collect the necessary information, various parameters were developed with the help of literature. The responses to these parameters were gathered, coded, tabulated and analyzed. To measure the intensity of parameters open ended and close ended questionnaire was used. To test the hypotheses, factor analysis, mean, ANOVA and c^2 tests were applied. Table 1 indicates the profile of respondents.

Table 1: Demographic Characteristic of Respondents

	Categories	Number of Respondents	Percentage
Age wise Classification	15 – 25	45	21.7
	26 - 35	86	41.5
	36 - 45	36	17.4
	46 - 55	37	17.9
	56 and above	3	1.4
Gender categories	Male	125	60.4
	Female	82	39.6
Marital Status	Married	140	67.6
	Unmarried	67	32.4
Monthly Income	1000 to 5000	78	37.7
	5001 to 10000	41	19.8
	10001 to 20000	27	13.0
	20001 to 30000	28	13.5
	30001 and above	33	15.9
Level of Education	Upto Metric		
	Upto Graduation	13	6.3
	Post graduate	118	57.0
	Professional Qualification	42	20.3
	Others	26	12.6
Occupational Categories	Business man	8	3.9
	Employed	13	6.3
	Unemployed	63	30.4
	Retired	120	58.0
		11	5.3

The data presented in the above table indicates that sample is dominated by male respondent as it is indicated by 60.4 percent respondent in the sample. Age analysis of respondents indicates that most of respondents fall in the age group of 26-35 years as it was indicated by 41.5 percent respondents in the sample. The respondents in the age group of 15-25 years accounts for 21.7 percent and respondents in the age group of 36- 45 years account for 17.4 percent. Respondents in the age group of 46-55 contributes 17.9 percent in the sample. The remaining 1.4 percent respondents fall in the age group of above 55 years. The information related to educational qualifications of respondents indicates that sample is dominated by those respondents who are having post graduate and other professional degree to their credit as it was indicated by 77.3 percent respondents in the sample. Income classification of respondents indicates that very few respondent 8.4 percent indicated that their income falls up to Rs. 10000 PM. 15.7 percent respondent indicated that their income fall in the range of Rs. 10000 to Rs15000PM. 39.2 percent respondents revealed that their income ranges from Rs. 15000Pm top Rs25000PM. 36.7 percent respondent falls in the income categories of above Rs. 25000PM. Marital status of the respondents indicate that 60.8 percent respondents belongs to married category. It is significant to note that majority of the employees belong to urban background.

Table 2: Single or Double Sim

Sl. No.	Type of SIM	No. of respondents	Percentage
A	Single Sim	147	71.0
B	Double Sim	60	29.0
C	Total	207	100.0

Growth in the mobile phone service and various innovative services offered by the mobile service provider has motivated customers to have multiple SIM with the intention to retain previous service and utilize new services from other service providers. In this context, it is seen from the survey presented in the table above that majority of the respondents are having Single SIM, 71 percent own single and 29 percent have double SIM out of total 207 respondents.

Table 3: Mobile Service Provider

Sl. No.	Service Provider	No. of respondents	Percentage
A	BSNL	72	34.8
B	Airtel	57	27.5
C	Idea	38	18.4
	Tata Indicom	37	17.9
	Others	3	1.4
	Total	207	100.0

Considering the report and its objectives, it becomes even more important to know the usage pattern of consumer's and also to know why an individual has opted to use the current service provider. With the intention in mind the question was designed and the findings were, that out of 207 respondents 34.8 percent opted for BSNL as their service provider the second rank was Airtel with 27.5 percent consumer, Idea and on the same position with 18.4 percent and 17.9 percent were with Tata Indicom. BSNL was by far a clear runner.

Table 4: Monthly Bill

Sl. No.	Monthly Bill	No. of respondents	Percentage
A	Below 200	73	35.3
B	Rs200 to Rs500	112	54.1
C	Rs500 to Rs1000	22	10.6
	Total	207	100.0

The question was intended to bring out findings that would be useful in knowing the usage pattern of consumer's. as the research was done on 207 respondents. The findings revealed that 54.1 percent consumers were in the range of Rs 200 to Rs 500, followed by 35.3 percent whose usage pattern was below Rs 200 and the rest 10.6 percent were in the range of Rs 500 to Rs 1000.

Table 5: Purpose of having Mobile Services

Sl. No.	Service Provider	No of respondents	Percentage
A	Official	61	10.9
B	To be in touch with family	155	27.6
C	Dissatisfaction with the services of fixed line	76	13.5
D	Security	53	9.4
E	Flaunt	131	23.4
F	Passion	32	5.7
G	STD Calls	28	5.0
H	SMS	25	4.5
	Total	561	100.0

The intention behind this inquiry was to measure the reason and intention in owing a mobile phone, the results were a bit startling. 27.6 percent were using the mobile phone with an intention to be in touch with family members. 23.4 percent were those respondents who use their mobile phones to flaunt. Only 10.9 percent respondents use it for official purpose. The rest percentages were not very significant. * Since this question was a multiple answer question hence the total exceeds 561 instead of 207.

Table 6: Better Connectivity

Sl. No.	Service Provider	No. of respondents	Percentage
A	BSNL	34	16.4
B	Airtel	10	4.8
C	Idea	154	74.4
D	Vodafone	9	4.3
E	Total	207	100.0
	Total	561	100.0

The fundamental reason in choosing a mobile service provider by a rational consumer is the connectivity aspect. This query was intended in knowing about the general idea of consumer's, irrespective of using the current service provider and to have a general idea of what they feel which service provider offers the best connectivity. Idea was a clear winner with 74.4 percent respondents saying it had a superior network, followed by BSNL 16.4 percent.

Table 7:Period of Association

Sl.	Period of Association	No. of respondents	Percentage
A	Upto 2 Month	10	4.8
B	From 2 to 5 Month	13	6.3
C	From 5 to 12 month	13	6.3
D	Above12 month	171	82.6
E	Total	207	100.0

The preliminary idea behind the research was to focus on the psyche of consumer with reference to interrogate the use of mobile. The focus was however on gauging an idea to understand the reason of using the present service provider, and the findings revealed that out of 207 respondents 82.6 percent were those consumers who were using their current service provider for more than one year and 6.3 percent has a period of association from two to five months respectively, and the rest 4.8 percent had just started using the current service provider.

Table 8: Feature influencing in favor of Particular Services

Sl. No.	Features	No. of respondents	Percentage
A	Tariff	15	7.2
B	Network	111	53.6
C	Services	26	12.6
D	Others	55	26.6
E	Total	207	100.0

The main idea behind feature influencing in favour of Particular Services was to understand the reason why an individual prefers to have a particular service provider, the result were quite obvious, out of total 207 respondents 53.6 percent prefer network as the main feature, followed by 12.6 percent prefer services offered as the main feature and about 7.2 percent have tariff as their main feature behind the usage.

Table 9: Satisfaction with Present Service * Mobile Service Provider Cross tabulation

		Mobile Service Provider					Total
		BSNL	Airtel	Idea	Tata Indicom	Others	
Satisfaction with Present Service	Excellent	72	26	30	24	0	152
	Very good	0	1	4	8	0	13
	Good	0	3	2	2	3	10
	Satisfactory	0	0	0	2	0	2
	Not up to Mark	0	27	2	1	0	30
Total	72	57	38	37	3	207	
Pearson Chi-Square	165.319(a)	16					

As it can be seen from the table 9, BSNL has the maximum satisfaction level, followed by Idea, it is however interesting to note that Airtel has the maximum dissatisfaction level, the main thought behind this table is to understand the satisfaction level of consumers with their present service provider.

Analysis and Discussion

Understanding consumer behavior in buying for purchasing and utilizing mobile phone services has become major interest for mobile service providers. Technological advancement and service providers marketing and operations decisions are significantly based on the buyers' preferences and likings. These decisions are also influenced by exogenous factors such as economy condition and government policies, and market interaction among the major players like consumer, manufacturer, service providers and government. The empirical study indicates that consumers make purchasing decision based on their own personal attributes such as age and education, as well as vehicle attributes such as price and performance. Government influences the process by means of increasing or decreasing

taxes and creating new polices for product design and performance and protecting consumer interest. Exogenous factors such as service cost , service quality of other competitor and nature of competition may also impact both consumer purchase decisions and manufacturer decisions. Technology of mobile number portability has forced service provider to improve their services and retain existing customer. These components are viewed together since they are highly interdependent and together represent forces that influence how the consumer will react to the object. Keeping these into consideration, an attempt was made to assess the consumer's satisfaction from the different factor influencing in favor of their purchase. For this respondent were asked to rate their views on the following statement such as poor connectivity, high tariff, variety of services offered by other service provider, new technology introduced by other service providers, the introduction of mobile number portability has given chance to avail other services without loosing previous number., poor staff services, poor customer care, billing problems, poor coverage, promises made are not fulfilled at right time, information is not provided by the staff at timely, staff provides incomplete and inaccurate information, poor employees customer relation, poor employees responsiveness, service provider is not capable of solving problem, employees are not available to handle customer problem, on a scale of 1 to 5 in order of their preference. The exploratory factor analysis was used in order to identify the various motivational factors of purchase or shifting to another service provider. Principal Component analysis was employed for extracting factors and orthogonal rotation with Varimax was applied. As latent root criterion was used for extraction of factors, only the factors having latent roots or Eigen values greater than one were considered significant; all other factors with latent roots less than one were considered insignificant and disregarded. The extracted factors along with their Eigen values are shown in table 6. The factors have been given appropriate names on the basis of variables represented in each case. The names of the factors, the statements, the labels and factor loading have been summarized in Tables 6. There are three factors each having Eigen value exceeding one for motivational factors. Eigen values for four factors are 5.656, 3.200, and 1.703, respectively. The index for the present solution accounts for 65.988% of the total variations for the motivational factors. It is a pretty good extraction because we are able to economise on the number of choice factors (from 16 to 3 underlying factors), we lost 34.0122 % of information content for choice of variables. The percentages of variance explained by factors one to six are 35.350, 19.997, and 10.641 respectively. Large communalities indicate that a large number of variance has been accounted for by the factor solutions. Varimax rotated factor analysis results for motivational factors are shown in table 5 which indicates that after 3 factors are extracted and retained the communality is .713, for variable 1, .709 for variable 2, 0.584 for variable 3 and so on. It means that approximately 71.3 % of the variance of variable 1 is being captured by extracted factors together. The proportion of the variance in any one of the original variable which is being captured by the extracted factors is known as communality (Nargundkar, 2002).

Table 10: Principal Component analysis with Rotated Component

	Comm			
	Factor	Factor	Factor	
Poor Customer Care	.822			.713
The introduction of mobile number portability has given	.806			.709
Service provider is not capable of solving problem	.748			.584
Poor Coverage	.691			.662
Poor Employees customer relation	.678			.685
Information is not provided by the staff is timely	.578			.670
Variety of services offered by other service provider	.566			.507
Poor Employees Responsiveness		.929		.886
High tariff		.855		.820
Poor Connectivity		.810		.781
Employees are not available to handle customer problem		.589		.379
Promises made are not fulfilled at right time			.833	.700
New technology introduced by other service providers			.796	.666
Billing Problems			.778	.625
Staff provides incomplete and inaccurate information			.720	.525
Poor Staff Services			.719	.635
<i>Eigen Values</i>	5.656	3.200	1.703	
% of Variation	35.350	19.997	10.641	
Cumulative % of Variation	35.350	55.347	65.988	

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 9 iterations.

Table 11: Principle components and associate variable

Factor	Name of Dimension	Statement	Factor Loading
F1	Diverse service by competitor and relationship factor	Poor Customer Care	.822
		The introduction of mobile number portability has	.806
		Service provider is not capable of solving problem	.748
		Poor Coverage	.691
		Poor Employees customer relation	.678
		Information is not provided by the staff is timely	.578
		Variety of services offered by other service provider	.566
F2	Tariff and employees responsiveness	Poor Employees Responsiveness	.929
		High tariff	.855
		Poor Connectivity	.810
		Employees are not available to handle customer	.589
F3	Employees assurance and technological factor	Promises made are not fulfilled at right time	.833
		New technology introduced by other service providers	.796
		Billing Problems	.778
		Staff provides incomplete and inaccurate information	.720
		Poor Staff Services	.719

Principal components & associated Variables indicates that first factor (diverse Services provided by competitor and relationship factor) indicating the customers preferences towards changing the service provider that is the combination of variable like Maintenance Costs associated with the vehicle affects my satisfaction, the coordination Poor Customer Care, The introduction of mobile number portability has given chance to avail other services without losing previous number., Service provider is not capable of solving problem, Poor Coverage, Poor Employees customer relation, Information is not provided by the staff is timely, Variety of services offered by other service provider, and accounting 35.350% variance of the total variances. The second Factor is the Tariff and employees responsiveness factor which is the combination of the variable like Poor Employees Responsiveness, High tariff, Poor Connectivity, Employees are not available to handle customer problem, and accounts 19,997% variance of total variance. Third factor is the Employees assurance and technological factor which is the combination of Promises made are not fulfilled at right time, New technology introduced by other service providers, Billing Problems, Staff provides incomplete and inaccurate information, Poor Staff Services, and account 10.641% variance of the total variances.

Table 12: Mean of different Factors Across Different Age

Age	Diverse service by competitor and relationship factor	Tariff and employees responsiveness	Employees assurance and technological factor
15 - 25	3.4603	3.5278	3.3822
26 - 35	3.7442	3.2733	3.1860
36 - 45	2.9405	2.9514	3.5667
46 - 55	3.6293	3.7230	3.1514
56 and above	4.0000	4.2500	3.0000
Total	3.5259	3.3671	3.2860

After reducing the factors' combined mean of the different motivating factors for changing the present reveals that "Tariff and employees responsiveness" has scored highest among all. It is significant to note that Diverse service by competitor and relationship factor have been rated lowest by the respondent in the age group of 36 to 45 as it has scored 2.9405.

Table 13: ANOVA with different age category respondents

		Sum of Squares	df	Mean Square	F	Sig.
Diverse service by competitor and relationship factor	Between Groups	17.700	4	4.425	17.777	.000
	Within Groups	50.279	202	.249		
	Total	67.979	206			
Tariff and employees responsiveness	Between Groups	15.165	4	3.791	8.660	.000
	Within Groups	88.432	202	.438		
	Total	103.597	206			
ess	Between Groups	5.028	4	1.257	4.195	.003
	Within Groups	60.521	202	.300		
	Total	65.549	206			

One way ANOVA is calculated to check the hypothesis, “different factors influencing customer to avail mobile number portability does not differ significantly across the personnel of different age categories”. From the table it is clear that calculated value of F is greater than the tabulated value of F (2.37) at ($p < 0.05$) level of significance in the case of all the listed factor. Hence null hypothesis is rejected indicating that there is significant difference in the mean of different motivating factor across the different age category respondents.

Table 14: Preferred services in future

Sl. No.	Name of Service	No. of respondents	Percentage
A	BSNL	128	61.8
B	Airtel	10	4.8
C	Idea	55	26.6
D	Tata Indicom	10	4.8
E	Reliance	4	1.9
	Total	207	100.0

One of the important question we wanted to access was, how many respondents were ready to change there current service provider and to which service provider they would prefer, we were however in the notion that Idea would be the leader but BSNL won the number one spot with 61.8 percent respondents wanting to have BSNL as there future service provider, Idea however was at number 2 spot with 26.6 percent.

Table 15: Impact of MNP

Sl. No.	Nature of impact	No. of respondents	Percentage
A	It has deep positive impact	148	71.5
B	IT has some positive impact	6	2.9
C	It has no Impact	25	12.1
D	It has negative impact	28	13.5
E	Total	207	100.0

One of the important question is to know weather MNP has had an impact on the service provider with special reference to improving their services and out of 207 respondents 71.5 percent respondents feel that MNP have had a positive impact. 12.1 percent feel is has no impact, 13.5 percent respondents are in the notion that it has a negative impact and the rest 2.9 percent feel that it has some positive impact.

Table 16: Influence of MNP in Changing Services

Sl. No.	Extent of influence	No. of respondents	Percentage
a	To a great extent	177	85.5
b	To Some Extent	10	4.8
c	To a considerable extent	10	4.8
d	To a little extent	10	4.8
	Total	207	100.0

The critical question concerning whether or not MNP have had any success in bringing change to the service provider reveals the fact from the table shown that 90.3 percent respondents feel that MNP have had a significant effect on forcing the mobile service provider to improve their services and the rest 9.6 percent are against this notion. Thus we can however conclude that MNP has been critical in increasing the buying power of consumers.

Table 17: Role of MNP in Increasing Bargaining Power

Sl. No.	Extent of influence	No. of respondents	Percentage
a	Yes	182	87.9
b	No	13	6.3
c	cant say	12	5.8
	Total	207	100.0

As evident from the table, it can clearly be inferred that a significant percentage of respondent 87.9 percent to be exact strongly feel that MNP has increased their (consumers) buying power and a negligible percentage feel against

Table 18: Customer perception towards Responsiveness of service providers

Sl. No.	Responsiveness	No. of respondents	Percentage
a	Yes	190	91.8
b	No	9	4.3
c	cant say	8	3.9
	Total	207	100.0

Information pertaining to role of MNP influencing companies to improve their responsiveness and become customer friendly reveals that 91.8 percent respondent customer are in favor with the statement. On other hand only 4-3 percent did not agree and 3.9 percent respondent were not sure whether this can enhance the responsiveness towards customers.

Table 19: Ability in Bringing Change

Sl. No.	Description	No. of respondents	Percentage
a	To a greater extent	173	83.6
b	To Some Extent	5	2.4
d	To a considerable	16	7.7
e	To a little extent	13	6.3
C	Total	207	100.0

It can clearly be seen from the table, which actually brings us to our conclusion that out of the total population of 207 respondents 83.6 percent people feel that with the inclusion of MNP and TRAI giving a go ahead to MNP have actually brought a significant change in the service provider. The remaining 14 percent are not in the notion that MNP have had any significant change.

CONCLUSION

It can however be concluded that the consumers are quite aware about MNP and they can now exert an immense amount of pressure on service provider for better services and there is no doubt that the service providers have now understood this fact and are on their toes to provide competitive services where ever possible and cannot ignore what the consumers want as the chances of error is minimal. It has become a win win situation for the consumers as they now feel like KING, they can now demand anything within their preview. So TRAI for implementing MNP and giving more options to the consumers.

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Customer Demographics and Choice of Retail Store for Household Consumables

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Abstract

Indian organized retail sector is passing through a transformation. This emerging sector is witnessing a momentous change in its investment and growth pattern; both national as well as international players are experimenting with different kinds of new retail formats. Currently two well-liked formats: supermarkets and hypermarkets are getting popularity. The retail players are yet to find the trend of shopping behaviour of Indian customers so that they could devise the method of long lasting bond with their customers. Present study deals with this issue and suggests measure for strengthening the relationship between customers and retail organizations.

This study aims to find out the factors affecting selection of a retail store for purchasing household groceries and apparels by consumers in National Capital Region (NCR) and Delhi. The study is based on survey conducted through a structured questionnaire administered by the researcher during customers visit to the store for their shopping. Store service quality as a factor of selection was measured with the help of an instrument called SERVQUAL. Data gathered through the survey was analysed and tested by statistical tools like: Duncan's mean test and Z test. We found that retail store image, proximity of store from the residence, product quality and assortment, product price and service quality of the store are major factors that affect the consumer's selection regarding stores for the purchase of house hold items including groceries and apparels. Further this study indicates that age and income of the shoppers are the important determinants affecting the store image and thereby the store choice behaviour.

Keywords: Organized retail, Service quality, Proximity, Retail store image

Introduction

Modern Retail business originated in 1859 when great businessmen George F. Gilman (1830 – 1910) and his partner George Huntington Hartford (1833-1917) founded the Great Atlantic & Pacific Tea Company (which is better recognized as A & P) grocery stores in New York City. The idea trapped quickly. In 1879 W.P. Woolworth opened its doors and J.C. Penny followed it in 1902. Eventually, numerous kinds of stores stirred to the chain store model, apparel, shoes, selling groceries, prescription drugs, jewellery, furniture, books, hardware and music. By the end of twentieth century, chain stores were selling around one third of all commodities in America. The history of retail store is influenced by the evolution of technology. And adoption of new technology has been a key enabler of retail in the world. Over last 100 Years, the rate of change has increased dramatically.

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Retail stores have their own images that serve to influence the perceived quality of products they carry, the decisions of consumers as to “where to shop” and “where not to shop”. These images stem from their plan and physical environment, their strategies for pricing, and product assortments. Functional attributes include merchandising selection, price ranges, credit policies, store layout and other factors that can be measured to some degree and used to compare one outlet objectively with its competitors. Different functional attributes suit different types of customers and different shopping situations. While some enjoy the wide selection of a store, others preferring speed and ease in shopping, find it overwhelming and would rather go to a small office supply retailer or order from a catalogue.

Psychological attributes are a little more difficult to identify and compare across outlets. They include subjective considerations such as a sense of belonging, a feeling of warmth or friendliness, or a feeling of excitement. Consumers form an outlet image based simultaneously on functional and psychological attributes. It develops through the consumer’s perception of just about everything associated with the outlet- things that can be put into words and those can’t. These functional and psychological attributes apply just as easily across all types and sizes of the outlets.

The greatest need to capture the customer attributes in choosing the store model, this study selects only the socio-economic and demographic variables, for conceptualization. The primary reasons are that, a large number of the obtainable studies have previously used the information and the efficacy of using most effective demographic variables as predictors for

choosing format which has already been confirmed. Further, the detailed customer demography can be independently measured and have a greater confidence associated to them by

managers. Finally, to a great extent demographic variables are responsible for building behavior, values and attitudes.

Review of Literature

Literature and research that has been conducted on service quality perception of retail stores and other similar retail services. It has been attempted to give a brief outline of service and what is meant by service quality, followed by the research on Retail store image, Store Loyalty/patronage & Store image, Shopper characteristics & Store choice. This gives a broad outline of the underlying theoretical concepts used in this research. Further, it explores the significance of service quality and its impact of satisfaction as a precursor to customer’s perception of services, and the frameworks linking customer perception of service quality and satisfaction. Finally, as a frame of reference, we have chosen models/studies that fit for our chosen variables and provide a basis for conducting this empirical research.

The store's name is an information-rich cue to its image. The mention of the store's name evokes a vivid store image in consumers mind. Zimmer and Golden (1998) found that consumers sometimes used store name to describe a typical prototype store (e.g. sears). As suggested by Keaveney and Hunt (1994), the store name represents a store's abstract, gestalt nature, and is a form of the category-based processing perspective of store image. Sharma (2010) suggest in his study that brand choice plays very important role in choosing mobile phones and he also emphasise that customer seems to be aware of preferences in terms of their brand and attribute. Zinn and Peter (2001) has reported the result of their study that consumers short term responses to stakeouts appears able to insulate experiences of recent stock out from their perception of different dimensions describing store's image.

Zulkifli, z &Tahir, m (2012) had undertaken to examine the impact of demographic variables (gender, age, employment, education level, etc) on customers' perceptions about practices of CRM among banks. ANOVA and chi-square were performed to test the hypothesis whether the means of the customers' perceptions differ by demographic variable such as age, gender, education level, and employment. The result of their study shows that there is no significant difference in means among CRM practices in banks and customers' perceptions based on these demographic factors. The study finally concludes that customers' perceptions on CRM practices among banks are similar despite of gender, age group, education level, employment, and online banking usage.

In order to understand the product quality perception problem, Stanfford and Enis (1977) considered two independent variables, namely, price and store information, and one product, house hold carpet. The results of the study suggested that product quality perception depends on the influence of price and store image. Taken separately, each of the independent variable-price and store information--significantly influenced product quality judgement. When the respondents were given some knowledge about the store from which the product was published, in addition to price information, their perception of the product's quality was significantly affected. Another interesting result was the inverse relationship of store image might be endangered if it also carries a cross-section of low-priced merchandise.

Objective

The present paper examines the relationship of customer demographics and choice of their retail store for consumables household items.

Research Methodology

The method selected for exploring the relationship between customer demography and choice of their retail store is survey research. The research starts with identification of different demographic variables, (age, gender, marital status, profession and income, etc) and different dimension describing quality of service and image of retail stores that is included in the questionnaire

The requisite information was collected from different malls of NCR, data were collected from 525 respondents through a structured and undisguised questionnaire, out of which responses for fifteen questionnaires were not found proper, so not included in the sample, only 510 samples of customers were taken for the analysis. The required analysis was done with the help of SPSS package. Cronbach alpha and *Z test* was applied to test the reliability of questionnaire. Duncan's mean test is used for checking the significance.

Hypothesis

1. There is significant relationship between age of customers and their choice of retail stores.
2. There is significant relationship between profession of customers and their choice of retail stores.
3. There is significant relationship between income of customers and their choice of retail stores.

Reliability of the scale

In order to find out the reliability Cronbach alpha was applied. The reliability in the form of cronbach alpha came to **0.87** for service quality scale and the questions for Image, cronbach alpha comes to 0.78. **0.78**.

Calculation of Standard Normal Variable Z by the formula

Normal Variable Z by the formula

$$Z = \frac{|X_1 - X_2|}{\sqrt{\text{SIGMA } 2/N + \text{SIGMA } 2/N}}$$

At 5 percent level of significance, and if $|Z| > 1.96$, the difference between means is significant at 5 percent level of significance, and if $|Z| < 1.96$, the difference between means is not significant, for all the variables of service quality with variables of Images

Characteristics	Numbers	Percentage
Gender		
Male	323	63.3
Female	187	36.7
Age		
Up to 25 Yrs	220	43.1
26 Yrs to 40 Yrs	242	47.5
41 and above	48	9.4
Marital Status (MS)		
Married	257	50.4
Unmarried	253	49.6
Profession (Profs)		
Service	219	42.9
Business	128	25.1
Students & Others	163	32
Income		
Up to 20,000	161	31.6
20,001 – 50,000	293	57.5
50,001 On wards	56	11
No. of Family Members (Member)		
Below 3 No.	120	23.5
4 No. – 6 No.	292	57.3
7 No. and Above	98	19.2

Dimensions	Reliability	Assurance	Tangibility	Empathy	Responsiveness
Latest brands	1.59**	2.564*	1.982**	0.640**	0.479*
Quality products	1.09**	0.00**	0.520**	3.701*	2.394*
Low price range	1.29**	2.422*	1.744**	1.304**	0.00**
Good display	4.62*	3.521**	3.752*	7.434*	6.035*
Easy check outs	3.02*	1.915**	2.323*	5.746*	4.384*
Payment facility	1.86**	0.755**	1.235**	4.533*	3.196*
Promotions & Disc.	0.931**	0.188**	0.353**	3.589*	2.256*
Sufficient space	0.912**	0.185**	0.346**	3.515*	2.210*

**The difference between means is significant at 5 percent Level of significance, and these are not same as far the averages are concern. **The difference between means is not significant at 5 percent Level of significance, and these are same as far the averages are concern.*

AGE

Table 3: Comparison of dimension of Quality of Services among three Age groups of respondents (A 1 =15 to 25, A 2 = 26 to 40, A 3 = 41 and above) – Duncan’s Mean Test

Dimensions	A1 (N=220)		A2 (N=242)		A3 (N=48)		A1	A1	A2	F-Value
	Mean	SD	Mean	SD	Mean	SD	V/S A2	V/S A3	V/S A3	
Reliability	3.39	0.75	3.55	0.65	3.33	0.70	*	-	-	4.01*
Assurance	3.47	0.69	3.59	0.65	3.36	0.59	*	-	*	3.39*
Tangibility	3.40	0.85	3.59	0.78	3.29	0.81	*	-	*	4.23**
Empathy	3.30	0.70	3.24	0.66	3.22	0.56	-	-	-	.714
Responsiveness	3.41	0.69	3.39	0.66	3.22	0.71	-	-	-	1.61*

*Significant at .05 level

** Significant at .01 level

Analysis shows that there is a significant difference among three age groups of respondent's. The Duncan's mean test reveals that age group 1 (15 yrs to 25 yrs) differs significantly with age group 2 (26 yrs to 40 Yrs), as the mean value in age group 1 is more as compared to age group 2, which means opinion of the respondents of age group 1 is more positive as compared to respondents of age group 2 for reliability, assurance and tangibility. Accordingly age group 2 (26 yrs to 40 yrs) differs significantly with age group 3 (40 yrs and above) as the mean value in age group 2 is more as compared to age group 3, which means opinion of the respondents of age group 2 is more positive as compared to respondents of age group 3 for, assurance and tangibility.

Table 4: Comparison of dimension of Image among three Age groups of respondents (A 1 =15 to 25, A 2 = 26 to 40, A 3 = 41 and above) – Duncan’s Mean Test

Dimensions	A1 (N=220)		A2 (N=242)		A3 (N=48)		A1	A1	A2	F-Value
	Mean	SD	Mean	SD	Mean	SD	V/S A2	V/S A3	V/S A3	
Latest brands	3.30	1.30	3.45	1.13	3.16	1.24				1.59
Quality products	3.45	1.04	3.59	.95	3.39	1.12				1.61*
Low price range	3.23	1.08	3.54	.91	3.35	1.04		*		5.69*
Good display	3.78	.93	3.67	.94	3.50	.98				1.99*
Easy check outs	3.60	.99	3.66	.93	3.47	1.09				.85
Payment facility	3.58	.97	3.63	.96	3.08	1.08	*	*		6.46*
Promotions & Discounts	3.50	1.00	3.53	.97	3.45	1.03				.130
Sufficient space	3.49	1.06	3.57	.98	3.29	1.09				1.65*

*Significant at .05 level

** Significant at .01 level

Analysis shows that there is a significant difference among three age groups of respondent's. The Duncan's mean test reveals that age group 1 (15 yrs to 25 yrs) differs significantly with age group 2 (26 yrs to 40 Yrs), as the mean value in age group 1 is more as compared to age group 2, which means opinion of the respondents of age group 1 is more positive as compared to respondents of age group 2 for Payment facility. Moreover, age group 1 (15 yrs to 25 yrs) differs significantly with age group 3 (40 yrs and above) as the mean value in age group 3 is more as compared to age group 1, which means opinion of the respondents of age group 3 is more positive as compared to respondents of age group 2 for low price. Therefore, mean value of age group 1 is more as compared to mean value of age group 3 for payment facility so opinion of age group 1 is more positive for payment facility.

Value of Z for different categories of Age among Service quality variables and variables of Image, Convenience, Apparels and Grocery

Dimensions	Reliability	Assurance	Tangibility	Empathy	Responsiveness
Latest brands	.889**	1.713**	0.954**	0.00**	1.108**
Quality products	.694**	0.273**	.552**	1.774**	0.475**
Low price range	1.804**	2.777*	1.834**	0.806*8	2.083*
Good display	4.841*	3.970*	4.473*	6.116*	4.739*
Easy check outs	2.507*	1.597**	2.273*	3.669*	2.335*
Payment facility	1.804**	1.370**	2.070*	3.471*	2.118*
Promotions & Disct.	1.305**	0.366**	1.130**	2.430*	1.098**
Sufficient space	1.142**	0.234**	0.982**	2.218*	0.938**

*The difference between means is significant at 5 percent Level of significance, and these are not same as far the averages are concern.

**The difference between means is not significant at 5 percent Level of significance, and these are same as far the averages are concern.

Table 6: The value of Z for Age group A 2 (26 Yrs to 40 yrs)

Dimensions	Reliability	Assurance	Tangibility	Empathy	Responsiveness
Latest brands	1.193**	1.670**	1.586**	2.496*	0.713**
Quality products	1.351**	1.892**	1.771**	2.284*	0.806**
Low price range	0.556**	0.00**	0.00**	4.843*	2.767*
Good display	0.136**	0.680**	0.636**	4.06*	2.031*
Easy check outs	1.642**	1.096**	1.025**	5.865**	3.819*
Payment facility	1.475**	0.939**	0.880**	5.608*	3.605*
Promotions & Disc.	1.065**	0.332**	0.499**	5.171*	3.182*
Sufficient space	0.264**	0.793**	0.745**	3.818*	1.843**

**The difference between means is significant at 5 percent Level of significance, and these are not same as far the averages are concern.*

***The difference between means is not significant at 5 percent Level of significance, and these are same as far the averages are concern.*

Table 7: The value of Z for Age group A 3 (40 yrs and above)

Dimensions	Reliability	Assurance	Tangibility	Empathy	Responsiveness
Latest brands	0.827**	.009**	0.608**	0.305**	0.290**
Quality products	0.891**	1.094**	0.651**	0.331**	0.313**
Low price range	0.331**	0.173**	0.525**	0.997**	0.935**
Good display	0.115**	0.06088	0.326**	0.797**	0.744**
Easy check outs	0.909**	0.782**	1.071**	1.583**	1.491**
Payment facility	0.753**	0.619**	0.923**	1.423**	1.340**
Promotions & Dis	1.39**	0.503**	1.110**	0.827**	0.775**
Sufficient space	0.641**	1.117**	0.816**	1.300**	1.224**

**The difference between means is significant at 5 percent Level of significance, and these are not same as far the averages are concern.*

***The difference between means is not significant at 5 percent Level of significance, and these are same as far the averages are concern.*

Profession

Table 8: Comparison of dimension of Quality of Services among three Professions groups of respondents (P 1 = Service, P 2 = Business, P 3 = Students and Others) – Duncan’s Mean Test

Dimensions	P1 (N=219)		P2 (N=128)		P3 (N=163)		P1	P1	P2	F-
	Mean	SD	Mean	SD	Mean	SD	V/S P2	V/S P3	V/S P3	Value
Reliability	3.46	0.66	3.48	0.70	3.44	0.75	-	-	-	.119
Assurance	3.51	0.63	3.56	0.70	3.48	0.69	-	-	-	.481
Tangibility	3.54	0.79	3.45	0.80	3.42	0.86	-	-	-	1.05*
Empathy	3.54	0.67	3.27	0.65	3.32	0.69	-	-	-	.321
Responsiveness	3.33	0.68	3.44	0.64	3.42	0.71	-	-	-	1.42*

*Significant at .05 level

** Significant at .01 level

Analysis shows that there is a no significant difference among three profession groups of respondent’s. The Duncan’s mean test reveals that all the three profession groups show same mean value among all the dimensions of the service quality.

Table 9: Comparison of dimension of Image among three Professions groups of respondents (P 1 = Service, P 2 = Business, P 3 = Students and Others) – Duncan’s Mean Test

Dimensions	P1 (N=219)		P2 (N=128)		P3 (N=163)		P1	P1	P2	F-
	Mean	SD	Mean	SD	Mean	SD	V/ S P2	V/ S P3	V/ S P3	Value
Latest brands	3.41	1.14	3.32	1.31	3.32	1.32				.287
Quality products	3.50	.91	3.56	1.08	3.49	1.09				.192
Low price range	3.52	.87	3.47	.97	3.14	1.15		*	*	7.30*
Good display	3.68	.91	3.60	1.02	3.80	.90				1.69*
Easy check outs	3.61	.93	3.67	.99	3.58	1.01				.358
Payment facility	3.57	.93	3.39	1.08	3.68	.96			*	3.12*
Promotions & Disct	3.53	.95	3.43	1.00	3.53	1.01				.505
Sufficient space	3.57	.95	3.39	1.11	3.52	1.05				1.20*

*Significant at .05 level

** Significant at .01 level

Analysis shows that there is a significant difference among three profession groups of respondent's. The Duncan's mean test reveals that profession group 1 (service) differs significantly with profession group 3 (students and others) as the mean value of profession group 1 is more as compared to profession group 3, which means opinion of the respondents profession group 1 is more positive as compared to respondents of profession group 3 for low prices.

Profession group 2 (business) differs significantly with profession group 3 (students and others) as the mean value in profession group 2 is more as compared to profession group 3, which means opinion of the respondents of profession group 2 is more positive as compared to respondents of profession group 3 for, low price range. Further Z value for students and others shows that, mean value is more in profession 3 as compared to profession 2 for payment facility which means opinion of profession 3 is more positive as compared to the respondents of profession group 2.

Table 10: The value of Z for Profession P 1 (Service)

Dimensions	Reliability	Assurance	Tangibility	Empathy	Responsiveness
Latest brands	0.561**	0.561**	1.38**	1.454**	0.891*
Quality products	0.658**	0.658**	1.596**	1.702**	1.042**
Low price range	0.789**	0.137**	0.503**	.539**	2.278*
Good display	2.854*	0.133**	0.245**	.261**	2.475*
Easy check outs	2.854*	2.239*	1.697**	1.807**	4.495*
Payment facility	1.946**	1.317**	0.848**	0.903**	3.596*
Promotions & Disct.	1.407**	0.778**	0.359**	0.381**	3.040*
Sufficient space	0.895**	0.259**	0.119**	.127**	2.533*

**The difference between means is significant at 5 percent Level of significance, and these are not same as far the averages are concern. **The difference between means is not significant at 5 percent Level of significance, and these are same as far the averages are concern.*

Dimensions	Reliability	Assurance	Tangibility	Empathy	Responsiveness
Latest brands	1.218**	1.828**	0.958**	0.386**	0.931**
Quality products	1.406**	2.109**	1.094**	0.448**	1.081**
Low price range	0.756**	0.00**	0.989**	2.809*	1.168**
Good display	0.091**	0.823**	.174**	1.870**	0.281**
Easy check outs	1.119**	0.373**	1.333**	3.152*	1.535**
Payment facility	1.670**	.966**	1.851**	3.590*	2.072*
Promotions & Disct.	0.834**	1.575**	0.530**	1.138**	0.476**
Sufficient space	0.431**	1.120**	0.165**	1.407**	0.088**

**The difference between means is significant at 5 percent Level of significance, and these are not same as far the averages are concern. **The difference between means is not significant at 5 percent Level of significance, and these are same as far the averages are concern.*

Dimensions	Reliability	Assurance	Tangibility	Empathy	Responsiveness
Latest brands	1.009**	1.371**	0.810**	0.00**	0.851**
Quality products	1.157**	1.583**	0.919**	0.00**	0.981**
Low price range	0.464**	0.905**	0.622**	1.618**	0.661**
Good display	3.269*	3.827*	2.871*	2.026*	3.118*
Easy check outs	3.653*	3.340*	3.675*	5.010*	3.929*
Payment facility	1.469**	1.079**	1.584**	2.807*	1.710**
Promotions & Disc	2.435*	2.087*	2.502*	3.757*	2.688*
Sufficient space	0.890**	0.580**	1.034*	2.133*	1.107**

**The difference between means is significant at 5 percent Level of significance, and these are not same as far the averages are concern. **The difference between means is not significant at 5 percent Level of significance, and these are same as far the averages are concern.*

Income

Table 13: Comparison of dimension of Quality of Services among three Income groups of respondents (I 1 = Upto Rs 20,000, I 2 = Rs 20,000 to 40,000, I 3 = Rs 40,001 and above) – Duncan’s Mean Test

Dimensions	I1 (N=161)		I2 (N=293)		I3 (N=56)		I1	I1	I2	F-Value
	Mean	SD	Mean	SD	Mean	SD	V/S I2	V/S I3	V/S I3	
Reliability	3.33	.70	3.53	.68	3.48	.73	*			4.21*
Assurance	3.37	.65	3.59	.66	3.50	.67	*			5.78*
Tangibility	3.26	.76	3.61	.83	3.43	.79	*			9.84*
Empathy	3.20	.66	3.38	.67	3.28	.67	*			3.59*
Responsiveness	3.27	.69	3.44	.67	3.41	.64	*			3.31*

*Significant at .05 level

** Significant at .01 level

Analysis shows that there is a significant difference among three income groups of respondent’s. The Duncan’s mean test reveals that income group 1 (Up to Rs 20,000) differs significantly with income group 2 (Rs 20,000 to 40,000) as the mean value of income group 2 is more as compared to income group 1, which means opinion of the respondents income group 2 is more positive as compared to respondents of income group 1 for Reliability, Assurance, Tangibility, Empathy and Responses.

Table 14: Comparison of dimension of Image among three Income groups of respondents (I 1 =Upto 20,000, I 2 = 20,000 to 40,000, I 3 = 40,001 and above) – Duncan’s Mean Test

Dimensions	I1 (N=161)		I2 (N=293)		I3 (N=56)		I1	I1	I2	F-Value
	Mean	SD	Mean	SD	Mean	SD	V/ S I2	V/ S I3	V/ S I3	
Latest brands	3.13	1.27	3.44	1.20	3.58	1.30	*	*		4.26*
Quality products	3.40	1.05	3.58	.93	3.46	1.26				1.60*
Low price range	3.21	1.01	3.45	.99	3.57	1.02	*	*		3.88*
Good display	3.57	.97	3.82	.86	3.44	1.15	*		*	6.23*
Easy check outs	3.45	.91	3.69	.97	3.67	1.11	*			3.28*
Payment facility	3.44	1.02	3.63	.96	3.50	1.02				21.8*
Promotions & Disc	3.37	.99	3.61	.95	3.41	1.12	*			3.37*
Sufficient space	3.50	1.03	3.52	.99	3.48	1.19				.037

*Significant at .05 level ** Significant at .01 level

Analysis shows that there is a significant difference among three income groups of respondent's. The Duncan's mean test reveals that income group 1 (Up to 20,000) differs significantly with income group 2 (20,000 to 40,000) as the mean value of income group 2 is more as compared to income group 1, which means opinion of the respondents income group 2 is more positive as compared to respondents of income group 1 for latest brands, low price range, good display, promotions and discounts. The mean value of income group 2 is more than income group 1 for easy check outs, which means opinion of respondents of income group 1 is more positive as compared to income group 2. More, over income group 1 (Up to 20,000) differs significantly with income group 3 (40,000 and above) as the mean value of income group 3 is more as compared to income group 1, which means opinion of the respondents income group 3 is more positive as compared to respondents of income group 1 for low price range. Further, income group 2 (20,000 to 40,000) differs significantly with income group 3 (40,000 and above) as the mean value of income group 2 is more as compared to income group 3, which means opinion of the respondents income group 2 is more positive as compared to respondents of income group 3 for good display.

Dimensions	Reliability	Assurance	Tangibility	Empathy	Responsiveness
Latest brands	1.749*	2.134*	1.114**	0.620**	1.229**
Quality products	2.749*	2.460*	1.272**	0.716**	1.413**
Low price range	2.010*	0.316**	1.405**	2.103*	1.348**
Good display	0.722**	0.316**	0.514**	0.105**	0.639**
Easy check outs	1.272**	1.731**	3.317**	0.417**	3.333**
Payment facility	2.652*	2.269*	1.895**	2.611**	1.854**
Promotions & Dis	1.230**	0.839**	1.829**	2.559**	1.787**
Sufficient space	1.151**	0.749**	1.090**	1.763**	1.023**

**The difference between means is significant at 5 percent Level of significance, and these are not same as far the averages are concern. **The difference between means is not significant at 5 percent Level of significance, and these are same as far the averages are concern.*

Table 16 : The value of The Standard normal variable Z for Income 2 (from 20,000 to 40,000)

Dimensions	Reliability	Assurance	Tangibility	Empathy	Responsiveness
Latest brands	1.116**	1.874**	1.994**	0.747**	0.00**
Quality products	1.337**	2.251*	2.334*	0.896**	0.00**
Low price range	0.712**	0.543**	0.394**	2.803*	2.004*
Good display	1.249**	2.210*	2.191*	1.099**	0.157**
Easy check outs	4.190*	3.355*	2.815*	6.388*	5.517*
Payment facility	2.328**	1.469**	1.071**	4.532*	3.655*
Promotions & Disct.	1.465**	0.591**	0.271**	3.681*	2.797*
Sufficient space	1.140**	0.287**	0.00**	3.293*	2.434*

**The difference between means is significant at 5 percent Level of significance, and these are not same as far the averages are concern. **The difference between means is not significant at 5 percent Level of significance, and these are same as far the averages are concern.*

Table 17 :The value of The Standard normal variable Z for Income 3 (from 40,000 and above)

Dimensions	Reliability	Assurance	Tangibility	Empathy	Responsiveness
Latest brands	0.501**	0.409**	0.737**	1.535**	0.877**
Quality products	0.734**	0.419**	0.754**	1.573**	0.900**
Low price range	0.122**	0.241**	0.174**	1.103**	0.310**
Good display	0.730**	0.393**	0.750**	1.630**	0.909**
Easy check outs	0.00**	0.346**	0.054**	0.923*	0.175**
Payment facility	1.410**	1.046**	1.392**	2.391*	1.615**
Promotions & Disct.	0.344**	0.00**	0.382**	1.261**	0.522**
Sufficient space	0.164**	0.493*	0.104**	0.712**	0.00**

**The difference between means is significant at 5 percent Level of significance, and these are not same as far the averages are concern. **The difference between means is not significant at 5 percent Level of significance, and these are same as far the averages are concern.*

Findings

Demographics of the shoppers are the important determinants affecting the store image and thereby the store choice behaviour of respondents in the NCR. As far as demographic profile of the respondents for the study is concerned, 63 percent respondents are male and 37 percent are female. The researcher finds that male population is more than female in the study. As far as age is concerned 43 percent respondents are of age up to 25 yr, 47 percent respondents are between age of the 26 yr to 40 yr and 9 percent respondents are 41 yr and above. From the findings it can be stated that people of younger age are visiting more in comparison to older age people. Respondents who are married and unmarried were in same proportion as our respondents. As far as profession is concerned, service class respondents were 43 percent, business class were 25 percent and students and others were 32 percent. Therefore it can be concluded that service class people are more participating, than business class and students.

For analysis of buying behaviour of shoppers' which may be influenced by their frequency of visit, since their buying behaviour will change as they increase their frequency of visits to the store, and respondents visit to the store as per their availability of time. The study of their frequency of visit and demographic profile was done. The findings of the study on different professional groups say that maximum frequency of visits fall in the category of service class. 52.5 percent service class people visit in 15 day, while 40 percent service class people visits monthly and above basis. Next category of visitors are student 35.9 percent student visits on weekly basis while rests visits once in a month or even take more time. It is followed by business class 33.1 percent of which visits on weekly basis, while rest takes more time to visit. The Chi square value is 18.68 which are significant at 5% level of significance. It may be concluded that shoppers' frequency of visits to retail stores differ significantly so far as profession is concerned and frequency affects the buying behaviour of shoppers.

For analysis of age with frequency of visit is concerned, it is customers of the age group between 26 to 40 yrs who visit store once in 15 days are 60.2 percent, than customers of age group up to 25 years who visits store weekly are 57 percent, it is followed by same age group in monthly and above are 44.2 percent, followed by age group 26 yrs to 40 yrs, who visit store monthly and more are 38.8 percent, and the least visiting age group is age group 41 and above, for weekly and 15 days with 6.3 percent but in this age category they visit maximum for monthly and more with 17 percent. We may infer that because of age 41 yrs and above these respondents are visiting very less compare to other respondents. The Chi square value is 37.22 which is significant are 5% level of significance, so it may be concluded that shoppers' frequency of visits differ significantly so far as is concerned and age differ the buying behaviour of shoppers.

On Comparison of quality dimension, among three groups of professionals, service class and students are more concern with good display, while business class is more concern with easy check out facilities. Most of students are concentrated on good display as their standard deviation (0.90) is very less comparison to other groups. All these three groups have high standard deviation (ranging

1.14 to 1.32) for the latest brand, which shows more variation in brand choice. Students and others have high mean score (3.68) in comparison to service and business class for payment facility, as they are more concern about it.

Conclusion

The conclusions drawn from this research mainly focus on two issues: dimensions describing store image and the link between the demographic variables and its relationship with buying behaviour. The early part of research shows the dimensions of store image, such as latest brands, quality products, price range etc (Table 4). Secondly the result shows that age and income is significant in choosing retail store, while the profession has no significance.

In the study it was found that the visitors in mall are usually guided by the age of the respondent. It was also found that, they are mostly of middle aged 26 to 40 and followed by customers of age group of 41 yrs and above usually buy, as they are busy in their job related activities, so they found very less time to visit the malls for their shopping and entertainment. Younger visitors usually visits mall on weekly basis for spending their leisure time and entertainment purposes as they do not have to go office or for their business activities, so retailers should take care of the preferences of this age group. It has been seen that these shoppers usually visit store for their birthday celebrations or for any other kind of celebrations. Therefore, retailers in these malls are recommended to offer the merchandise in their stores which helps and motivates this age group of respondents to purchase and use like gift items fashion apparels, and sports related merchandises.

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Factors Affecting Market Accessibility of Small Farmers in West Garo Hills District of Meghalaya

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Abstract

Recently many researchers have emphasized the impact of globalization in the Indian market. These changes have led to a shift towards differentiated products (mostly high value agricultural products) along with services. However, Indian agriculture is mostly dominated by small holders. Their ability to perform in this new market had always been questioned. In this situation the position of supply chain becomes very crucial. It becomes very important to identify and understand the various factors and its impact on market accessibility of small holders. An attempt has been made in this paper to identify and describe some of the main factors affecting the market accessibility of small farmers from supply chain perspective and also to understand the relationship between the factors and market accessibility of small farmers'. This study is based on a sample of 50 fruits and vegetable growers of the West Garo Hills distributed across the 5 blocks (10 producers from each block). The results of this study are based on correlation and multiple regression analysis. This study found that accurate and timely information and extension support are the prime factors impacting the farmer's access in the markets.

Keywords: Market accessibility, small farmers

Introduction

Over the last few decades, a significant change in demand of agricultural products and food can be seen primarily as a result of improvement in technology and globalization. This has led to changes in the way farming has been done in entire globe. Because of increasing demand, the farming has shifted towards fruits, vegetables, livestock products and other high value agricultural commodities. However, in this optimistic scenario, the situation of small farmers needs to be seen. Because they will be requiring to produce products, that can meet regulations relating to food safety and quality standards and that with competitive price. But it is a daunting task for small holders because they live in villages that are normally very far from the markets and poor in infrastructures viz. all season motorable roads, transport and cold storage (very important for perishables). Many researchers have highlighted the constraint faced by small holders in comparison to large scale farming (Poole et al. 2003; Marsh and Runsten, 1996; Valdes, 1994). To add to this problem is globalization which is changing the rules of the market on a continuous basis (Gheza'n *et al.* 2002; Van Der Meer, 2006). Now, whether small farmer can reap the benefit of this new evolving market, will be topic of discussion for researchers over the coming

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few years. In this situation the position of supply chain becomes very crucial. Here it becomes very important to identify and understand the various factors and its impact on market accessibility of small holders. In short, the objectives of this paper are:

To identify and describe the main factors affecting the market accessibility of small farmers.

To understand the relationship between the factors and market accessibility of small farmers in a traditional supply chain

In reaching the above mentioned objectives, the structure of this paper has been framed as following. Section II presents a critical analysis of the literatures related to supply chain and small holders. Methodology related to data collection, variable description, and analytical tools has been presented in section III. Section IV presents the statistical results and finally, section V concludes the paper.

Literature review and concept building

Since most of high value food commodities are labor-intensive, have low gestation periods and generate quick returns, they present an ideal opportunity for smallholders to make use of surplus labor and enhance their incomes (Joshi *et al.* 2002; Barghouti *et al.* 2005; Weinberger and Lumpkin 2005). But the things are not as easy as it seems especially for smallholders. Since traditionally farmers were mostly growing field crops and they lack necessary information and skill regarding production methods, marketing opportunities and meeting the consumer demands. The situation becomes critical when the target consumers have very precise quality requirements and/or strict food safety requirements. There is no doubt that farmer can acquire the necessary information, but this often involves a fixed cost (one not related to the level of output), thus giving an advantage to larger-scale farmers (Minot and Roy, 2006). Lately, there has been significant changes farming and marketing system in developing countries with focus towards value chains mainly to target urban consumers. These transformation, popularly “the new agricultural economy”, have led to fresh and innovative organizational and institutional provision within the food marketing chain as well as use of grades and standards to maintain food quality and safety (Dolan and Humphrey, 2004; Reardon and Berdegué, 2002).

Winters *et al.* (2005) and Eaton and Shepherd (2001) opined that this new and enhanced focus towards expanding of agricultural markets is going to provide opportunities to farmers in having access to better inputs, credit and management. But the critical situation will be access to markets which has proven complex for many smallholder farmers, who time and again stay on the border of this new agricultural economy. In fact, chances are that this process may even make worse poverty levels by marginalization of small farmers who are in a disadvantaged position as compared to the larger commercial farmers (Johnson and Berdegué 2004; Berdegué *et al.* 2003; Reardon *et al.* 2003; Little and Watts, 1994).

However literature in the recent year shows that importance of increasing the efficiency of markets for small holders and their market accessibility have been widely recognized. It has been found that both researchers and development practitioners across the globe have started looking at the subject of overcoming input and output market inefficiencies and inequalities in the value chain in order to attain increased smallholder participation (De Haen *et al.* 2003; Reardon and Berdegue *et al.* 2002; Barrett *et al.* 2001; Pingali 2001).

Based on the above literature review and concept development, an attempt has been made in this paper to identify and understand the various factors and its impact on market accessibility of small holders especially in hilly areas like West Garo Hills district of Meghalaya.

Methodology

Construction of sample

The various factors important for farmers in having satisfactory market access were identified and established from the previous studies. Based on this the questionnaire was designed and data collection was done. The sample consisted of 50 fruits and vegetable growers of the West Garo Hills distributed spread across the 5 blocks (10 producers from each block).

Construction of variable

The descriptions of the variables used in the study are presented in the Table 1.

Analysis of variables

The objective of this study was to find out what are the significant factors making farmers successful in getting market access. Thus an attempt was made to identify statistically significant relationships between the selected variables by first finding the correlation between different variables and then multiple regression analysis was done to identify the factors that have a bearing on farmers getting access to markets.

The regression equation is presented as

$$MA = \hat{a} + \hat{a}_1 IV_1 + \hat{a}_2 IV_2 + \dots + \hat{a}$$

Where, ‘ \hat{a} ’ is the regression constant, ‘ \hat{a}_1 ’ and ‘ \hat{a}_2 ’ are the regression coefficient of independent variables (RV) and ‘ \hat{a} ’ is the error term of the regression model. Regression coefficients were tested by using *t* test. Determination coefficient (R^2) was used as predictive success criteria for regression model (Draper and Smith, 1998). MA stands for market access by small famers.

Table 1: Variables used in the study

Sl. No	Variable	Description
1	Dependent variable	
	Market access	Market access shows farmer being in a position to sell all marketable surpluses. This was considered as dependent variable in the present study. This dependent variable was coded 1 if farmer sold his entire marketable surplus and 0 if otherwise.
2	Independent variable	
(i)	Equipment	Access to modern equipment shows progressive farmer and modern agriculture. Equipment in the present study means technical farm equipment such as tractor, ploughs, etc. It was coded as 1 if farmer owns or has ready access to these types of equipments and 0 if otherwise.
(ii)	Education	Education is very important in every sector of life and this holds true in a supply chain also. It is believed that more the education better he can handle the exploitative attitude of middle man in supply chain. In the present study, education means highest level of education in the family i.e. his actual years of education.
(iii)	Information	Information on technical, price, market, demand and supply information, contact with extension services and other technical support from public/private sectors are very important for success in supply chain. Thus it was included as variable in a supply chain. It is coded 1 if the farmer is satisfied with level of information available and 0 otherwise.
(iv)	Market distance	It is assumed that more the distance of farmer (Village) to the output market, lesser is the chance that he will meet the transportation cost and get proper price to his produces. Thus it was added as variable in the study and measured as actual distance in kilometers.
(v)	Asset value	Asset value in the present study is defined as technical farm inputs, tools, implements, farm machinery, motorized and other transport equipment, household appliances, residential facilities. The grand value of total assets was reported and sighted.
(vi)	Infrastructure:	Publicly-provided infrastructural facilities including road network, power, water, etc is very important to bring produce from far flung areas to the markets. Thus was included as variable. It was coded as 1 if the farmer is satisfied with the available infrastructure, and 0 if otherwise.
(vii)	Extension assistance	The assistance regarding production and marketing by extension officers is certainly going to help farmers to meet the demand of the market. It was coded as 1 if the farmer is assisted, and 0 if otherwise.

Results and discussion

The farmers under study belong to small farmers (0- 4 Ha of land holding). It has been found that sample farmers normally grow seasonal fruits and vegetables viz. pineapple, carrot, cucumber, green chilli, potato, tomato, oranges etc though on a very small scale. The average education level of farmers were found to be 10th pass and located at a vicinity of around 6 kilometers from the market. The farmers under study are having an average asset value of Rupees thirty thousand only. The mean score for market access was found to be 0.74 and same for possession of modern equipment was only 0.28 confirming that farmer in the study area still practice primitive or traditional form of agriculture. The average score for information availability to the sample farmers was found to be 0.72. The average score for infrastructure availability and extension support was found to be 0.48 and .60 respectively (Table 2).

Table 2: Descriptive statistics

Variables	Mean	Std. Deviation	N
MARACCES	.74	.44309	50
EQUIP	.28	.45356	50
EDU	10.04	2.45748	50
INFOR	.72	.45356	50
MKTDIST	6.01	3.98006	50
AASTVALUE	30490.10	65708.70958	50
INFRAST	.48	.50467	50
EXTAST	.60	.49487	50

Correlations among the variables

The Table 3 presents the correlation among the variables identified to impact the farmer's market access. It has been found that possession of modern equipment was significantly correlated with extension support and negatively correlated with distance from the market. Education of the farmer under study is highly correlated with market access, information and asset value and negatively correlated with market distance. As far as information is concerned, it has been found that it is positively correlated with market access, his education, and extension support available. Availability of asset is highly correlated with education probably because proper education will help in growing better crops with production and thus higher income from rest of the farmers.

Table 3: Correlations among the variables

		MAR ACCES	EQUIP	EDU	INFOR	MKT DIST	AAST VALUE	INFRAST	EXT
MAR ACCES	Pearson Correlation	1	.167	.310*	.646**	-.149	.220	.204	.726**
	Sig. (2-tailed)		.248	.029	.000	.303	.125	.154	.000
EQUIP	Pearson Correlation	.167	1	.264	.091	-.355*	.156	.025	.327*
	Sig. (2-tailed)	.248		.064	.528	.011	.278	.863	.020
EDU	Pearson Correlation	.310*	.264	1	.376**	-.481**	.336*	.198	.265
	Sig. (2-tailed)	.029	.064		.007	.000	.017	.168	.063
INFOR	Pearson Correlation	.646**	.091	.376**	1	-.179	.240	.243	.582**
	Sig. (2-tailed)	.000	.528	.007		.214	.093	.090	.000
MKTDIST	Pearson Correlation	-.149	-.355*	-.481**	-.179	1	-.215	.109	-.153
	Sig. (2-tailed)	.303	.011	.000	.214		.134	.452	.289
AAST VALUE	Pearson Correlation	.220	.156	.336*	.240	-.215	1	.104	.231
	Sig. (2-tailed)	.125	.278	.017	.093	.134		.472	.107
INFRAST	Pearson Correlation	.204	.025	.198	.243	.109	.104	1	.131
	Sig. (2-tailed)	.154	.863	.168	.090	.452	.472		.365
EXT	Pearson Correlation	.726**	.327*	.265	.582**	-.153	.231	.131	1
	Sig. (2-tailed)	.000	.020	.063	.000	.289	.107	.365	

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

** . Correlation is significant at the 0.01 level (2-tailed).

Multiple linear regression analysis

The factors influencing the ability of the farmers in getting access to market for selling their complete marketable surplus was analyzed using the multiple regression models.

Model summary

The R^2 was found to be 0.610 (Table 4). Though there is no rule or guideline as to what value of this statistic signifies a good regression, in social and behavioral sciences, coefficient of determination of 0.3 are often considered quite good. (Freund, 2010). Thus, the model can be easily accepted.

Table 4: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.781 ^a	.610	.545	.29892

a. Predictors: (Constant), EXTAST, INFRAST, MKTDIST, AASTVALUE, EQUIP, EDU, INFOR

Analysis of Variance:

Table 5 shows an analysis of variance (ANOVA) which tests the suitability of the model in predicting the outcome. Basically the fit of the regression model can be assessed using the model summary and ANOVA. The ANOVA tells that the model is a significant fit of data overall (as F- stat is found to be significant ($p < 0.001$) i.e the calculated value of F is more than the tabulated value of F with 7 and 42 degrees of freedom at 0.001 level, H_0 (i.e there is no linear relationship between the dependent variable and the explanatory variable) can be rejected and it can be concluded that at least one of the explanatory variable is related to satisfaction.

Table 5: ANOVA^b

	Sum of Squares	df	Mean Square	F	Sig.
Regression	5.867	7	.838	9.381	.000 ^a
Residual	3.753	42	.089		
Total	9.620	49			

a. Predictors: (Constant), EXTAST, INFRAST, MKTDIST, AASTVALUE, EQUIP, EDU, INFOR

b. Dependent Variable: MARACCES

Identification of factors affecting market accessibility of small farmers

A perusal of the Table 6 shows that out of all the variables used in the study, information and extension support are found to be significantly impacting the market accessibility of small farmers in the study area. Thus, it can be concluded that to improve the market accessibility of small farmers, specially in hilly areas, the government should focus on development of a system which helps farmers with timely and accurate information delivery. Also, there is a need to strengthen the agriculture extension system by making it more useful and efficient.

Table 6: Coefficients

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.150	.253		.593	.556
EQUIP	-.059	.108	-.061	-.551	.585
EDU	.009	.022	.049	.399	.692
INFOR	.289	.125	.296	2.308*	.026
MKTDIST	-.002	.013	-.014	-.119	.906
AASTVALUE	4.375E-8	.000	.006	.062	.951
INFRAS	.047	.091	.053	.517	.608
EXTAST	.493	.113	.550	4.341**	.000

a. Dependent Variable: MARACCES

Multi- co linearity analysis

Table 7 helps in co linearity diagnostics. For this model, it can be seen that each predictor has most of its variance loading onto a different dimension, thus it can be safely said that there is no multi-co linearity.

Table 7: Collinearity Diagnostics^a

Dimension	Eigen value	Condition Index	Variance Proportions							
			(Constant)	EQUI P	EDU	INF OR	MKTDI ST	AASTVA LUE	INFRA ST	EXTA ST
1	5.365	1.000	.00	.01	.00	.00	.00	.01	.01	.01
2	.894	2.449	.00	.17	.00	.00	.05	.31	.02	.00
3	.667	2.837	.00	.39	.00	.00	.00	.51	.01	.01
4	.416	3.592	.00	.04	.00	.01	.02	.00	.88	.03
5	.352	3.903	.00	.18	.00	.10	.13	.11	.02	.20
6	.190	5.318	.02	.02	.05	.06	.27	.03	.01	.35
7	.101	7.306	.02	.20	.04	.82	.14	.00	.02	.40
8	.016	18.361	.96	.00	.91	.01	.37	.03	.03	.00

a. Dependent Variable: MARACCES

Conclusion

The present study has revealed that extension support and access to information are two prime factors among the many variables which affect farmers in getting market access especially if a farmer is small holder and lives in land locked hilly areas (West Garo hills in this case). Apart from this, it has also been found that the farmer of the region still face the age old problem of using traditional equipment, poor education, low income and poor infrastructure. To bring small farmers in the market as main players, it is very important that government should take necessary steps to provide extension support to the farmers and give them necessary training so that they can produce products as per market demand and requirement. Necessary legal set up is required so that small farmers can get access to market, avail free and fair opportunity and not exploited by other stakeholders (mostly middlemen) of the supply chain.

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Directional Strategies and Organizational Performance

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Abstract

Companies and firms engage in head-to-head competition in search of profitable growth.. To face this challenges the corporate strategist need to develop methods to improve firm performance and productivity. They need to continuously search for tools that will motivate their employees to perform at the highest possible level to face the competitions. By providing an understanding of benefits of having a well drawn out written vision, mission and organisation value statements, the paper examines the key elements of the organizational strategic intent and discusses their significance in relation to firm performance in the health care industry. Drawing the case of three private hospitals from Manipur (India), the comparative performances of the hospitals using the number of inpatients, outdoor patients treated as well as the number of operations (surgeries) performed as the outcome of the hospital performances has been analyzed.

Keywords: Directional strategies, hospital performances, outpatient services, inpatient services.

Introduction

Competition is a reality in business. Companies and firms engage in head-to-head competition in search of profitable growth. The way companies become successful depends upon how ably they compete with their rivals. Companies thus are most concerned with the intensity of competition within its industry. Competition again is not confined to any specific industry alone. It is pervasive across industries and health care industry is no difference.

In health care industry, hospital occupies pre-eminent role in shaping the living standard of the people and in facilitating the healthcare to the populace. Modern hospitals are profit-making business firms. Like most business firms, hospitals today are confronted with many challenges both from the general environment as well as from the task environment. To face this challenges the healthcare strategist need to develop methods to improve firm performance and productivity. Hospital executives need to create new forms of competitive advantages and change the rules of engagement. They need to think to the path of creating new competitive space. Hospital executives need to create strategy whereby they reshape or transform the industry structure not just reorganization of the firm. They need

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to continuously search for tools that will motivate their employees to perform at the highest possible level to face the competitions. Existing literature points to the directional strategies specially the mission statement as a valuable tool for the strategist to use to increase employee motivation and improve organizational performance and productivity.

Literature Review

Hamel and Prahalad (1994) coined the term “strategy intent” which provides the emotional and intellectual energy for the journey of a company. Strategy intent implies a significant stretch for the organisation. Strategy intent has got three attributes namely direction, discovery and destiny. It implies a particular point of view about the long term market or competitive position that a firm hopes to build over the future years. Hence, it conveys a sense of direction. It implies a competitively unique point of view about the future, which holds out employees the promise of exploring new competitive territory. Hence it conveys a sense of discovery. Strategic intent also has an emotional edge to it; it is goal that employees perceive as inherently worthwhile. Hence, it implies a sense of destiny.

Hamel and Prahalad (1994) opined strategic intent is as much about creation of meaning for employees as it is about establishment of direction. They emphasize that the strategic intent must be personalised for every employee. The first task in personalising strategic intent is to set clear corporate challenges that focus everyone’s attentions n the next key advantage or capability to be built. Challenges are the milestones on the path between today and tomorrow. Corporate challenges are the operational means of staging the acquisition of new competitive advantages. Corporate challenges identify the focal point for capacity building in the near to medium term. Challenges instills the employees the power to contribute the competitiveness of the company.

Corporate challenges are usually reflected in the organisations directional strategies such as – vision, mission and organisational values. These are at the highest order of the strategic intent hierarchy. The strategy of an organization is driven by these common mission, common vision and common set of organizational values and goals – the directional strategies. The directional strategies are the result of considerable thought and analysis by top management and indicate “what the organization wants to do”. Business strategy needs to begin from the top down. The first directional strategy that top management should focus on is corporate direction. This means, first, determining the mission statement of the entire organization, and identifying the company’s role in the world. If stakeholders of the company including the CEO of company, its investors and board of directors do not agree on a simple message of direction, the company cannot move forward as an entity with a single purpose.

Swayne et al, (2006, p.187) have discussed out mission, vision, values and strategic goals as directional strategies. These are appropriately called directional strategies because they guide strategists when they make key organizational decision. The mission attempts to capture the organization’s distinctive purpose or reason for being. The vision creates a mental image of what the managers,

employees, physicians, and other stakeholders want the organization to be when it is accomplishing its purpose or mission. Values are the principles that are held dear by members of the organization. These are the guiding principles the managers and employees will not compromise while they are in the process of achieving the mission and pursuing the decision and strategic goals. Strategic goals are those overarching end results that the organization pursues to accomplish its mission and achieve its vision.

Solovy (2000, p.32) has mentioned that the heart, the head, and the gut as three elements of strategic planning. Each is critical to success and each plays an important role in the organization's ultimate course of action. *The heart* of strategic planning involves the mission, vision, and values of the organization. *The head* of the strategic planning is the analytical aspect of the process. Assessments, strategic goals, and competitive analysis are important parts of strategic analysis. *The strategic planning gut* utilises the collective experience and intuition of as many people as possible in the organization. It is the organization's ability to predict and interpret the changing winds. Successful predictions of hospitals involve internalization of the concerns of the stakeholders such as doctors, nurses, patients, and community leaders. It is taking intangible intelligence and putting it to practical use.

The importance of the three elements of the strategic planning is highlighted by Solovy (2000). It is critically important that heart remain part of strategic planning because it provides inspiration and commitment. The head is important because without strategic goals and outcomes, little focus can be obtained; and without focus, progress is virtually impossible. Gut and intuition are important because a great deal of strategic intelligence resides in healthcare organizations and should be integrated into all strategic thinking processes.

Thompson et al (2005) have given the meaning of 'a strategic vision' as a road map showing the route a company intends to take in developing and strengthening its business. It paints a picture of a company's destination and provides a rationale for going there. It thus, points an organization in particular direction, charts a strategic path for it to follow in preparing the future, and moulds organizational identity. A strategic vision portrays a company's future business scope. It answers "where we are going".

The mission statement has been regarded by relevant management literature as highly crucial to the overall success of an organisation. The potential power of meaningful mission statements in enhancing the organisation's success derives mainly from its main premises. The importance of the concept of mission was highlighted by Drucker (1973) as "A business is not defined by its name, statutes, or articles of incorporation. It is defined by the business mission. Only a clear definition of the mission and purpose of the organization makes possible clear and realistic business objectives." The mission statement gives a sense of purpose and direction to the organisation, legitimates its existence while providing the context for the development and implementation of a successful strategic plan (Pearce and David, 1987). The mission of an organisation outlines the broad directions that it should and will follow and briefly summarises the reasoning and values that lie behind it (Lynch, 2006, p.425).

When mission of a business is carefully defined, it provides a statement to insiders and outsiders of what the company stands for – its purpose, image and character (Jauch et al, 2003., p.65). A good mission statement focuses around customer needs and utilities. The mission statement can provide a method of communicating a desired corporate image (Gray and Smelzer, 1985). Mission statement is an important strategic management and business performance management tool, which helps in grounding the organisations by clarifying their purpose to exist and framing the context of their operations (Bruden, 2010).

According to Barney (2002) the mission statement outlines the broad directions that the organisation will follow and briefly summarises the reasoning and values that lie behind it. The role of the mission statement is to *communicate* to all the stakeholders inside and outside the organisation what the company stands for and where it is headed. It therefore needs to be expressed in a language and with a commitment that all of those involved can understand and feel relevant to their own circumstances.

Some empirical studies had been conducted to find the relationship between mission statement and performance of the organization. A study by O’Gorman and Doran (1999) found no significant relationship between the use of comprehensive mission statements and sales growth. Bart et al, (2001), study found that mission statements can affect financial performance, partially. The study also observed that “commitment to the mission” and “the degree to which an organization aligns its internal structure, policies and procedures with its mission” were both found to be positively associated with “employee behavior” Bart (1999) in another study of 103 Canadian Hospitals found a strong connection between mission content and “degree of satisfaction with the mission” – as well as between mission content and “degree of satisfaction with financial performance”.

The study by Bartkus et al, (2006) in the impact of mission statements on the financial performance observed that they have little or no impact on financial performance. However, Bart and Baetz (1998) in a study from a sample of 136 large organisations in Canada found out that that mission statements and some of their specific characteristics are selectively associated with higher levels of organizational performance. Thus, previous research accounts for inconsistent relationships between financial performance measures and the existence of a formal mission statement.

Objective of the paper

Present paper attempts to analyze the relationship between the adoption of directional strategies and the organizational performances of the hospitals.

Methodology

Drawing the case of three private hospitals from Manipur (India) the comparative performances of the hospitals using the number of inpatients, outdoor patients treated as well as the number of operations (surgeries) performed as the outcome of the hospital performances has been analysed. The three private hospitals of the state namely Shija Hospitals and Research Institute (SHRI), Catholic Medical Centre (CMC) and Imphal Hospital and Research Centre (IHRC) have been selected for the study. These three private hospitals are the biggest multispecialty general hospitals in the State of Manipur having bed strength of more than 50. These hospitals have been operating in Manipur since their establishment either in the year 2000 or prior 2000. These hospitals employed more than 100 persons.

Findings

Documentation status of Directional Strategies

Table 1: Documentation of Mission, Vision and Organizational Values

Sl. No.	Statements/Documents	SHRI	CMC	IHRC
1	Documented Vision statement	Yes	No	No
2	Documented Mission statement	Yes	No	No
3	Documented Organizational values	Yes	Yes	Yes

As can be seen from the Table 1, among the three hospitals under study, SHRI has well documented written vision, mission, and organizational value statement. CMC hospital and IHRC has well documented organizational values but do not have well established mission and vision.

The vision statement of SHRI is worded as “To be a premium & leading brand in healthcare services in the South East Asia, recognised by our customers for our holistic approach, personal touch and technological advancement”.

The statement clearly states the aspiration of the SHRI in its near future. It is challenging but inspirational and gives direction to the stakeholders how everyone should strive for it. It considers comprehensive approaches such as holistic, personal touch and technological advancement in its endeavour to strive for its vision. IHRC and CMC hospital do not have well documented written vision statements.

The mission statement of SHRI is given as follows:

We are dedicated to provide high quality and customer focused healthcare services. We will achieve this by focus on:

- o Customer needs - being sensitive to our customers' needs;
- o Research and development - improving our services through constant research and skill development;
- o Quality system - continuing to be highly systematic and organised in our services delivery and quality control;
- o Networking - building up our local and international network with our partners in healthcare;
- o People development - caring and grooming our people to set and achieve higher goals.

According to Ireland and Hitt (1992) mission statements provide critical direction for all types of organizations. Developing effective mission statements can contribute to increases in a firm's overall performance. When developing unique mission statements, one should recognize that each organization has unique internal capabilities and external opportunities.

When the mission statement of SHRI is analyzed, the philosophy of the hospital can be seen in terms of principal service delivered that is, high quality and customer focused healthcare service. Mention has also been made of the area that the organization will focus on such as customer needs, research and development, quality system, building up local and international network and finally people development. IHRC and CMC hospital do not have well documented written mission statements.

Regarding organizational value statement, as shown in Table 1, all hospitals have well formulated value systems. IHRC has come out with three guiding words in their value system such as Sacrifice, Quality and Service. These words appear in their logo. As hospital is a service organization, the importance of sacrifice, quality and service has rightly been accommodated. For CMC hospital, the value system can be found out in its wordings as follows. "We have a mandate from Christ great physician to participate in the healing ministry. The CMC and its staff consider the care of the patient not only as a profession but also as a mission, vocation and continuation of the healing presence of Christ Jesus in the World." Being a charitable organization it clearly draws inspiration from with Jesus Christ this statement mentioning the importance of service to the patient as core in its function. The organizational culture and priorities of SHRI are set by the following values "Integrity, Agility, and Passion for Excellence".

Values are the fundamental principles that organizations and people stand for along with the mission and vision, they make an organization unique. Thompson et al (2005) have given the meaning of organizational values as "company's values are the beliefs, business principles, and practices that guide the conduct of its business, the pursuit of its strategic vision, and the behaviour of company personnel. Values relate to such things as treatment of employees and customers, integrity, ethics, innovativeness, emphasis on quality or service, social responsibility, and community citizenship."

Performances of the Hospitals

Outpatients Service

The numbers of outpatient who have been treated in the three hospitals from year 2004 to the end of year 2009 are given in the Table 2 and fig. 1. The figure shows a rising trend in the number of outpatients of the hospitals. For SHRI and CMC hospital, in a span of six years, the number of patient treated has almost nearly doubled. For IHRC, the number of patient is rising but in a very slow pace. Taking 2004 as base year, the percentage increase in 2009 is a mere 18.35 percent. The figure in the table also reveals that there is huge difference in the number of outpatients among the hospitals. In the year 2009, SHRI has as many as 42,687 outpatients as compared to 25,256 and 17,848 outpatients of IHRC and CMC hospital respectively. If one compares the figure of SHRI and IHRC, it can be observed that in 2004 the difference in the number of patients was only 1554 however the margin has been broaden with a difference of 17431 patients in the year 2009. Likewise, if one compares the figure of SHRI and CMC hospital one can observe that in 2004 the difference in the number of patients was 13423 but the difference has increased to 24839 patients in the year 2009. This reveals the market dominancy of SHRI among the private hospitals. The analysis is also substantiated by the figure 1 shown below.

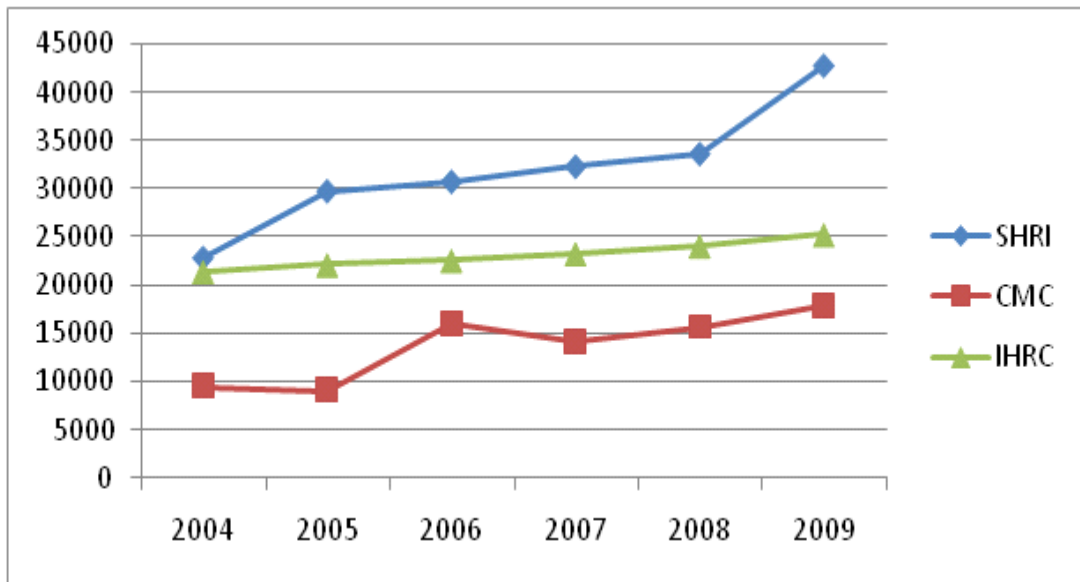
Table 2: Number of Outpatient treated in the Hospitals

Sl. No.	Year	SHRI		CMC		IHRC	
		Nos.	PC	Nos.	PC	Nos.	PC
1	2004	22894	-	9471	-	21340	-
2	2005	29765	30.01	9064	(-4.30)	22068	3.41
3	2006	30737	34.26	15927	68.17	22529	5.57
4	2007	32300	41.09	14138	49.28	23263	9.01
5	2008	33601	46.77	15620	64.92	24067	12.78
6	2009	42687	86.45	17848	88.45	25256	18.35

Source: Computed from surveyed data

*PC: Percentage change

Fig. 1: Showing comparative number of outpatients of the three hospitals



In-Patient Service (Wards)

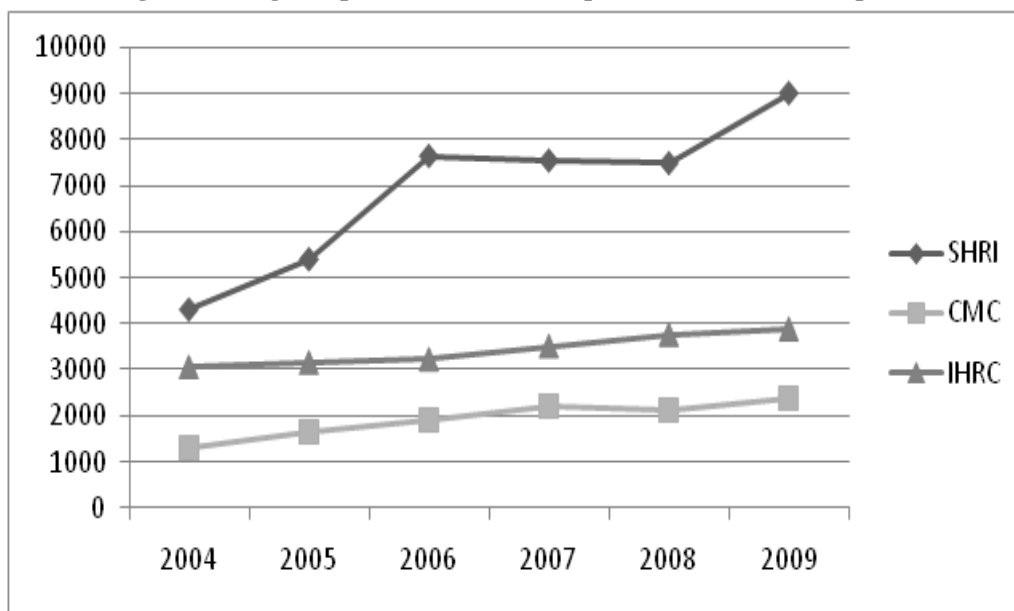
The numbers of inpatient who have been treated in the three hospitals from year 2004 to the end of year 2009 are given in the Table 3 and Figure 2. The figure shows a rising trend in the number of outpatients of the hospitals. For SHRI, in a span of six years, the number of patient treated has doubled. For IHRC the number of patient is rising but in a very slow pace. Taking 2004 as base year, the percentage increase in 2009 is a mere 26.80 percent. Similarly for CMC hospital also the number of patient is rising in a very slow pace. The figure in the Table also reveals that there is huge difference in the number of inpatients among the hospitals. In the year 2004, SHRI has as many as 4,325 inpatients as compared to 3,056 and 1,318 inpatients of IHRC and CMC hospital respectively. If we compare the figure of SHRI and IHRC we can observe that in 2004 the difference in the number of inpatients was only 1269 however the margin has been broaden with a difference of 5132 patients in the year 2009. Likewise if we compare the figure of SHRI and CMC hospitals we can observe that in 2004 the difference in the number of patients was 3007 but the difference has increased to 6625 patients in the year 2009. This reveals the market dominancy of SHRI in terms of ward treatment among the Private Hospitals. The analysis is also substantiated by the figure 2 as shown below.

Table 3: Number of Inpatient treated in the hospitals

Sl. No.	Year	SHRI		CMC		IHRC	
		Nos.	PC	Nos.	PC	Nos.	PC
1	2004	4325	-	1318	-	3056	-
2	2005	5414	25.18	1646	24.89	3154	3.21
3	2006	7649	76.86	1905	44.54	3223	5.46
4	2007	7549	74.54	2196	66.62	3506	14.73
5	2008	7493	73.25	2125	61.23	3754	22.84
6	2009	9007	108.25	2382	80.73	3875	26.80

Source: Computed from surveyed data

*PC: Percentage change

Fig. 2: Showing Comparative Number of Inpatients of the Three Hospitals

Operation and surgeries

Table 4 and Figure 3 show the trend of number of major surgeries performed in the three hospitals. As can be seen from the figure, there has been a rising trend in the number of patient operated in all the three hospitals. For SHRI, in a span of six years, the number of patient operated has nearly doubled. For CMC hospital the figure in 2009 is more than the double of 2004. However the figure is much below to the figure of SHRI. For IHRC, the number of patient is rising but in a very slow pace. Taking 2004 as base year, the percentage increase in 2009 is a mere 10.19 percent. In surgeries also there is a big difference in the number patient operated among the hospitals. In the year 2009, SHRI has

as many as 4938 operations as compared to 1786 and 1062 operations of IHRC and CMC hospital respectively. If we compare the figure of SHRI and IHRC, we can observe that in 2004 the difference in the number of operation was only 1298 however the margin has been broadened with a difference of 3152 operations in the year 2009. Likewise if we compare the figure of SHRI and CMC hospitals we can observe that in 2004 the difference in the number of operation was 2084 but the difference has increased to 3876 operations in the year 2009. The analysis is also substantiated by the figure 5.3 as shown below.

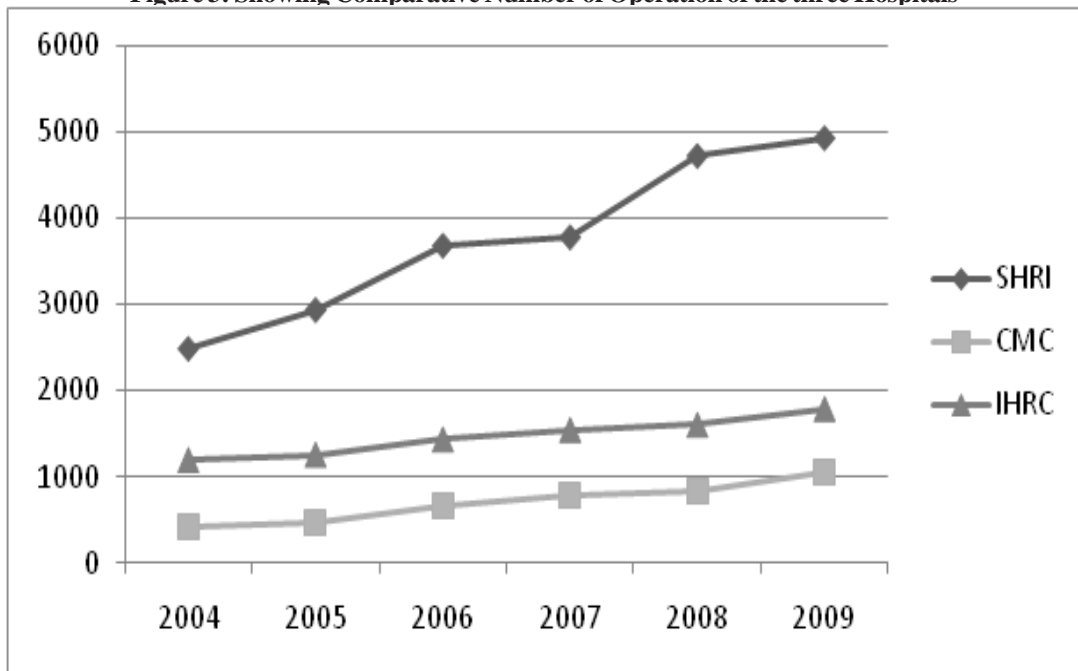
Table 4: Number of major operations performed

Sl. No.	Year	SHRI		CMC		IHRC	
		Nos.	POI	Nos.	POI	Nos.	POI
1	2004	2496	57.71	412	31.26	1198	39.20
2	2005	2945	54.40	465	28.25	1259	39.92
3	2006	3691	48.25	660	34.65	1436	44.55
4	2007	3789	50.19	783	35.66	1545	44.07
5	2008	4732	63.15	832	39.15	1604	42.73
6	2009	4938	54.82	1062	44.58	1786	46.09

Source: Computed from surveyed data

POI: Percentage of operations to inpatients

Figure 3: Showing Comparative Number of Operation of the three Hospitals



Surgeries are one of the main sources of earning revenue for hospitals. More surgeries bring more revenue to the hospital. From the Table 4, we can observe the percentage of operation to the inpatient (POI) treated in the hospitals as shown in the column POI. POI is obtained dividing number of operations by the number of inpatient and multiplied by 100. For CMC hospital and IHRC, the POI is less than or equal to 46.09 percent in the all the six years however, the POI of for SHRI are more than 50 percent in all the years other than 2006 which was 48.25 percent. This reveals that the probability of getting being operated in SHRI is 50 percent. One of the reasons for this is the availability of more number of surgeons in the hospital. We can also conclude that most of the patient comes to SHRI for surgeries.

Discussion

As have been advocated by Hamel and Prahalad (1994) strategic intent implies a particular point of view about the long term market or competitive position that a firm hopes to build over the future years which conveys a sense of direction, likewise in the case of three hospital a significant difference could be observed in the performances of the hospitals. SHRI has well formulated directional strategies – the vision statement, mission statement and organisational values. SHRI has able to create its own opportunities over a period of years.

The development of visions, missions and values statement provides the organization with a strategy compendium from which to create a performance based organization that creates value for the company, its employees and customers. These are important simply because they are like a map, and without a map, the chances of a company meandering in directions unknown are quite high. It can be observed that CMC and IHRC are not performing well as compared to SHRI. SHRI far exceeds in terms of number patients served.

Hamel and Prahalad (1994) viewed strategy with creating stretch goals that challenged employees to accomplish the seemingly impossible rather than simply ensuring a tight fit between goals and resources. The wealth of a firm largely depends on its role in creating tomorrow's market and tomorrow's opportunities, its ability to capture a significant share of it. As have mentioned corporate challenges are usually reflected in the organisations directional strategies such as – vision, mission and organisational values. These are at the highest order of the strategic intent hierarchy. The directional strategies are the result of considerable thought and analysis by top management and indicate "what the organization wants to do". The corporate success depends on the vision articulated by the chief executive or the top management. For a vision to have any impact of the employees of an organization it has to be conveyed in a dramatic and enduring way. The most effective visions are those that inspire, usually asking employees for the best, the most or the greatest.

Conclusions

Having a mission statement, values, and vision creates challenging goals for the organisations and the individual members of the organisation. An effective vision statement will therefore tell the world what change you wish to create for the future of the organization and its stakeholders. The vision statement, mission statement and values statements are practical tools that help govern the organization towards creating more impact in the environment. It enables the management to think beyond the day-to-day business and ponder about the future of the organization. The vision statement provides a framework for operational decisions to the staffs and enables to align with the strategic goals of the organizations. The cumulative effect of these decisions can have a significant impact on the success of the organization. It can enable the organisation's executive and staffs to better understand the direction and the path to follow and the associated benefits.

The development of well-written vision, mission and values statements signals intent and direction of the organisation and communicates stakeholders to perform. The study has shown that there is a remarkable difference in the numbers of patients served among the hospitals. Higher performances are associated with the hospitals having well written vision, mission and value statement. The study showed that the presence of directional strategies - vision, mission and organisational values, is associated with superior firm performance. Thus, significantly higher performances are associated with those firms that have formal written directional strategies -vision, mission and organisational values, as compared to those firms that do not. It is recommended that Hospitals which do not have formal documented missions, visions and objectives need to make an effort in formulating these statements to give a strategic direction to the stakeholders of the hospitals. Thus, the findings in this study add to the growing belief among researchers that that mission statements are associated with higher levels of organizational performance. It is hoped that the findings presented here will encourage researchers to continue investigating the dynamics of driving organizations through the development of strategic tools such as vision, mission and value statement and achieve the desired performances.

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Role of Commercial Banks in Eradication of Financial Exclusion in India

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Abstract

Financial exclusion in terms of the unavailability of banking services to vulnerable groups in accessing credit and financial services is a matter of great concern during the last decade. The path of inclusion includes improving access of financial services to poor people through the safe as well as sound spread of new approaches based on principles. The present treaties explore the diffusion of financial inclusion by commercial banks operating in India. The financial access in India is compared with select Asian peer group and OECD countries. The paper explores the competition scenarios by calculating entropy, exponential index, herfindahl index, Gini coefficient and concentration coefficient of 76 scheduled commercial banks operating in India. The results indicate fair degree of competition among themselves. The improved regulations, innovation and value creation in this sector make it a highly competitive sector. But the banking sector in India is dominated by public sector banks followed by private sector banks. This study also identifies lessons learned on nine principles of innovative financial inclusion that are applied in providing financial services to vulnerable groups in India. The results show that the commercial banks have been playing vital role in removing financial exclusion in India.

Key words: Concentration coefficient, Entropy, Financial exclusion, Herfindahl index and Gini coefficient financial inclusion, principles of innovative financial inclusion.

Introduction

The economic growth and financial sector development are the result of efforts of banking sector in mobilizing savings and deployment of funds in the productive sectors. The banking sector through its institutional infrastructure helps in reducing the cost involved in information, contracting and transaction that in turn accelerates economic growth. The increasing span of financial penetration reduces the economic vulnerability, promotes economic growth, reduces poverty and improves the standard of living (Alliance for Financial Inclusion, 2010). The earlier theories of economic development concentrated just on labour, capital, institutions etc. The role of finance in economic growth has been ignored by economists in framing various theories.

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But if the finance ignorant theories were correct then it nullifies the role of financial markets. However, later development showed that there were imperfections in the financial market and how various financial entities led to reduction of these imperfections (Hannan, t., and J. Liang, 1993). Thus was born a powerful rejoinder to the Modigliani-Miller neutrality result indicating the enduring influence of capital structure. Since then there has been many research analysing the role of financial systems in developing economies. Now, finance is considered as the brain of an economic system. The most economies strive to make their financial systems more efficient. The financial system keeps policymakers cautious as any problem in this sector could freeze the entire economy.

“Financial inclusion may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost.”- Rangarajan Committee (2008).

Financial exclusion means unavailability of banking services to the low-income groups in accessing credit and financial services. However contrary to that inclusion denotes delivery of financial products at an affordable cost to the large sections of vulnerable groups. The innovation, growth and value creation in the banking sector is the result of its competitive nature (Prasad. A and Ghosh. S, 2005). The direct measure of market contestability estimates the degree of competition in banking sector (Mahmood ul Hasan Khan, 2009). There is positive relationship of competition in developing countries and the level of financial services in terms of credit, savings, insurance cover, payments and remittance facilities. The foreign bank entry improved the credit access (Todd A. Gormley, 2007). So, there is need to explore the competition scenario and diffusion of financial inclusion by commercial banks operating in India.

Objectives of the Study

1. To study financial access with market size and penetration in Asian Group and Organisation for Economic Cooperation and Development Countries.
2. To analyse the financial inclusion through commercial banks operating in India.
3. To explore the competition scenarios in commercial banks operating in India.
4. To reconnoitre the adaptation of principles of innovative financial inclusion by commercial banks operating in India.

Research Methodology

The present treatise mainly emphasized the in-penetration study of role of commercial banks in eradication of financial exclusion in India over a period of four years (2006-07 to 2009-2010). The study also explores dynamics of competitiveness in seventy six commercial banks operating in India in present scenario. The study covers 27 Public sector banks, 22 Private sector banks and 27 foreign

banks operating in India. Public sector banks include all nineteen nationalized banks, State Bank of India and associates and IDBI Ltd. Nationalised Banks includes Bank of India, Allahabad Bank, Bank of Baroda, Andhra Bank, Indian Overseas Bank, Dena Bank, Indian Bank, Bank of Maharashtra, Canara Bank, Union Bank of India, Oriental Bank of Commerce, Punjab & Sind Bank, Punjab National Bank of India, Corporation Bank, Bank, Syndicate Bank, UCO Bank, United Bank of India, Vijaya Bank and IDBI Ltd. State Bank Group includes State Bank of India, State Bank of Hyderabad, State Bank of Mysore State Bank of Bikaner & Jaipur, State Bank of Indore, , State Bank of Patiala and State Bank of Travancore. Private Sector Banks includes Axis Bank Ltd., Catholic Syrian Bank Ltd., Dhanalakshmi Bank Ltd., Bank of Rajasthan Ltd., City Union Bank Ltd., Development Credit Bank Ltd., Federal Bank Ltd., ING Vysya Bank Ltd., Yes Bank Ltd., IndusInd Bank Ltd., HDFC Bank Ltd., ICICI Bank Ltd., Karur Vysya Bank Ltd., Jammu & Kashmir Bank Ltd., Karnataka Bank Ltd., Kotak Mahindra Bank Ltd., Lakshmi Vilas Bank Ltd., SBI Commercial & International Bank Ltd., Nainital Bank Ltd., Ratnakar Bank Ltd., South Indian Bank Ltd., Tamilnad Mercantile Bank Ltd. Foreign Banks in India are Antwerp Diamond Bank, Abu Dhabi Commercial Bank, AB Bank, Bank of America, , Bank of Ceylon, Bank of Baharin and Kuwait, Bank of Nova Scotia, Bank of Tokyo-Mitsubishi, BNP Paribas, Credit Agricole, Deutsche Bank , Barclays Bank PLC, China Trust Commercial Bank, Citi Bank, Mashreqbank, Mizuho Corporate Bank, Development Bank of Singapore, HSBC Ltd., JP Morgan Chase Bank, Krung Thai Bank, Oman International bank, Shinhan Bank, Societe Generale, Sonali Bank, Standard Chartered Bank, State Bank of Mauritius and The Royal Bank of Scotland.

The following measures are used to analyze the data in the study:

1.Entropy: The Entropy measure has its theoretical foundations in information theory and measures the *ex-ante* expected information content of a distribution. It takes the form:

$$E = - \sum_{i=1}^n s_i \log s_i \quad (1)$$

Suppose have source S of symbols from ensemble $\{s_1, s_2, \dots, s_N\}$.

Maximum and Minimum Entropy

Maximum entropy is achieved when all signals are equally likely

No ability to guess; maximum surprise

$$H_{\max} = \lg N \quad (2)$$

Minimum entropy occurs when one symbol is certain and the others are impossible

No uncertainty; no surprise

$$H_{\min} = 0 \quad (3)$$

2. Exponential Index

The most commonly used market concentration measures are the Herfindahl index and the concentration ratio. The Hannah-Kay (1971) exponential index is

$$HK_{\alpha}(x) = \begin{cases} (\sum s_i^{\alpha})^{\frac{1}{\alpha-1}} & \text{if } \alpha > 0, \alpha \neq 1 \\ \prod s_i^{\alpha} & \text{if } \alpha = 1 \end{cases} \quad (4)$$

Note, $\prod s_i^{\alpha} = \exp(\sum s_i \log(s_i))$ is the exponential index. (5)

1. Herfindahl index

The **Herfindahl index** or **Herfindahl–Hirschman Index**, or **HHI** is a measure of the size of a firm in relation to the industry. It is an indicator of the quantum of competition among them. This index can range from 0 to 1, moving from a large number of very small firms to a single monopolistic producer. Increases in the index generally indicate a decrease in competition alongwith increase of market power, whereas decreases indicate the opposite. The major benefit of the index in relationship to such measures in terms of concentration ratio is that it gives more weightage to larger firms.

$$H = \sum_{i=1}^N s_i^2 \quad (6)$$

where s_i is the share of firm i in the market and N is the number of firms in market. So, in a market with two firms having 50 percent market share, the Herfindahl index equals $0.50^2 + 0.50^2 = 1 / 2$.

Normalized Herfindahl: The Herfindahl index ranges between $1/N$ to one, the normalized Herfindahl index ranges between 0 to 1. This index is computed as:

$$H_* = \frac{(H - 1/N)}{1 - 1/N} \quad (7)$$

where, N is the number of firms in the market, and H is Herfindahl Index.

2.Gini Coefficient: The Gini coefficient is on the Lorenz curve plots the proportion of the total income of the population on y axis that is cumulatively earned by the bottom x% of the population. The line at 45 degrees represents the perfect equality of incomes. The Gini coefficient range between 0 to 1. This coefficient sometimes multiplied by 100 to range between 0 and 100. A low Gini coefficient shows a more equal distribution, with 0 indicating complete equality, while higher coefficients show more unequal distribution, with 1 indicating to complete inequality. As the Lorenz curve is represented by function $Y = L(X)$, value of B can be calculated with integration and:

$$G = 1 - 2 \int_0^1 L(X)dX. \quad (8)$$

Gini coefficient is half the relative mean difference, it can be calculated by using formulas for the relative mean difference. For a random sample S that consist of values $y_i, i = 1$ to n , indexed in non-decreasing order ($y_i \leq y_{i+1}$), the statistic:

$$G(S) = \frac{1}{n-1} \left(n+1 - 2 \left(\frac{\sum_{i=1}^n (n+1-i)y_i}{\sum_{i=1}^n y_i} \right) \right) \quad (9)$$

3. Concentration Coefficient i.e. $C = n/(n-1)*G$

4. Ratio Analysis:

- Population per branch of commercial banks in rural areas
- Population per branch of commercial banks in urban areas
- Population per ATM of commercial banks in urban areas
- Population per ATM of commercial banks in rural areas

Financial Access in Asian Peer Group and OECD Countries in Terms of Market Size and Penetration

Financial inclusion means the provision of loans and insurance products by the formal financial system for people who remain excluded with the following features:

- affordable financial services
- proper access to payments facilities
- proper access to remittance facilities

Financial exclusion remains an area of great concern in India as compared with other countries for the low levels of financial penetration and deepening. The table 1 and figure 1 indicates the low rank of India in financial penetration when compared with the Organisation for Economic Cooperation and Development Countries. However, the difference in the financial access is less striking when India is compared with select Asian group countries in terms of banks branches. The position of India is prominent with regard to access to Automatic Teller Machines.

Table 1: Financial Access and Penetration of Asian group and OECD countries

Nations and groups	Financial Access		Market Size and Penetration
	Number of branches per one lac persons	Number of ATMs per one lac persons	Private credit to GDP ratio(%)
India	6.33	1.63	33.3
Asian group countries	1.33-20	3.80-17.05	23.00-126.60
China	1.33	3.8	111.8
Malaysia	8.26	16.44	126.6
Indonesia	3.73	4.84	23
Thailand	7.37	17.05	90.5
OECD countries	23-45	57-158	47.80-160.48
Australia	24	115	109.73
UK	23	97	160.48
Japan	45	136	97.9
Canada	28	158	75.65
US	26	134	47.84

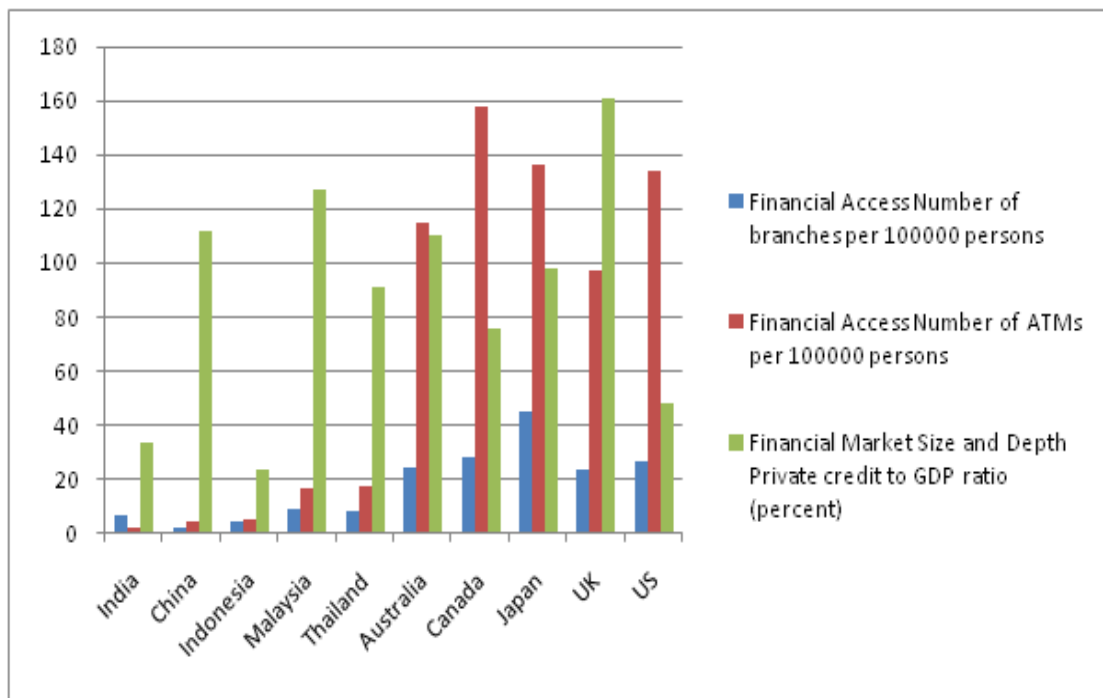
Source: Kiatchai, Sophastienphong and Anoma, Kulathunga (2009), Getting Finance in South Asia 2009 - Indicators and Analysis of the Commercial Banking Sector, World Bank.

The penetration of the banking for India sector in terms of private credit to GDP ratio is lower than many of its Asian group countries. These trends necessitate strengthening of financial inclusion process in India.

Bolstering of Financial Inclusion Through Commercial Banks Operating in India

The financial system of India has to provide its function of transferring financial resources from surplus to deficit section to reduce poverty. So far, the attention and focus has only been on delivering credit and this policy has been quite successful. Similar success story has to be seen in the other aspects and areas of finance as well. The process for financial inclusion had started with the cooperative movement followed by entry of different organisations and schemes in Indian financial system. The phases of financial inclusion in the present treatise have been divided into four categories. The consolidation of the banking sector, facilitation of industry and trade was during 1950-70 followed by focussing on channelling of credit to neglected and weaker sections during 1970-90. The period of

Figure 1: Financial Access and Penetration



1990-2005 devoted to strengthening the financial institutions through financial sector reforms. 2005 onwards, the financial inclusion was explicitly framed as a policy objective. Commercial banks constitute the most vital part of the Indian financial system for channelling credit to the commercial sector in India to facilitate the process of financial inclusion. The commercial banking sector in India has retained its predominantly public character with the onset of economic reforms. Although this sector has undergone a large number of changes in terms of size, pattern of operation and financial soundness.

Competition scenarios

The conditions of banking industry have been changing across the world. The competition indicators are calculated to explore degree of competition and concentration in banking industry. Table 3 portrays the results of different statistical competition indicator tools based on their respective volume of businesses in India. The results of entropy, exponential index, herfindahl index, Gini coefficient and concentration coefficient of 76 scheduled commercial banks operating in India indicate fair degree of competition among themselves. Figure 2 also portrays the same results based on Lorenz curve. The

improved regulations, innovation, growth and value creation in the sector make it a fairly competitive sector. But this sector is dominated by public sector banks followed by private sector banks as depicted in table 4. The share of foreign banks in India is meagre.

Table 2: Number of commercial banks operating in India

Banks	2006-07	2007-08	2008-09	2009-10
Public sector banks in India	28	28	27	27
State bank of India and its associates	8	8	7	7
Nationalised banks	19	19	19	19
IDBI	1	1	1	1
Private sector banks in India	23	22	22	22
Old private sector banks in India	15	15	15	15
New private sector banks in India	8	7	7	7
Foreign banks in India	28	30	32	32
Regional rural banks in India	88	88	86	86
Non-Scheduled Commercial Banks	4	4	4	4
Total	171	172	171	171

Source: Report on trend and progress of banking in India 2006-07, 2007-08, 2008-09 and 2009-10

Table 3: Competition statistical indicators of scheduled commercial banks

MEASURES	RESULTS
Entropy	3.478676
Maximum Entropy	4.332345
Normalized Entropy	0.802852
Exponential Index	0.030989
Herfindahl	0.051989
Normalized Herfindahl	0.039456
Gini Coefficient	0.664120
Concentration Coefficient	0.672987
Categories	76

Figure 2: Lorenz curve of scheduled commercial banks



Table 4: Percentage share of bank groups in total assets of banking sector in India

Year	Public Sector Banks in India	Old Private Sector Banks in India	New Private Sector Banks in India	Foreign Banks in India
2007	70.5	4.6	16.9	7.9
2008	69.9	4.5	17.2	8.4
2009	71.9	4.4	15.2	8.5
2010	73.7	4.5	14.6	7.2

Source: Report on trend and progress of banking in India 2006-07, 2007-08, 2008-09 and 2009-10

Table 5: Population per bank branch in India

Year	Population per branch in rural areas	Population per branch in urban areas	Total Population per branch
2007	17.8	12.7	16
2008	17	11.7	15.1
2009	16.6	11	14.5
2010	16.1	10.4	14

Source: Report on trend and progress of banking in India 2006-07, 2007-08, 2008-09 and 2009-10

Spread and access of commercial banking services in India

The spread and access of banking services is an important indicator of financial penetration and inclusion. Table 5 portrays the distribution of bank branches across urban and rural areas; and across States in India. The average population per bank branch is a basic indicator of the financial inclusion in terms of penetration of banking products. The financial penetration has been on a consistent rise in India in the recent years. However, the rate of increase in rural areas was much lower than urban areas. The population per branch was on a decline in all regions in India during the recent years signifying growing penetration of banking products across all regions as can be seen in table 6.

Table 6: Percentage share of Automatic Teller Machines located at various centres

Year	Rural centres in India	Semi urban centres in India	Urban centres in India	Metropolitan centres in India
2007	4.8	19.9	35.5	39.8
2008	5.4	21.4	34.8	38.4
2009	6.3	22.1	33.9	37.7
2010	8.6	24.1	32.9	34.4

Source: Report on trend and progress of banking in India 2006-07, 2007-08, 2008-09 and 2009-10

Distribution of Automatic Teller Machines

Further, figure 3 maps the distribution of Automatic Teller Machines as channel of banking products in rural and urban areas in India. There was increase in the penetration of

Automatic Teller Machines in the recent years as that is evident from a decline in the population per Automatic Teller Machine. There was greater concentration of Automatic Teller Machines in urban areas in India than in rural areas. The number as well as percentage of Automatic Teller Machines in the rural areas was on steady rise in recent years. The percentage of Automatic Teller Machines located in rural areas is 28.4 per cent of the total Automatic Teller Machines in the country at end-March 2009 that increased to 32.7 % at end-March 2010. The growing penetration of Automatic Teller Machines in rural areas could also be seen from a continued fall in the population per Automatic Teller Machine in rural areas. The percentage share of Automatic Teller Machines located at various centres in India are portrayed in table 6 indicating rising trend in rural and semi urban centres across the country due to untapped market and stagnant in urban and metropolitan centres due to saturation of Automatic Teller Machines. Table 7 portrays the number of Automatic Teller Machines located at various Centres in India. The credit of the increase in Automatic Teller Machines in rural areas goes to public sector banks.

Figure 3: Population per Automatic Teller Machine

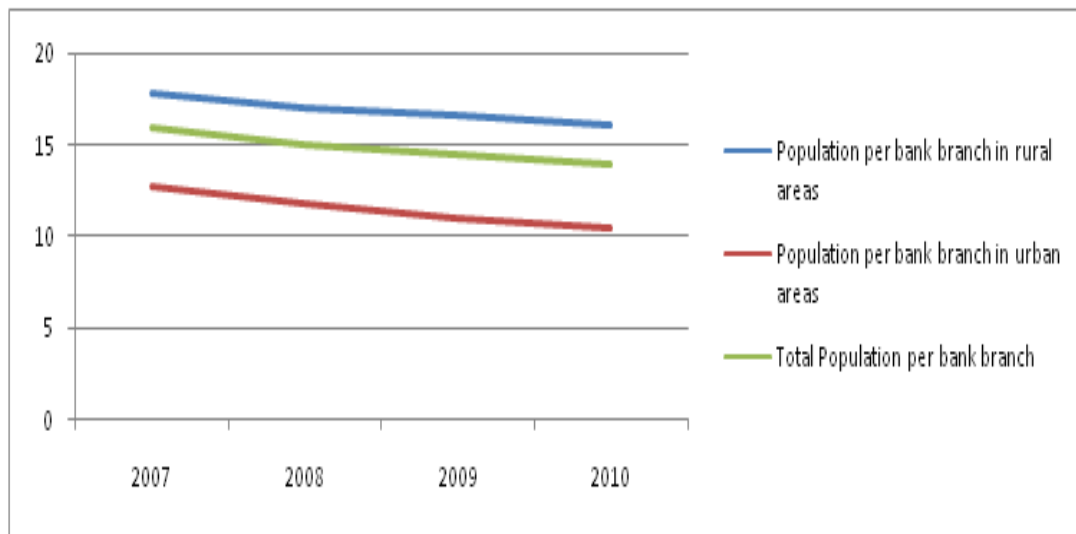


Table 7: Number of Automatic Teller Machines Located at various Centres in India

Bank group in India	Rural centres	Semi-urban centres	Urban centres	Metropolitan centres	All centres
Public sector banks	4,289 (10.5)	10,968 (27)	13,451 (33.1)	11,972 (29.4)	40,680 (100)
Nationalised banks	1,669 (8.5)	4,325 (22)	6,726 (34.1)	6,982 (35.4)	19,702 (100)
State bank group	2,620 (12.5)	6,643 (31.7)	6,725 (32.1)	4,990 (23.8)	20,978 (100)
Private sector banks	901 (4.9)	3,499 (19)	6,124 (33.2)	7,923 (43)	18,447 (100)
Old private banks	265 (7.8)	1,019 (30.1)	1,215 (35.8)	891 (26.3)	3,390 (100)
New private banks	636 (4.2)	2,480 (16.5)	4,909 (32.6)	7,032 (46.7)	15,057 (100)
Foreign banks	6 (0.6)	11 (1.1)	188 (18.3)	821 (80)	1,026 (100)
Total	5,196 (8.6)	14,478 (24.1)	19,763 (32.9)	20,716 (34.4)	60,153 (100)

Source: Report on trend and progress of banking in India 2006-07, 2007-08, 2008-09 and 2009-10

Adaption of Innovative Principles of Financial Inclusion in Indian Financial System

Innovative financial penetration means improving access to financial products for poor people through safe and sound spread of new advance approaches. These principles of innovative financial penetration derive from the experiences and lesson learned from policymakers especially leaders from developing nations.

1. Leadership: This principle emphasise on cultivating a broad-based government commitment for financial inclusion to help in alleviation of poverty. The Government of India had set up the Rangarajan Committee on the Financial Inclusion in 2006 to look into the matters involved and suggest various measures for bringing the excluded masses into the range of financial system. 50 % of the excluded rural households consisting of 55.8 million should have access to financial products by 2012, and the remaining by 2015. Two funds are recommended by this Committee, have already been set up in NABARD (National Bank for Agriculture and Rural Development) viz., 'Financial Inclusion Fund' for meeting the cost of development and promotion interventions of the financial penetration and other 'Financial Inclusion Technology Fund' for meeting the cost of technology and advancement.

2. Diversity: A diversity in the innovative products and providers in the system can increase the availability of services as well as promote healthy competition. The Financial Inclusion Project to implement Core Banking Solution by using COIN software in 2009-10 was developed by National Informatics Centre in Sikkim by one Co-operative Bank, 6 branches and ten Multi Purpose Credit Societies in the first phase and 5 MPCs in the second phase. Pilot project in order to establish Farmers' Service Centres and Village Knowledge Centres, mobile credit counselling centres, enhancement of financial literacy & farmer education through mass media for financial inclusion in Malabar district of Kerala for establishing eight Farmers' Service Centres and VKCs in 8 districts. Viability gap funding for Biometric card project through Business Correspondents (BCs)/ Business Facilitators (BFs) model in NER for the smart card based accounts. There was support for Certificate Course for BCs and BF's to Indian Institute of Banking & Finance to cover twenty thousand candidates over a period of two years 2009-10 and 2010-11.

3. Innovation: Promotion of technological and institutional innovation as a tool to expand financial system penetration and usage. This principle also addresses infrastructure weaknesses. Different Technology Models are used by banks in order to enhance access as Simputers, Composite Hand Held Devices, PDAs and Programmed Mobiles.

4. Protection: The principle of protection encourages a comprehensive approach that recognises the roles of policy makers, government, providers and consumers. The banking networks have been persuaded through Banking Codes and Standards Board of India to adapt a uniform code of conduct

to enforce many pro-client clauses. Sa-Dhan is one of the leading design to enhance customer well-being in ethical, transparent, dignified, and cost-effective manners.

5. Empowerment: This principle of innovative financial inclusion ensures development of financial literacy and capability. Financially capable clients have the knowledge, skills, capability, attitude and behaviours for awareness of financial opportunities. The capacity building programs initiated by RBI, policy maker and GOI during 2009-10 are:

- Capacity building program for Regional Rural Banks employing post office for using PO as BC of Regional Rural Banks through five training programs for staff of post offices or banks in Uttarakhand.
- Project on Financial Resource Centre at Regional Rural Bank for capacity building and research needs for financial inclusion in 4 districts, i.e., Nadia, Murshidabad, North and South Parganas in West Bengal.
- Indian Banking Associations with their own codes have strict penalties for non-compliance acts of members.
- Project on financial inclusion through FC as business facilitators of Regional Rural Banks in Assam. It involves four training programs for members of eleven FCs identified by the bank. A total of hundred members of the FC will be trained on financial matters in Morigaon district.
- Financial literacy by Regional Rural Banks in Assam in Nalbari district.
- Capacity Building Programme for banks conducted by BIRD, Lucknow.

6. Cooperation: Creating an institutional environment with accountability and coordination within government. Initiation for financial inclusion under FIF/FITF, NABARD and United nations development programmes have entered into collaboration for financial penetration in seven focus states, viz., Bihar, Jharkhand, Chhattisgarh, Madhya Pradesh, Rajasthan, Orissa and Uttar Pradesh. This collaboration is subsystem of the Country Programme Action Plan that has been signed between Government of India and UNDP. A fund for this collaboration 'UNDP – NABARD Financial Inclusion Fund' has been established.

7. Knowledge: Appropriate as well as reliable data are needed by regulators and policy makers and to assess financial inclusion performance. Periodic progress reports focus on policy attention for outstanding financial inclusion issues. Currently available data is not sufficient and not up to the level required. The banks of India have been reporting their financial penetration plan to Reserve Bank of India. Recognising the lack of awareness is one of the major factors for financial exclusion. Reserve

Bank of India is taking a number of measures for increasing financial literacy as well as credit counselling based on data provided by various banks operating in India.

8. Proportionality: Building of a policy and regulatory framework in proportionate with the risks involved in innovative products and services. This should be based on understanding of gaps and barriers in the existing regulation. Reserve Bank of India has realised that most agent-related risks either systematic or institutional are not material enough. This particular situation necessitates the authorization of agents disproportionately onerous by making banks and other institutions fully liable for the actions of their selected agents. Other risk-mitigating measures supporting this approach are: (i) require regulated institutions to manage risk e.g. by setting transaction limits and implementing mechanisms to block the transactions remotely when necessary; (ii) subject the agency agreement and supporting documentation relating to the services rendered by agents for scrutiny by Central Bank, that also conducts onsite as well as offsite inspections.

9. Framework: The regulatory framework reflecting international standards under national circumstances to support for a competitive landscape. An appropriate and flexible risk-based AML/CFT regime in the conditions for use of agents as a customer interface is required. This can be achieved by a clear regulatory regime for the electronically stored value and market-based incentives for achieving the long-term goal in broad interoperability and interconnection. Reserve Bank of India in late 2009 permitted banks to charge the customers for using BCs and expanded the scope for permissible business correspondents in order to include small retail shops as well as individual petrol pump owners. The policy makers in India are very optimistic that will be a substantial expansion for access to financial products among the poor.

Conclusion

The financial system in India has grown rapidly in its functional and geographical coverage during the last three decades and more. The banking sector in India is one of the world's quickest growing markets to penetrate finance in the different sectors. India is the planet's largest democracy and the second most populated country in the world. The data indicates that there is financial exclusion as the poorer sections of the society have not been able to access adequately financial services from the organized financial system. Indian banking sector is working relentlessly to reduce this exclusion. There are many positive sign of commercial banks playing vital role in eradicating financial exclusion from Indian economy.

The population per bank was on a decline across all regions during the period covered by the study signifying the growing penetration of banking services in all regions. There was rise in the penetration of Automatic Teller Machines during the study period as evident from a decline in the

population per Automatic Teller Machine. However, India ranks low as compared with the Organisation for Economic Cooperation and Development Countries and Asian group in respect of financial penetration. The banking sector in India needs to be harnessed using its cost effective technology solutions and appropriate business models to make small value transactions viable. It caters to the untapped potential capability with regard to financial inclusion. There is an urgent need to modify the credit and financial services delivery system for greater financial inclusion. The commercial banks operating in India are struggling to entirely eradicate financial exclusion by adapting principles of financial inclusion through larger number of banks, competition and good governance. The success to expand their access to financial services is outcome of many years of experience. The commercial banks have evolved themselves from restricted possibilities and stringent licensing conditions without leaving the monitoring capacity for supervision authority. However, this achievement of commercial banks operating in India for financial penetration has been only possible because of coordination of different stakeholders in adopting the principles of innovative financial inclusion. The result shows that commercial banks have been playing vital role in removing financial exclusion in India. But there is still lot more work ahead to maintain, expand and magnify innovations. The commercial banks operating in India need collaborative efforts from all stakeholders to leverage their technology to bring more people into the banking fold to achieve the target of 100% financial inclusion in India.

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