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Dear All

Greetings to one and all.....

Since several years I was aspiring to reach all my colleagues of commerce and management fraternity through print and social media. This journal "**Primax International journal of Commerce and Management Research**" is reflection of this yearning desire.

I am aware "Quality is never an accident; it is always the result of **high intention, sincere effort, intelligent direction and skilful execution**". My colleagues are with me as "pillars of strength" resonating the same values.

I seek your help in this pursuit of excellence by the contribution of excellence articles stimulating innovative ideas for dynamic market needs, which is powered by speed and quality concepts.

I reassure you, I keep in mind the great words of our former president of India **A.P.J. Abdul Kalam** "**as a citizen of India, armed with knowledge, technical expertise, and above all a great sense of patriotism, we must realize that small aim is a crime**".

Primax International journal of Commerce and Management Research not only aims to encourage the qualitative research work but also it is felt that the extent of contribution by the Management Academicians and Institution is highly imperative at this juncture than any other discipline.

Authors have the liberty to extend valuable contributions in their specialized areas in a broader spectrum. The contribution shall be from transitions and challenges in areas such as marketing, finance, human resource, logistics and supply chain, event management, product, production and operation management, consumer buying behavior, talent management, knowledge management, best practices of notable corporate houses and businesses. We welcome reviews on books, blogs, case studies, research papers, working papers and so forth to express that you intend to communicate. Your suggestion will help for further enrichment of the journal to stand ahead of the rest. It is best assured it will maintain its quality and timely presentation of the authors that shall be shared by all. "Please enrich me not to give a fish to eat but teach to catch a fish", your stimulating contribution is the diet for this journal.

I once again thank all my colleagues, well-wishers, friends and above all God almighty who stood by me from concept to commissioning of this journal.

Wish you all a grand success!

With Regards

Prof. T.Rajeswari.,M.Sc.,M.A(Eng.),M.B.A.,M.A(Soc)
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BASICS OF SUSTAINABLE RURAL FINANCE: AN ANALYTICAL STUDY

Dr. R. Dayanandan*

ABSTRACT

Finance is crucial to make investment in agriculture, especially for bringing virgin land under cultivation, providing irrigation infrastructure and developing new storage, marketing and processing facilities etc. According to Central Statistical Agency (2012), about 29.6% of the population are found to be below poverty line in Ethiopia and lack of financial service and absence of attractive investment opportunities are considered to be the main reasons for this. The country together with development partners has put poverty reduction strategies high on the agenda which encourage accessibility of financial service in the rural area on sustainable base. It is assumed that, SACCOs can serve the rural people on sustainable base if only they have good performance. However, empirical studies on performance of SACCO's in the study district are lacking. Hence this research paper focus on the assessing the basics of sustainable rural finance through SACCOs in Shebedino district of Ethiopia. This paper is solely depends on secondary data which was obtained from the reports of selected SACCOs. Out of 35 SACCOs found in the study district, four were selected randomly. The collected data were analysed using ratios and PEARLS techniques. For this paper, the performance indicators such as outreach to the poor and financial performance have used to evaluate the performance and sustainability of rural fiancé. The overall result of this paper indicates that the selected SACCOs have a strong performance towards providing sustainable financial service in the study area. To sustain this strong performance the participation of members in their SACCOs must be improved. Based on the data and results of this paper suitable recommendations are forwarded.

Key Words: Sustainability, Rural Finance, Performance, Outreach, Protection

Introduction

Ethiopia is one of the Sub-Saharan African countries with a population of about 91,195,675. More than 82% of the population lives in rural area and agriculture remains the main stay of the economy. The government applies agriculture lead development as growth strategy. Agriculture contributes 41.0 per cent of GDP whereas Service and Industry has a share of 45.6 and 13.4 per cent respectively About 29.6 percent of the total population is below poverty line (CSA, 2012). Though the causes of poverty are many, the lack of financial service and absence of attractive investment opportunities are considered to be the main reasons. The country together with development partners has put poverty reduction strategies high on the agenda that encourage accessibility of financial service in the rural area on sustainable base.

According to Hossain (2007), the provision of rural financial service has increasingly been regarded as an important tool for raising the income of rural population. The accessibility of a good financial service is also considered as one of the engines of economic development (Pinaki, 1998). Moreover, the establishment and expansion of financial service in the rural area is also one of the instruments to break the vicious circle of poverty (Briquette, 1999).

Saving allows individuals or/and households to accumulate capital which increase the amount of loanable funds and promotes investment which is a base for economic growth and reduction of poverty. However, in Ethiopia, financial services (saving and credit), appear to be severely limited (Mekonnen, et al, 2007). Both Commercial banks and other formal institutions fail to cater to the credit needs of rural poor (Adera, 1995). It is generally the rules

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and regulations of the formal financial institutions that have created the myth that the poor are not bankable, and since they can't afford the required collateral.

To fulfill this gap, through logistics & institutional capacity building supports from Shebedino Woreda Marketing & Cooperative Promotion Office (SWMCPO) and Rural Financial Intermediation Program (RUFIP), the rural communities, established saving and credit cooperatives (SACCOs) as a source of an alternative rural finance. It is assumed that, SACCOs can serve the majority of rural people on sustainable base if they have good performance. However, empirical studies on performance of SACCO's in the study area are lacking.

Objective of the Study

The main aim of this paper is to identify the basics for the sustainability of rural finance with specific objectives; (i) to assess the outreach and (ii) to evaluate the financial performance of selected SACCOs.

Methodology Adopted

The research was carried out in one of the 134 districts (Shebedino) of Southern Nations Nationalities and Peoples Regional State, Ethiopia. This was purposely selected since the district is better in cooperative movement than others in the region. Moreover, in this district, there are many SACCOs with the similar problems as mentioned in the statement of the problem.

This paper is solely depends on secondary data which was obtained from the reports of selected SACCOs. For this, out of 35 SACCOs found in the study district, four were selected randomly. The collected data were analysed using ratios and PEARLS (Protection, Effective Financial Structure, Asset Quality, Rates of Return and Costs, Liquidity, and Signs of Growth).

The basics of sustainable rural finance can be measured by different parameters and was

evaluated through performance. According to Anderson et.al (2000), the performance of SACCOs can be measured through quantitative variables (net profit, return on equity) and qualitative measures (member's satisfaction, attitude change toward the society or its products). According to Meyer (2002), three basic performance indicators must be considered while evaluating the performance of SACCOs. This includes outreach to the poor, financial performance and welfare impact.

For this paper, the performance indicators such as outreach to the poor and financial performance have used to evaluate the performance and sustainability of rural finance. According to Schreiner (2002), the outreach of SACCOs can be measured through Growth in Number of Active Members, Growth in Loan Portfolio and Growth in Saving and these measurements were used to assess the outreach of SACCOs.

Results and Discussion

As discussed in the methodology, growth in number of active members, saving and loan outreach ratios were used to examine the outreach of selected cooperatives. Whereas, the PEARLS analysis was made by use of major twenty indicators to examine the financial performance of selected cooperatives. For this purpose cooperative's balance sheet and profit and loss statement from their respective audit reports were used.

1. Outreach

Efforts to extend financial services to the people who are underserved by financial institutions are known as outreach.

1.1. Growth in Number of Active Members (GNAM)

This ratio measures the ability of SACCOs to expand their operations through increasing active members. This ratio highly depends on the membership status of SACCOs. Therefore, to find GNAM ratio, it is highly essential to examine the membership position of selected cooperatives. The standard for GNAM ratio is $\geq 5\%$.

Table-1: Membership growth of selected SACCOs

Year	Name of the SACCOs											
	Geterlemat			Abela			Burqa			Qinite		
	Male	Female	Sum	Male	Female	Sum	Male	Female	Sum	Male	Female	Sum
2007	58	13	71	140	10	150	240	10	250	15	5	20
2008	65	16	81	148	13	161	244	15	259	20	7	27
2009	70	26	96	157	16	173	246	18	264	24	9	33
2010	76	27	103	168	18	186	249	20	269	30	10	40
2011	86	32	118	180	22	202	248	24	272	32	13	45

As of 2011, the selected SACCOs had a total membership of 637. Of this 14.28% are women and majority (85.72%) is men. The results shows that the members in the sample cooperatives growing steadily on average by 11.74% in the last five years. According to World Council of Credit Unions (WOCCU, 2000), the recommended standard for growth in GNAM ratio is = 5%,
The standard for GNAM, Saving Outreach and Loan outreach ratio is given in table 2.

Table-2: Rating standards for selected outreach indicators

Scores	Points
5% or higher	5
0 to 5%	3
Below 0	0

Based on this standard, each of the selected SACCOs scored the following GNAM ratio result:

Table-3: Growth in Number of Active Members Ratio

Year	Name of the SACCOs							
	Geterlemat		Abela		Burqa		Qinite	
	GNAM ratio	Rating	GNAM ratio	Rating	GNAM ratio	Rating	GNAM ratio	Rating
2007	9.23	5	3.45	3	4.17	3	33.33	5
2008	14.08	5	7.33	5	3.60	3	35.00	5
2009	18.52	5	7.45	5	1.93	3	22.22	5
2010	7.29	5	7.51	5	1.89	3	21.21	5
2011	14.56	5	8.60	5	1.12	3	12.50	5
Average	12.73%		6.86%		2.54%		24.85%	

In the selected district, the outreach of SACCOs in terms of GNAM ratio varies from cooperative to cooperative. Based on their GNAM result, the respective SACCOs scored 5, 5, 3 and 5 per cent which indicates that all the selected SACCOs, except Burqa, have reached and offered their service to the needy people.

1.2 Growth in Loan Portfolio (GILP)

This ratio determines the rate of expansion of the loan portfolio, which can be a result of an increase in the number of active members or in the loan amounts, or a combination of both. The standard for GILP ratio is = 5%.

Table-4: Total amount of loan (in Birr) offered by SACCOs

Year	Name of the SACCOs				Year
	Geterlemat	Abela	Burqa	Qinite	
2007	105,000	40,000	4,000	7,000	156,000
2008	150,000	75,000	7,500	10,000	242,500
2009	220,700	156,700	19,400	22,670	419,470
2010	365,400	250,000	150,480	78,400	844,280
2011	500,000	250,000	250,000	110,700	1,110,700
Total	1,341,100	771,700	431,380	228,770	2,772,950.00

All the selected SACCOs allow members to borrow from three to five times the amount of their saving. The amount of loan offered for a member at a time ranges between 1,000 and 15,000 Birr (National Currency). The average amount of loan issued for a member at a time was Birr 3,000. Since men are more in number, they hold 80% of the number of loan beneficiaries which is 90% of the volume of loan portfolio. Based on the GILP formula and standard, the loan outreach ratio of each of selected SACCO fits the rating standard for GILP ratio. This implies that all SACCOs under study are excellent position in terms of dispersing loan.

Table-5: Loan Portfolio ratio

Year	Name of the SACCOs							
	Geterlemat		Abela		Burqa		Qinite	
	GILP	Rating	GILP	Rating	GILP	Rating	GILP	Rating
2008	42.86	5	87.50	5	87.50	5	42.86	5
2009	47.13	5	108.93	5	158.67	5	126.70	5
2010	65.56	5	59.54	5	675.67	5	245.83	5
2011	36.84	5	59.54	5	66.14	5	41.20	5

1.3 Saving Outreach (SO)

Saving outreach ratio measures the ability of SACCOs to mobilize financial resource in the form of saving from members and/or community. The standard for saving outreach ratio is = 5%. Currently all the selected SACCOs have been providing compulsory and voluntary savings services to their members. The monthly saving of members ranges between Birr 25 and 150. The rate of saving has been increasing from time to time with improvement in members' understanding about the benefit of saving and to get higher loan.

Table-6: Saving status (Compulsory and Voluntary) of selected SACCOs in Birr

Year	Name of the SACCOs			
	Geterlemat	Abela	Burqa	Qinite
2007	60,000	10,000	6,400	6,000
2008	102,400.7	19,500	10,000	10,470.50
2009	189,358.80	39,242.52	25,680.00	18,398.53
2010	355,143.50	132,139.15	140,535.15	57,118.11
2011	503,656.70	203,289.20	248,955.15	98,831.45
Total = 1,054,732.50				

Before the establishments of SACCOs in Shebedino district, only 30% of the respondents had saving habit in Equb and none of them had any bank and/ or Micro Finance Institution. However, after joining SACCOs, all of them have saving in their cooperatives in various forms. The total amount of saving mobilized by each SACCO is summarized in table 6.

From the result it is observed that, as of 2011 the four selected SACCOs had mobilized total savings amount of Birr 1,054,732.50, having Birr 150

maximum and Birr 25 minimum saving size per month. Moreover, there are 780 saving accounts that belong to 637 members which are more than the total member size. This illustrates that there are members have multiple savings accounts; for example, a voluntary and a compulsory savings .

Passbook savings (compulsory savings) was the most popular account. Of the total, 14.28% corresponded to women, while men (85.72%). According to WOCCU (2000), the standard for saving outreach ratio is = 5% and the SO ratio of each of selected SACCO is stated in table 7.

Table-7: Saving outreach of SACCOs

Year	Name of the SACCOs							
	Geterlemat		Abela		Burqa		Qinite	
	SO ratio	Rating	SO ratio	Rating	SO ratio	Rating	SO ratio	Rating
2008	70.67	5	95.00	5	56.25	5	42.86	5
2009	84.92	5	101.24	5	156.80	5	75.72	5
2010	87.55	5	236.72	5	447.26	5	210.45	5
2011	41.82	5	53.69	5	77.15	5	73.03	5
Average	71.24%		121.66%		184.36%		100.50%	

(Source: Computed from secondary data)

The saving outreach of sample SACCOs were increasing from year to year though the increase is not in the same rate each year. Moreover, saving outreach results fit to the rating standard implies that all are in excellent position in terms of improving the saving habit of members.

2. Financial performance of SACCOs

Financial performance is one of the areas that need to look at to assess the performance of SACCOs (Meyer, 2002). In this paper, to evaluate the financial performance of selected SACCOs, the PEARLS

Table- 8: Financial Performance of selected SACCOS

Sl. No.	Pearls Tools	Indicators	Standards	Performance														
				Name of SACCOS														
				Geterlemat			Abela			Burqa			Qinite					
2008	2010	2011	2008	2010	2011	2008	2010	2011	2008	2010	2011	2008	2010	2011				
1	P= Protection	P1	100%	-	-	-	-	-	-	-	-	-	-	-	-			
		P2	35 %	-	-	-	-	-	-	-	-	-	-	-	-			
		P6	>= 100%	4.45	6.27	6.73	25.37	18.83	19.33	5.35	18.45	20.26	27.68	23.96	22.93			
2	E=Effective Financial Structure	E1	70%-80%	104.83	88.13	85.70	279.90	77.43	63.59	70.54	78.90	77.88	85.62	99.38	81.72			
		E5	70%-80%	89.95	85.66	86.33	70.09	40.92	51.71	93.38	73.69	77.55	69.48	72.40	72.96			
		E6	<= 5%	0	0	0	0	48.15	31.85	0	7.91	0	0	0	0			
3	A=Asset quality	E7	10%-20%	2.11	1.23	0.87	19.71	6.61	8.29	4.65	15.66	18.03	23.82	19.78	18.26			
		E9	>=10%	1.98	3.81	4.71	3.05	0.85	2.08	0.59	0.82	1.34	2.01	2.31	2.65			
		A1	<= 5%	2.53	0.13	0.19	0	1.68	1.42	0	0.16	0.19	0	0	0.36			
4	R=Rates of Return	A2	<= 5%	0.02	0.40	1.02	0.42	1.65	1.38	0.45	0.67	0.04	1.53	0.36	0.44			
		R9	>5%	4.71	7.17	4.71	4.40	1.87	0.78	5.54	1.78	4.04	13.31	27.63	18.96			
		R12	>5%	10.89	12.39	13.45	11.65	1.46	6.31	0.89	3.37	3.89	6.88	7.47	5.98			
5	L=Liquidity	L1	>=15%	111.18	116.75	115.71	142.10	240.57	190.92	107.09	135.71	128.95	142.91	137.62	136.76			
		L2	>=10%	45.79	30.25	15.40	94.91	89.16	99.13	72.73	93.63	96.43	69.90	92.42	93.84			
		L3	<1%	0.02	0.40	0.92	0.02	0.09	0.10	0.45	0.67	0.02	0.83	0	0.22			
6	S= Sign of growth	S1	> 12 %	47.13	65.56	36.84	108.93	59.54	59.54	158.67	675.67	66.14	126.70	245.83	41.20			
		S5	> 12 %	84.92	87.55	41.82	101.24	236.72	53.69	156.80	447.26	77.15	75.72	210.45	73.03			
		S10	>12%	18.52	7.29	14.56	7.45	17.51	18.60	1.93	1.89	1.12	22.22	21.21	12.50			
		S11	10-20%	198.61	112.08	40.70	72.79	476.78	21.75	120.00	593.51	68.31	82.87	197.93	71.71			

tools were used. PEARLS are a set of financial performance monitoring and evaluation tools designed to evaluate the performance of any financial institutions including SACCOs. It has a total of 44 quantitative financial indicators which facilitate an integral analysis of the financial condition. Of which, taking the current status of SACCOs in Ethiopia the RUFIP recommend only twenty indicators and same were used in this study.

There has been a rapid growth in the financial strength of selected SACCOs, which have achieved total equity of nearly Birr 170,321.26. The better

equity position appears to be in Qinite. There is a working principle that leverage ratio should not exceed 3.5 in the SACCOs. At the same time, the other working principle was that the ratio should be as close as possible to 3.5. However, all of the selected SACCOs are not applying the leverage ratio correctly. Without implementing a nationally accepted standard, it becomes fairly difficult to gauge the standard of SACCOs. Hence, to make informed decision and see their direction ahead of time, the selected SACCOs should adapt and implement the leverage ratio.

Table-9: SACCOs' Financial Positions (in Birr)

Sl. No.	Name of SACCO	Assets	Liabilities	Equity	Leverage Ratio (Liability/ Equity)
		Dec. 2011	Dec. 2011	Dec. 2011	
1	Geterlemat	583,397.64	549,172.31	34,225.33	16.05
2	Abela	393,155.62	347,563.21	45,592.41	7.63
3	Burqa	321,020.48	258,850.17	62,170.33	4.17
4	Qinite	135,464.64	107,131.45	28,333.19	3.79
	Total	1,433,038.38	1,262,717.14	170,321.26	

2.1 Protection (P1, P2 and P6)

The primary goal of evaluating the Protection indicators is to ensure that the SACCOs provide members and other depositors a safe place to save their money. Provisions for loan losses are the first line of defense against unexpected losses. Allowances for loan losses are essential, since delinquency signals that loans are at risk; thus, SACCOs can set aside earnings to cover those possible losses so that member-client savings remain protected.

The most critical ratio under Protection is P1. The goal of P1 is to have 100% provisions for loan losses from loans that are greater than 12 months delinquent. Accurate measurement of delinquency (total outstanding balance of portfolio-at-risk at 30 days), indicator A1, is integrally linked to the creation of adequate allowances for loan losses. The Protection section considers loan write-offs, on a quarterly basis, for loans delinquent greater than 12 months (P3 and P4).

The practice of writing-off loans is important because after a loan is delinquent for one year, it is unlikely the SACCOs will receive repayment of that loan. As a result of the write-off, the balance sheet will state accurately the value of the SACCOs' assets. To write-off a loan does not mean the SACCOs stops seeking to collect payment on the loan; for this reason, protection indicators also consider amounts recovered from written-off loans (P5). The last indicator under the Protection heading is P6, Solvency. This indicator measures the relative worth of one birr in member-client savings after adjusting for known and probable losses. The formula for calculating protection ratio is:

$$\frac{[(\text{Total Assets} + \text{Total Allowances}) - (100\% \text{ of Loans Delinquent} > 12 \text{ Months} + 35\% \text{ of Loans Delinquent from 1-12 Months} + \text{Total Liabilities} + \text{Problem Assets}) - \text{Deposits}]}{\text{Total Shares and Total Deposits}}$$

Table-10: Protection: P1, P2, and P6

P1: Allowance for Loan Losses/Delinquency more than 12 months					
Name Of SACCO	Goal	2008	2010	20011	Average
Geterlemat	100%	-	-	-	-
Abela		-	-	-	-
Burqa		-	-	-	-
Qinite		-	-	-	-
P2: Net Allowance for Loan Losses/Delinquency of 1-12 months					
Geterlemat	>= 35%	-	-	-	-
Abela		-	-	-	-
Burqa		-	-	-	-
Qinite		-	-	-	-
P6: Solvency i.e. Net value of assets/ Total share & Deposit					
Geterlemat		4.45	6.27	6.73	5.82
Abela	>= 100	25.37	18.83	19.33	21.18
Burqa		5.35	18.45	20.26	14.69
Qinite		27.68	23.96	22.93	24.86

Major Protection Indicators

Standards of Excellence

- | | |
|--|--------|
| 1. Allowance for Loan Losses/
Delinquency > 12 months (P1) | > 100% |
| 2. Net Allowance for Loan Losses/
Delinquency of 1-12 months (P2) | >35% |
| 3. Net value of assets/
Total share and Deposit (P6) | > 100% |

The financial discipline of making allowances for loan losses (P1) is not practiced by all selected SACCOs. Similarly, the provision for loan losses which is required for loans delinquent between one and twelve months (P2) which is 35% according to RUFIP promotion guidelines is also not practiced. However, all the SACCOs have successful loan collection history due to the existence of strong mutual guarantee system.

Solvency (P6) measures the SACCO's ability to repay members share, saving and other debts. The solvency ratio allowance for risk assets is calculated by using their total asset, saving and shares only. As shown in table 13, the degree of protection (P6) result for members' savings and shares in the event of liquidation of the SACCO's assets and liabilities was 4-20 times less than the standard. This indicates that, all SACCOs had not set aside earnings to cover those possible losses; hence member-client savings are not protected.

2.2 Effective Financial Structure

The financial structure is the most important variable that affects growth, profitability and efficiency. The Effective Financial Structure area of PEARLS focuses on SACCO's sources of funds (savings, shares, external credit and institutional capital) and its uses of funds (loans, liquid investments, financial investments and non-earning assets). SACCOs has an effective financial structure when assets, financed by

savings deposits, generate sufficient income to pay market rates on savings, cover operating costs and maintain capital adequacy. Institutional capital, all legal reserves and surplus created either from the accumulation of net income or from capital donations, are the second line of defense to absorb unexpected losses.

Major Effective Financial Structure Indicators Standards of Excellence

- | | |
|--|-------------|
| 1. Net Loans/Total Assets (E1) | 70%-80% |
| 2. Savings Deposits/Total Assets (E5) | 70%-80% |
| 3. Member share capital/Total assets (E7) | 10%-20% |
| 4. External Credit/Total Assets (E6) | < 5% |
| 5. Net Institutional Capital/Total Assets (E9) | Minimum 10% |

According to the national SACCOs guideline, each SACCO that have a financial structure characterized by asset to liabilities match of approximately 70-80% of savings to total assets should be financed by approximately 70-80% of loans to total assets. Besides, in order to ensure SACCOs possibilities for growth and to protect them from defaults or economic downturns, it is imperative that the SACCOs should buildup institutional capital or reserve fund. This institutional capital should be separate and distinct from member share capital. Taking this fact in mind the financial structure of selected cooperatives has been analyzed and the results are given in table 11.

Table-11: Effective Financial Structure: E1, E5, E6, E7, and E9

E1: Net Loans/Total Assets					
Name Of SACCO	Goal	2008	2010	20011	Average
Geterlemat	70%-80%	104.83	88.13	85.70	92.89
Abela		279.90	77.42	63.59	140.30
Burqa		70.54	78.90	77.88	75.77
Qinite		85.62	99.38	81.72	88.91
E5: Savings deposit/Total assets					
Geterlemat	70%-80%	89.95	85.66	86.33	87.31
Abela		70.09	40.92	51.71	54.24
Burqa		93.38	73.69	77.55	81.54
Qinite		70.00	72.40	72.96	71.61
E6: External Credit/Total Assets					
Geterlemat	<= 5% (Max.5%)	0.00	0.00	0.00	0.00
Abela		0.00	48.15	31.85	26.67
Burqa		0.00	4.91	0.00	1.63
Qinite		0.00	0.00	0.00	0.00
E7: Member share capital/Total assets					
Geterlemat	10%-20%	2.11	1.23	0.87	1.40
Abela		19.71	6.61	8.29	11.54
Burqa		4.65	15.66	18.03	12.78
Qinite		23.82	19.78	18.26	20.62

E9: Net Institutional Capital/Total Assets					
Geterlemat	>=10% (Min.10%)	1.98	3.81	4.71	3.50
Abela		3.05	0.85	2.08	1.99
Burqa		0.59	0.82	1.34	0.92
Qinite		2.01	2.31	2.65	2.32

There is a great deviation within the results of effective financial structure indicators across SACCOs. This indicates that, all the SACCOs have a strong performance in their loan portfolio as a portion of total assets. Similarly, the E5 result indicates that all selected SACCOs, except Abela, build their asset on permanent base.

As the E6 result shows, all of the selected SACCOs except Abela, fit the national standard requirements which is maintaining the external credit to total asset below 5%. The E6 result of Abela become below the standard due to the society borrowed large amount of loan from Union.

Though the required goal for members' share capital to total assets ratio (E7) is 10-20 the result of Geterlemat SACCO become extremely below the standard due to wrong application of leverage ratio i.e.16.05:1.

Finally, none of the selected SACCOs had managed their financial resource to keep institutional capital to the standard which ranges from 0.59-4.71%. This situation clearly indicates that the institutional capital

of all the selected SACCOs was extremely below the standard due to low profitability of SACCOs. High amount of external credit (Abela) and operating expense (Qinite) was considered as the main reason behind poor profitability.

2.3 Asset Quality

Asset Quality refers to the ability of an asset to generate revenue which affects SACCO's profitability. It is essential that delinquency be measured correctly and minimized. This ratio is a measurement of SACCO's weakness because if delinquency is high, then other key areas of operations could be weak; e.g. loan loss provisions, capital and net income.

SACCOs also must monitor the ratio of non-earning assets to total assets and ensure that these non-earning assets are not financed by savings deposits, external credit or member shares. In addition to this, an excess of defaulted or delayed repayment of loan have negative effect on SACCO's earnings. With this indicator an attempt has been made to analyze the asset quality of selected SACCOs and the results are presented in table 15.

Major Asset Quality Indicators

1. Total Loan Delinquency/Gross Loan Portfolio (A1)
2. Non-earning Assets/Total Assets (A2)

Standards of Excellence

- <= 5%
- <= 5%

Table-12 : Asset quality: A1 and A2

A1: Total Loan Delinquency/Gross Loan Portfolio					
Name Of SACCO	Goal	2008	2010	20011	Average
Geterlemat	<= 5% (Max.5%)	2.53	0.13	0.19	0.95
Abela		0.00	1.68	1.42	1.03
Burqa		0.00	0.16	0.19	0.12
Qinite		0.00	0.00	0.36	0.12

A2: Non- earning Assets/Total Assets					
Geterlemat		0.02	0.40	1.02	0.48
Abela	<= 5% (Max.5%)	0.42	1.65	1.38	1.15
Burqa		0.00	0.67	0.00	0.23
Qinite		1.53	0.36	0.44	0.78

The results indicate that total loan delinquency to gross loan portfolio (A1) ratio of all the selected SACCOs was less than 2.53% thorough out the period, which is good performance against the maximum goal (5%) indicate the high quality of loan portfolio. Similarly, non-earning assets to total assets (A2) ratio is also less than 1.65%, which is outstanding performance compared to the benchmark.

2.4 Rates of Return & Costs

This indicators monitor the return earned on each type of asset and the cost of each type of liability. Yields and costs directly affect the growth rates of SACCOs and the intent is to: pay real rates of return on savings and shares, charge rates on loans that recover all costs and pay competitive salaries for employees.

Major Rates of Return & Costs Indicator

Standards of Excellence

- 1 Total Operating Expenses/Average Total Assets (R9) > 5%
2. Net Income/Average Total Assets (R12) > 5%

SACCOs are member-owned financial institutions, not profit making organizations. However, they need to earn sufficient profits so that they can build up institutional capital to the minimum 10%. All SACCOs earned a positive net income but, compared with other type of cooperatives in this district the net profit is low (SWMCP0, 2011). The major reason for lower profitability is that the selected SACCOs incurred high operating expenses when compared to their revenue.

Table-13: Rates of Return: R9 and R12

R9: Total Operating Expenses/Average Total Assets					
Name Of SACCO	Goal	2008	2010	20011	Average
Geterlemat	<= 5% (Max.5%)	4.71	7.17	4.71	5.53
Abela		4.40	1.87	0.78	2.35
Burqa		5.54	1.78	4.04	3.79
Qinite		13.31	27.63	18.96	19.97
R12: Net Income/Average Total Assets					
Geterlemat	>= 10% (Min.10%)	10.89	12.39	13.45	12.24
Abela		11.65	1.46	6.31	6.47
Burqa		0.89	3.37	3.89	2.72
Qinite		6.88	7.47	5.98	6.78

2.5 Liquidity

Managing liquidity is an essential component of administering SACCOs. The goal of L1, 15% serves to maintain short-term investment liquidity to respond to member-client withdrawal and disbursement demands. The goal of indicator L3, to maintain the ratio of costly non-earning liquid assets to less than 1% of total assets, is to minimize non-earning cash to most daily operational needs.

Major Liquidity indicators

Standards of Excellence

- | | |
|---|--------|
| 1. ST Investments + Liquid Assets – ST Payables/Savings Deposits (L1) | >= 15% |
| 2. Liquidity Reserve/Savings Deposits (L2) | >=10% |
| 3. Non-earning Liquid Assets/Total Assets (L3) | < 1% |

Regarding to the goal of L1 and L2 the national SACCOs promotion guideline 007/97, use the WOCCU recommended minimum liquidity ratio of 15% for L1 and 10% for L2. Having this fact the results indicate that all the selected SACCOs have not faced any difficulties to maintain a minimum of 15% L1 ratio. Moreover, since all cooperatives maintain their non earning liquid assets to total assets (L3) ratio below 1%, they have extremely high liquidity reserve (L2) which helps them to meet member-client withdrawal demands. The L3 results of all selected SACCOs become high due to the existence of significant value of current assets in comparison to fixed asset.

Table-14: Liquidity position of selected SACCOs: L1, L2 and L3

L1: Short Term Investments + Liquid Assets – Short Term Payables/Savings Deposits					
Name Of SACCO	Goal	2008	2010	20011	Average
Geterlemat	>=15%	111.18	116.75	115.71	114.55
Abela		142.10	240.57	190.92	191.20
Burqa		107.09	135.71	128.95	123.92
Qinite		142.91	137.62	136.76	139.10
L2: Liquidity Reserve/Savings Deposits					
Geterlemat	>=10%	45.79	30.25	15.40	30.48
Abela		94.91	89.16	99.13	94.40
Burqa		72.73	93.63	96.43	87.60
Qinite		69.90	92.42	93.84	85.39
L3: Non-earning Liquid Assets/Total Assets					
Geterlemat	<1%	0.02	0.40	0.92	0.44
Abela		0.02	0.09	0.10	0.07
Burqa		0.45	0.67	0.04	0.23
Qinite		0.83	0.00	0.22	0.35

2.6 Signs of Growth

'Signs of Growth' reflect member-client satisfaction, appropriateness of product offerings and financial strength. Growth directly affects a SACCO's financial structure and requires close monitoring to maintain balance; for example, growth in savings (S5) drives growth in total assets (S11), but if loans (S1) are not growing as quickly as savings, then the institution will have high liquidity (L1) and low earnings (R12). Similarly, as savings are growing, it is important to watch that institutional capital (S8) is increasing at a similar pace so that there will be a buffer to protect those savings against unexpected losses. The growth indicators of PEARLS can help SACCOs to maintain a balanced and effective financial structure.

Major Signs of Growth indicators	Standards of Excellence
1. Growth in loans amount/ loan portfolio (S1)	> 12%
2. Growth in Saving deposit (S5)	> 12%
3. Growth in Membership (S10)	> 12%
4. Growth in Total Assets (S11)	10-20%

As shown in table 15, the Growth in loan portfolio (S1) ratio of selected cooperatives ranges from 36.84 to 675.67 per cent. This result was 12 times higher than the standard set by RUFIP and indicates that all the selected cooperatives have a strong performance in providing loan.

Finally, the Growth in Total Assets (S11) ratio of sample SACCOs shows that, none of them faced any significant difficulties to maintain a minimum of 10-20% S11 ratio. This outstanding performance is because of increase in membership (Geterleemat & Qinite) and increase in members saving (Geterleemat, Abela, Burqa and Qinite). This result indicates that, the motivation of members to make investment in the form of saving in SACCOs will result better reward in the form of dividend than investing in other form of business

Table 15: Sign of growth: S1, S5, S10, and S11

S1:- Growth in Loans amount					
Name Of SACCO	Goal	2008	2010	20011	Average
Geterleemat	> 12%	47.13	65.56	36.84	49.84
Abela		108.93	59.54	59.54	84.24
Burqa		158.67	675.67	66.14	300.16
Qinite		126.70	245.83	41.20	137.91
S5:- Growth in Savings Deposits					
Geterleemat	> 12%	84.92	87.55	41.82	71.43
Abela		101.24	236.72	53.69	130.55
Burqa		156.80	447.26	77.15	227.07
Qinite		75.72	210.45	73.03	119.73
S10:- Growth in membership					
Geterleemat	> 12% (Min.12%)	18.52	7.29	14.56	12.74
Abela		7.45	17.51	18.60	6.87
Burqa		1.93	1.89	1.12	2.54
Qinite		22.22	21.21	12.50	24.85

Table 15: Sign of growth: S1, S5, S10, and S11

S11:- Growth in Total Assets					
Geterlemat	10-20%	198.60	96.94	40.70	112.08
Abela		72.79	476.78	21.75	190.44
Burqa		120.00	593.51	68.31	260.60
Qinite		82.87	197.93	71.71	117.50

Conclusion & Recommendations

The overall result of this study indicates that the selected SACCOs have a strong performance towards providing sustainable financial service in the study area. Moreover, to sustain this strong performance the participation of members in their SACCOs must be improved. Based on the data and results the following recommendations are forwarded.

1. In order to reach to the majority of rural poor and serve them on sustainable base, SACCOs should be financially strong and focus on mobilization of saving rather than injecting external funds for lending.
2. Emphasis should be given to promote the participation of the youth and women in the cooperative movement by means of providing training & education about the importance of cooperatives.
3. All of the selected SACCOs need to prepare annual plan and budget so that they could be able to evaluate their achievement against the Plan.
4. SACCOs need to provide a diverse range of financial products such as crop insurance, remittance and payment services etc based on the demand of their members.
5. SACCOs need to offer a fair rate of interest for both regular & voluntary savings.
6. Currently savings and credit cooperatives have been offering only one type of loan product i.e. a 3:1 multiple of a member's savings balance. These types of loans are not flexible enough to meet members' diverse credit needs. Hence, SACCOs introduce a greater variety of credit products, such as housing loans, and use better tools to assess and manage loan risk.

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AUDIENCE ENGAGEMENT BEHAVIOUR TOWARDS TELEVISION ADVERTISEMENTS

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ABSTRACT

Huge traffic in marketing communication leads to avoidance of advertisements. Audiences are loaded with over information through television and other media. There is need to attract the audiences through different methods of expressing the intended messages to them in an innovative way. This article focuses on the ways of engaging the audience in watching the advertisements and influencing them in reacting to the communication. Advertisements act as a vital tool in marketing and in influencing the audience. Immense efforts and money is invested in this process. If the ads get unnoticed by the audience the efforts and investment becomes a vain. This study particularly attempts to exhibit the methods of engaging the audience and influence them in purchasing the products.

Keywords: Audience behaviour, Engagement behavior.

Introduction

Advertisement is a potent tool of marketing and the most vital component of promotional activity. In the contemporary era, the influence and impact of advertisement over both the classes and the masses has refined the entire ambience of marketing. So great is the power of advertisements to influence the buyer's decision that it has become mandatory for sellers to allocate fat budgets to the advertising of their products. "Advertising is a useful source of reflection on representation in consumer research because it is a succinct metaphor for the wider marketing industry" (Chris, 2003). Engaging them to watch the advertisements is vital in the process of Marketing Communication. The advertisement industry is one of the most dynamic industries in the world as the process of buying is a continual action and the choice making of customers is in a state of constant flux and audience engagement.

Thomas (1996)² studied the aspects of advertising and hype created by ads and highlighted the effects of it. Advertising can create awareness on products

as well as brands. Brand awareness in customers a) creates the possibility of purchase b) helps them to see a brand in the store c) biases people in favour of the known brand. Advertisements can communicate unknown facts of the products and services and can suggest a better brand to the prospective customers.

Aaker et al. (1997)³ suggested that the proficient advertising man must understand the psychology of advertising. He must learn that certain effects lead to certain reactions, and increase the results by avoiding mistakes.

Weilbacher (1984)⁴ opined that advertising is a form of communication that provides useful and relevant information to the audience to act immediately or to use it at the time of purchase. He also states that advertising is a fraction of the incoming messages seeks to attract attention of the audiences and to convert the loyalty to products, services and institutions. Relevance of information is vital in approaching the audience and converting them to go for the products and services.

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¹Chris Hackley, (2003), "Divergent Representational Practices in Advertising and Consumer Research: Some thoughts on Integration", *Qualitative Market Research – An International Journal*, Vol 6, No.3, pp 175-183.

²Thomas, Jerry W. "To Succeed in Advertising, Believe the Hype", *Nation's Restaurant News* 30, 43 1996, p 30.

³Aaker, David A; Myer. John G and Batra Rajeev, *Advertising Management*, Prentice Hall of India (pvt) Ltd; 1997 p3.

⁴Weilbacher, William, *Advertising*, Macmillan Publishing Co; 1984: p13, 195

Audience engagement is vital in getting the desired impact so that their interest towards watching the advertisements should be enhanced. Eye catching visuals and apt verbal messages may contribute in enhancing their interest. They watch the advertisements more than once and many research studies have proved that ads frequently watched by the audience will increase the chances of buying. So, advertisers and ad creators should focus on the features and effective components to make the ad better by keeping the products and audience interest in mind. The aim of this research also focuses on traits of the advertisements which engage the audience in watching them and reacting to them. The study is conducted by using aided recall method in understanding the effectiveness of advertising.

Objectives of the Study

Television is a medium which carries the messages to mass audience. Individuals differ in their interests and preferences. This study has the objectives to understand the behaviour of the audience and their preferences in watching television advertisements. The following objectives were considered

- To examine various features of television advertisements that engage the audiences
- To position the selected television advertisements based on the attributes measured

Review of Literature

Advertising is created for and targeted at the audience. Therefore the importance of audience reactions to advertisements has been studied at various intensities by researchers across the globe.

Brown (1985)⁵ in his study on "Ad recall" opined that among different commercials that do the same job, better-recalled commercials play a better role in changing the attitudes than the less recalled commercials. Further, it is discussed in his study that,

how far an ad changes attitudes, whether it changes attitude at all, is in general far more a finding about the attitude and the brand concerned than it is about the advertising.

Karunesh et al. (2007)⁶ discussed the importance of television channels and the time of appearance of advertisements in television channels to the target audience. They felt these factors a vital role in influencing the audience in decision making. The relevance of channel and the time chosen to present the marketing messages to the target audience should be chosen carefully to get the desired impact.

Surendra and Jacqueline (1989)⁷ examined the effects of viewer excitement as evoked by TV programs on the impact of commercials embedded in such programs. High arousal programs enhance the remembrance level of the viewer on the commercial content than the low arousal programs. Exciting programs induce positive moods and enable them in recalling the commercials whereas in case of irritating commercials audience advocates to avoid the products. In the conclusion, it is opined that suspenseful or emotional programs that induce intense arousal can be expected to influence purchase and consumption behaviours.

Swee and Sharon (2000)⁸ explored the dimensions of creativity – novelty, meaningfulness and emotion on attitude toward the brand and purchase intention. The results of the study indicated that novelty enhanced the effectiveness of the ads, as compared to familiar ads when the novel (unexpected) ads depicted positive feelings. The result is opposite when there are negative feelings. Relevance was not a critical factor in encouraging favourable responses when the ad is unexpected. The study identified unexpected, relevant – positive ad feeling used as the baseline, a creative ad generated more favourable attitude toward the ad than other ad conditions only in selected conditions.

⁵Brown Gordon (1985), "Tracking Studies and Sales Efforts", *Journal of Advertising Research*, 25(1), pp 52-64

⁶Karunesh Saxena, Pramod Paliwal and Pooja Tripathi (2007), "An Empirical Study of Compatibility of Advertising Channels and Product Categories", *Indian Journal of Marketing*, 37(7), pp 3-7

⁷Surendra N Singh, Jacqueline C Hitchon (1989), "The Intensifying Effects of Exciting Television Programs on the Reception of Subsequent Commercials", *Psychology & Marketing*, 6(1), pp1-31

⁸Swee Hoon Ang and Sharon Y M Low (2000), "Exploring the Dimensions of Ad Creativity", *Psychology & Marketing*, 17(10), pp 835-854

Noor and Osman (2004)⁹ examined the attitudes of Malaysian children towards television advertising. The study was aimed to assess the effects of communication outcomes of television advertising, targeted at children, influence of children's attitude on parent's purchases, preferences towards products, themes and types of TV ads. The results of the study revealed that children preferred ads with humour appeal, followed by ads with music, song and voice-overs. Children influenced their parents in purchasing products of their preferences. The study suggested that the researchers should not generalize the impact of TV ads on audience category as the results differ in child segment. The study further recommended conducting a comparative study on differences between the attitudes of children and youth.

William and Sidney (1998)¹⁰ examined the analyses of group differences in response to commercials and how to prepare and conduct continuous likeability measurement analyses. Likeable ads perform better than the recallable and persuasive ads. The major findings of the study revealed that a) liked ads are noticed and remembered by the audience b) they are associated with positive brand attitudes and c) liked ads are associated with positive brand attitude repetitions. The study suggested that continuous likeability measurement strategy could lead to improved ads and it was a viable tool for the measurement of emotional response to advertising.

Lars and John (2008)¹¹ examined the role of advertising likeability in predicting the performance of ad campaigns. The likeability level varied from high to low from one product to another. The findings of the study were based on an experimental design and are proving whether advertising likeability causes purchase, because individuals who like the ad could be different individuals from

those who purchase the product. Four different ads were used in the study and for each ad the ad likeability in the copy test significantly predicted brand attitude but failed to predict campaign-induced brand attitude in the post test.

Alwitt and Prabhaker (1994)¹² in their study identified people who dislike television advertising with specific interaction between demographics and viewers' reasons for their attitude to television advertising. The major findings of the study indicated that viewers generally dislike television advertising just as they have in the past, demographic characteristics alone cannot be used to identify the audience who dislike and some specific reasons for their attitudes to TV advertising interact with particular demographic characteristics to influence this overall attitude.

Literatures collected and reviewed became an aid in developing the questionnaire, in understanding the existing level of research stuff on advertising, and finding the gap. Most of the studies conducted in India had taken the "unaided - recall" method of measuring the effectiveness of the ads. The respondents involved in these research processes give responses based on the memory power they have i.e. the ads watched by them was assessed after a long period. The responses given by them may affect the real impact on them, because there will be a long interval between the period of the ads were watched by them and the responses provided by them as input for research. In this research the gap is eliminated by using the aided recall method. Ten selective regional ads were chosen and the impact and preferable factors of those advertisements were assessed in this research.

Research Methodology

The study is designed to explore the behaviour of audience towards television advertising and its

⁹Noor Hasmini A Ghani and Osman M Zain (2004), "Malaysian Children's Attitude towards Television Advertising", *Advertising and Marketing to Children*, April/June, pp41-51

¹⁰William H Murphy and Sidney S L Tang (1998), "Continuous Likeability Measurement", *Marketing Research*, summer, pp 29 -35

¹¹Lars Bergkvist and John R Rossiter (2008), "The Role of Ad Likeability in Predicting an ad's Campaign performance", *The Journal of Advertising*, 37(2), pp 85-97

¹²Linda F Alwitt and Paul R Prabhaker (1994), "Identifying who Dislikes Television Advertising: Not by Demographics Alone", *Journal of Advertising Research*, Nov/Dec, pp 17-29

impact. The research type adapted to this study is descriptive research. The study describes the audience behaviour towards television advertisements and understands the reasons behind it. Convenience sampling method was adopted for the study. The population above 18 years of age in these two districts was considered as sample for the study. Majority of the population are agricultural labourers and they were not ready to spend time to respond to the questionnaire. This made the researcher to adopt the convenience sampling method that gives flexibility to approach, only those who are ready to spend time and respond to the questionnaire. The sample size for the study is 370. Field survey method was employed to collect the primary data from the selected 370 respondents with the help of a well framed questionnaire. Ten television advertisements of the regional language (i.e. Tamil) were shown to the respondents and their opinion on those advertisements were drawn from them. The advertisements are Ashirvad, Fair & Lovely, Fevicol, Hamam, Lakme, Mentos, Parachute, Power soap, Sugar Free, Surf Excel. The advertisements were selected from 20 popular

regional ads and the respondents participated in the pilot study were asked to rank them. Care was taken in wording the questions in the questionnaire because poorly worded questions can cause respondents to report miscomprehension even though they actually comprehend the message (Lynn et.al. 1992)¹³. The questionnaire was distributed to 20 respondents for pretesting and pilot study was also conducted. Pretesting was done to ensure reliability and validity of the questionnaire.

Results and Discussion

This section focuses on analyzing the data... The chapter begins with the demographic profile of the respondents and followed by features of television advertisements that influence them.

Demographic Profile of Respondents

Individuals are different in their tastes and preferences. Demographic factors of respondents play a major role in influencing their purchase decisions. Table 1 explains the demographic profile of the respondents involved in the study.

Table-1 : Demographic Characteristics of the Respondents

	Characteristics	No. of Respondents	Percentage (%)
Sex	Male	196	53
	Female	174	47
Age	<30	220	59.5
	31- 45	86	23.2
	>45	64	17.3
Marital status	Married	130	35.1
	Unmarried	240	65.1
Education	No formal Education	33	8.9
	School level	103	27.8
	Graduate	143	38.6
	Post Graduate	91	24.6
Occupation	Agriculturist	22	5.9
	Employee	168	45.4

¹³Lynn J Jafee, Jamieson, Linda F and Paul D Berger, "Impact of Comprehension, Positioning and Segmentation on Advertising Response", *Journal of Advertising Research*, May/June 1992, pp 24-33

	Professional	103	27.8
	Businessman	8	2.2
	Housewife	37	10
	Student	32	8.6
Annual Income	Below 3 lac	77	20.8
	3-6 lac	218	58.9 %
	Above 6 lac	75	20.3

Specific benefits of television advertisements felt by the audience are discussed in table 2.

Table-2: Benefits felt by the respondents through TV Advertisements

Sl.No.	Benefits	No. of Respondents	Percentage
1	Educates	248	67.0
2	Gives more knowledge on product features	253	68.4
3	Information on offers and discounts	211	57.0
4	To know the new arrivals	279	75.4

(Note: Percentage in the table refers to the percentage of the total number of respondents (370))

Various roles of advertising are discussed in this section. In this multiple- response question, i.e. respondents have given multiple options to respond and their opinions on the benefits were drawn from the given set. Table 5.10 depicts the perceived benefits of the respondents on television advertisements. 67 percent of the total number of respondents felt that television advertisements educates them, 68.4 percent of them felt that ads give them more knowledge on product features, 57 percent of them opined to know the information on offers and discounts. Majority (75.4 percent) of the respondents' opinion reveal that they watch advertisements to know the new arrival of products and services in the market. Thus, television advertisements give a multiple usage to the advertisers. They can be used by the advertisers to inform the new products and be successful. FMCG

sector in the industry introduces new products frequently, so television can be a right medium to convey the messages to the customers..

Opinion on Attributes of Television Advertisements

Television has a lot of positive effects and influences on audience. It gives helpful information to decide upon products. Attention and interest of the audience depends upon the attributes of the advertisements. In this study, to understand the perception of the audience on attributes of television advertisements, the sample respondents were interviewed with a set of 14 attributes. They were asked to rate the attributes in a five point scale from 1 to 5, (1 = strongly agree, 2 = agree, 3 = neutral, 4 = disagree and 5 = strongly disagree). The important attributes of television advertisements are identified based on the weighted average scores calculated.

Table-3 : Opinion on Attributes of Television Advertisements

Sl. No.	Ad Attributes	1 (5)	2 (4)	3 (3)	4 (2)	5 (1)	Mean Score	Rank
1	Entertaining	207	112	40	11	0	4.4	2
2	Informative	54	187	117	12	0	3.8	4
3	Familiar	52	140	154	12	12	3.6	6
4	Believable	41	106	118	105	0	3.2	8
5	Simple	30	129	124	69	18	3.2	8
6	Worth remembering	95	130	82	63	0	3.7	5
7	Relevant to the product	75	193	73	12	17	3.8	3
8	Helpful to decide a brand	64	100	124	82	0	3.4	7
9	Convincing	52	35	158	102	23	3.0	10
10	Interesting	79	75	77	94	45	3.1	10
11	Recallable	30	104	142	70	24	3.1	10
12	Meaningful	29	99	170	36	36	3.1	10
13	Likeable	58	63	112	72	65	2.9	14
14	Easily Understandable	333	37	0	0	0	4.9	1

(Note: Figures given in brackets are the weights assigned)

Mean Score = Σ (Number of Responses * Weights assigned) / Total number of Respondents

Further the respondents opined that the ads watched by them are familiar and this factor was ranked sixth, and the ads watched by them were helpful to decide a brand. The ads watched by them were also believable and simple and ranked equally and was followed by other factors such as convincing, boring, irritating and meaningless. Many of the respondents disagreed that the advertisements watched by them makes false promises and ranked last in the listed attributes.

Factor Analysis

Table-4 : Total Variance Explained

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.484	24.882	24.882	3.283	23.447	23.447
2	2.044	14.603	39.485	1.999	14.280	37.727
3	1.719	12.278	51.763	1.785	12.752	50.479
4	1.234	8.816	60.579	1.320	9.431	59.909
5	1.193	8.524	69.102	1.287	9.193	69.102

6	.991	7.080	76.182			
7	.962	6.869	83.051			
8	.707	5.049	88.101			
9	.496	3.544	91.645			
10	.389	2.780	94.425			
11	.324	2.313	96.738			
12	.238	1.702	98.441			
13	.120	.854	99.295			
14	9.876E-02	.705	100.000			

(Extraction Method: Principal Component Analysis.)

KMO (Kaiser – Meyer – Olkin) measures explaining sampling adequacy is 0.590. This shows that sample size is adequate enough (as greater than 0.5) to draw conclusions. Factor analysis is performed to extract the major factors influencing in viewing a television advertisement. Table 5.16 giving total variance explained shows that the factors extracted with Eigen values more than one are five and it has an explanatory power of 69.1 percent. So the five factors in television ads influence the viewers to a greater extent (70 percent). These factors are identified from the rotated component matrix and presented in Table 4

Table-5 : Rotated Component Matrix

Attributes	Component				
c	1	2	3	4	5
Entertaining	.221	-.130	.755	-3.267E-02	5.193E-02
Informative	.103	.806	-.111	-.206	-.139
Familiar	.302	.153	-.355	.535	6.664E-02
Believable	-.169	.759	-.254	.224	-3.719E-02
Simple	-.146	.786	.231	.146	.127
Worth remembering	-5.227E-02	4.720E-02	.890	6.441E-02	-6.834E-02
Relevant to the product	-.115	3.553E-02	.115	.592	-5.069E-02
Helpful to decide a brand	-.157	-1.624E-02	.135	.145	.855
Convincing	.821	-3.464E-02	-5.204E-02	-.233	.261
Interesting	.771	9.170E-02	.180	-.211	-.238
Recallable	.729	4.249E-02	.264	.352	-.187
Meaningful	.717	-.127	-.126	.541	-9.828E-02
Likeable	.853	-.291	-2.668E-02	5.126E-02	-1.043E-02
Easily Understandable	3.873E-02	-1.673E-02	-.115	-.159	.579

(Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.a. Rotation converged in 7 iterations.)

The variables with loadings 0.7 and more were selected. So the first factor is loaded with Attractive (Interesting, Recallable, Meaningful, and Likeable) elements in the ads. These variables influence the viewers to the extent of 23.4 percent. The second factor that influences the viewers (to the extent of 14.2 percent) when watching a TV Advertisements are: informative, believable and simple. The third factor that influences viewers are entertaining and worth remembering (to the extent of 12.7 percent). The fourth factor include (to the extent of 9.4 percent): meaningful, familiar and relevant to the product and the fifth factor is helpful to decide a brand (to the extent of 9.1). Thus these factors are the major influencing factors of Television advertisements influencing the opinion of audience. In order to understand the influence of demographic

variables of audience on watching television advertisements and their association is studied.

Positioning of TV Advertisements based on Attributes Measured

Respondents were involved to render their opinion on the ads liked and disliked by them based on the attributes of the advertisements and they were rated by them. Ten television advertisements were selected and shown to the respondents and they are asked to rate the ads based on various items (viz. Persuasiveness, relevant, informative, recallable, simple, surprising, precise, likeable, credible, unique) comprised in it. The rating was done on a five point scale (where 1 - strongly agree, 2 – agree, 3 – neutral, 4 - disagree and 5 - strongly disagree) and the results are presented in Table 6 and discussed with weighted average ranking.

Table-6 : Positioning of selected TV Advertisements based on Attributes Measured

Attributes	1 (5)	2 (4)	3 (3)	4 (2)	5 (1)	Mean Score	Rank
Fevicol	211	93	53	0	13	4.3	1
Mentos	183	80	80	14	13	4.1	2
Fair & Lovely	107	170	80	13	0	4.0	3
Surf Excel	79	211	54	26	0	3.9	4
Parachute	67	171	119	13	0	3.8	5
Lakme	52	130	136	52	0	3.5	6
Ashirvaad	27	172	145	26	0	3.5	6
Sugar free	14	184	133	26	13	3.4	8
Hamam	13	106	212	39	0	3.3	9
Power soap	26	79	186	26	53	3.0	10

(Note: Figures given in brackets are the weights assigned

Mean Score = ? (Number of Responses * Weights assigned) / Total number of Respondents)

The ad for the brand Fevicol is a humorous advertisement and that particular attribute influence the audience more than any other appeal. Fevicol is followed by Mentos again an advertisement with humour as an appeal in it, Fair and lovely, Surf excel and Parachute. These ads are preferred for their unique qualities like humorous appeal, celebrity endorsement, and attractiveness. Informative ads like of the brands Ashirvad and Lakme were ranked equally as sixth and Sugar Free ad was ranked as eighth by the respondents. The advertisements of the brands Hamam and Power soap are ranked as ninth and tenth respectively by the audience.

Features of Television Advertisements that engages the Audience

The factors of television advertisements influences the audiences were identified using factor analysis. Six factors in television advertisements influence the viewers to a greater extent. The first factor is loaded with high technology (use of animations and computer graphics) and sentimental features in ads. The second factor that influences the viewers when watching a TV advertisement is: handsome of the personality used for ad and the background and location. The third factor that influences viewers are creativity and the music effect. The fourth factor include: sports personality used and sexual appeal and the fifth factor is celebrity used and the humour factor involved. The sixth factor is the suspense involved in the ads. These are the major influencing factors of Television advertisements which influence the audience.

Positioning of TV Advertisements based on Attributes Measured

Ten advertisements were selected and shown to the respondents and their opinion on liking and disliking on various aspects of the advertisements were collected. They were asked to rank the ten advertisements. Fevicol, Mentos and Fair & Lovely were the most preferred advertisements. The first two ads have used humour as an appeal. Fair & Lovely has the combination of celebrity and effective visuals. The advertisements were positioned based on the strength of the dimensions are decided from the scores of group centroid functions. The advertisement that has the advantages of first dimension (i.e. Surprising) is of Parachute. The advertisement that has the strength over the second dimension (i.e. recall) is for the brand Fair & Lovely. The ad that has the inclination towards third dimension (i.e. credibility) is Mentos and the ad that inclines towards fourth dimension (i.e uniqueness) is of Surf Excel.

Conclusion

The study indicates the importance of television medium by the amount spent on TV advertisements, usefulness of television advertisements in making

purchase decisions and the benefits of television advertisements felt by the audiences. Attractive advertisements are welcomed by respondents. If the advertisements have likeable elements in it, they engage the audience and will create the desired results. Animated advertisements, humorous advertisements and advertisements endorsed by celebrities create impact in audience. A few advertisements disengage the audience while watching and those kinds of advertisements need to be eliminated. Audiences do not watch the advertisements if they are repetitive and uninteresting. If advertisements are created with likeable factors it will be watched by the audience and it engages and influences them towards purchasing.

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CONSUMER BEHAVIOUR TOWARDS SELECT HOUSEHOLD APPLIANCES IN RAMANATHAPURAM DISTRICT

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ABSTRACT

The study revealed that lifestyle characteristics have a great impact on the purchase behavior of the clusters. In a consumption environment, a person chooses a product or a brand, which seems to possess a maximum possibility of the definition or elaboration of his life style identity. Alternatively, a person makes a choice in a consumption environment in order to define or actualize his life style, identify it through the products or brands chosen. This paper highlights that, life style determinants of consumer purchase behaviour towards durable products in Ramanathapuram district.

Keywords: Consumer behaviour, Consumer purchase decision, Household Appliances

Introduction

Economic strength of a country lies its ability to employ all its available resources gainfully. This would be possible only when there is a steady and effective demand for goods and services, which is the pre condition for the ability and willingness of the people to purchase or pay for such goods and services. Ultimately, consumption function is the centre of all economic activities, which is largely influenced by the consumer behaviour.

An understanding of the economic, psychological and sociological characteristics of the consumer and their motives, attitudes cognitions and personalities can help to discover new market opportunities, to provide a shape segmentation of the market and meaningful strategies based on consumer response as a major variable. In brief, the understanding of consumer preference and emotion are important determinants for the success of the marketers and all that could vitiate influence the decisions relating to the identification of opportunities, product policy, channel of distribution, pricing, personal selling and promotional strategies. Thus the marketing concept is more consumers oriented. Hence the study of consumer behaviour is basic to all marketing activities.

Consumer Behaviour

Consumers' behaviour is a composition of four aspects viz., consumer preference, information search purchase decision and post purchase behaviour or satisfaction. These aspects are explained in detail in the following pages. Define consumer behaviour as "those acts of individuals directly involved in obtaining, using, and disposing of economic goods and services, including the decision processes that precede and determine acts".

Objectives of the Study

The specific objectives of this study are

1. To review the related literature, to have a better understanding of the present study.
2. To analyze the consumer behaviour towards select household appliances in Ramanathapuram District.
3. To identify the impact of factors influencing consumer purchase decisions of household appliances in Ramanathapuram District.
4. To give findings, suggestions and conclusion

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Methodology

The present study is descriptive in nature and adopts the survey method. A structured non-disguised questionnaire was used to collect information.

Primary data

The primary data were collected directly from the sample consumers through a well-devised interview schedule. Incomplete and inaccurate responses were dropped out, only the respondents having six household appliances namely Electrical cooker, Electrical induction stove, Micro oven, Multipurpose mixer, Refrigerator, Wed grinder sample for the purpose of the study. For data collection researchers visited the response at their homes more than once, because many respondents were busy in their work.

Secondary data

The secondary data for the study were collected from books, journals, research articles, magazines, reports, newspapers and websites. The researcher also visited the library of Indian institute of

management, Bangalore for the collection of materials.

Product Selection

To identify the products for the present study, the products used for the study were

- Electrical cooker
- Electrical induction stove
- Micro oven
- Multipurpose mixer
- Refrigerator
- Wed grinder

Sampling Design

A sample is a representative part of the population. Systematic Random sampling method was followed for study. The researcher has decided to select a sample size of 700 household responds for different brands of product preferred by consumers. 100 respondents have been selected each Taluk of Ramanathapuram District. Taluk wise classification of respondents has been given in following table.

Break up of Respondents on Basis of Taluk

Sl.No.	Name of the Taluk	No. of Respondents
1	Kadaladi	100
2	Kamuthi	100
3	Mudukulathur	100
4	Paramakudi	100
5	Ramanathapuram	100
6	Rameswaram	100
7	Tiruvadanai	100
Total		700

Consumers Perception- An Analysis

The purchase decision of a product depends on the opinion of the consumer of its need at home. This opinion regarding the product is shaped by their experience, the influence of the friends and relatives and the like. The opinion differs from individual to individual. In this section the researcher has tried to find out how the opinions on the purpose of buying the selected durables differ among various lifestyle segments. The purpose of buying the selected durables has been classified as essential goods, comfort goods, or luxury goods.

Opinion Regarding the Purpose for Electrical Cooker at Home

To analyse the opinion of the respondents regarding the purpose for Electrical Cooker at home they were asked to state if it was an essential product, a luxury product or a comfort product.

Table- 1 : Opinion Regarding the Purpose for Electrical Cooker

Cluster	Cluster Strength	Essential Product		Comfort Product		Luxury Product	
		N	%	N	%	N	%
Need Recognition Cluster	220	45	20.5	110	49.8	65	29.4
Domestic Purchase Cluster	392	89	22.7	174	44.4	129	32.9
High Technology Cluster	88	20	22.8	30	34.5	38	43.7

(Source: Primary data)

From the table -1 it is seen that among the Need Recognition Cluster 20.8% of the respondents feel that Electrical Cooker is an Essential Product, whereas 49.8% of them feel it to be a Comfort Product and 29.4% feel it to be a Luxury Product. Among the Domestic Purchase Cluster 22.7% of the respondents feel that Electrical Cooker is an essential product, whereas 44.4% of them feel it to be a Comfort Product and 32.9% feel it to be a Luxury Product. Among the High Technology Cluster 21.8% of the respondents feel that Electrical Cooker is an Essential Product, whereas 34.5% of them feel it to be a Comfort Product and 43.7% feel it to be a Luxury Product. From the above table it is seen that the Domestic purchase and the Need recognition cluster members consider Electrical Cooker as a comfort product. But according to the High Technology cluster it is a luxury product.

Opinion Regarding the Purpose for Electrical Induction Stove at Home

To analyse the opinion of the respondents regarding the purpose for Electrical Induction Stove at home they were asked to state if it was an essential product, a luxury product or a comfort product.

Table- 2 : Opinion Regarding the Purpose for Electrical Induction Stove

Cluster	Cluster Strength	Essential Product		Comfort Product		Luxury Product	
		N	%	N	%	N	%
Need Recognition Cluster	220	45	20.5	110	49.8	65	29.4
Domestic Purchase Cluster	392	89	22.7	174	44.4	129	32.9
High Technology Cluster	88	19	22.8	30	34.5	38	43.7

(Source: Primary data)

From the table -2 it is seen that among the Need Recognition Cluster 20.8% of the respondents feel that Electrical Induction Stove is an Essential Product, whereas 49.8% of them feel it to be a Comfort Product and 29.4% feel it to be a Luxury Product. Among the Domestic Purchase Cluster 22.7% of the respondents feel that Electrical Induction Stove is an essential product, whereas 44.4% of them feel it to be a Comfort

Product and 32.9% feel it to be a Luxury Product. Among the High Technology Cluster 21.8% of the respondents feel that Electrical Induction Stove is an Essential Product, whereas 34.5% of them feel it to be a Comfort Product and 43.7% feel it to be a Luxury Product. From the above table it is seen that the Domestic purchase and the Need recognition cluster members consider Electrical Induction Stove as a comfort product. But according to the High Technology cluster it is a luxury product.

Opinion Regarding the Purpose for Micro Oven at Home

To analyse the opinion of the respondents regarding the purpose for Micro Oven at home they were asked to state if it was an essential product, a luxury product or a comfort product.

Table-3 : Opinion Regarding the Purpose of Micro Oven

Cluster	Cluster Strength	Essential Product		Comfort Product		Luxury Product	
		N	%	N	%	N	%
Need Recognition Cluster	220	49	22.3	111	50.2	60	27.1
Domestic Purchase Cluster	392	95	24.2	196	50	101	25.8
High Technology Cluster	88	19	21.6	51	58.6	18	20.7

(Source: Primary data)

From the table -3 it is seen that among the Need Recognition Cluster 22.6% feel Micro Oven to be an Essential Product, 50.2% feel it to be a Comfort Product and 27.1% feel it to be a Luxury Product. Among the Domestic Purchase Cluster 24.2% feel Micro Oven to be an essential product, whereas 50% of them feel it to be a Comfort Product and 25.8% feel it to be a Luxury Product. Among the High Technology Cluster 20.7% feel Micro Oven to be an Essential Product, whereas 51.0% of them feel it to be a Comfort Product and 20.7% feel it to be a Luxury Product.

Opinion Regarding the Purpose for Multi Purpose Mixer at home

To analyse the opinion of the respondents regarding the purpose for Multi Purpose Mixer at home they were asked to state if it was an essential product, a luxury product or a comfort product.

Table- 4 Opinion Regarding the Purpose for Multi Purpose Mixer

Table- 4 : Opinion Regarding the Purpose for Multi Purpose Mixer

Cluster	Cluster Strength	Essential Product		Comfort Product		Luxury Product	
		N	%	N	%	N	%
Need Recognition Cluster	220	137	62.3	41	18.6	42	19.0
Domestic Purchase Cluster	392	244	62.2	113	28.9	35	8.9
High Technology Cluster	88	39	44.3	35	40.2	14	16.1

(Source: Primary data)

From the table - 4 it is seen that among the Need Recognition Cluster 62.4% of the respondents feel that Multi Purpose Mixer is an Essential Product, whereas 18.6% of them feel it to be a Comfort Product and 19.0% feel it to be a Luxury Product. Among the Domestic Purchase Cluster 62.2% of the respondents feel that Multi Purpose Mixer is an essential product, whereas 28.9% of them feel it to be a Comfort Product and 8.9% feel it to be a Luxury Product. Among the High Technology Cluster 43.7% of the respondents feel that Multi Purpose Mixer is an Essential Product, whereas 40.2% of them feel it to be a Comfort Product and 16.1% feel it to be a Luxury Product.

From the above discussion it can be seen that Multi Purpose Mixer is assumed to be an essential product by all the three cluster members.

Opinion Regarding the purpose for Refrigerator at Home

To analyse the opinion of the respondents regarding the purpose for refrigerator at home they were asked to state if it was an essential product, a luxury product or a comfort product.

Table -5 Opinion Regarding the Purpose for Refrigerator at home

Cluster	Cluster Strength	Essential Product		Comfort Product		Luxury Product	
		N	%	N	%	N	%
Need Recognition Cluster	220	189	85.9	25	11.3	6	2.7
Domestic Purchase Cluster	392	340	86.7	36	9.2	16	4.1
High Technology Cluster	88	65	73.9	13	14.9	10	11.5

(Source: Primary data)

From the table -5 it is seen that among the Need Recognition Cluster 86% of the respondents feel that refrigerator is an Essential Product, whereas 11.3% of them feel it to be a Comfort Product and 2.7% feel it to be a Luxury Product. Among the Domestic Purchase Cluster 86.7% of the respondents feel that refrigerator is an essential product, whereas 9.2 % of them feel it to be a Comfort Product and 4.1 % feel it to be a Luxury Product. Among the High Technology Cluster 73.6% of the respondents feel that refrigerator is an Essential Product, whereas 14.9% of them feel it to be a Comfort Product and 11.5% feel it to be a Luxury Product.

Opinion Regarding the Purpose for Wed Grinder at Home

To analyse the opinion of the respondents regarding the purpose for Wed Grinder at home they were asked to state if it was an essential product, a luxury product or a comfort product.

Table -6 Opinion Regarding the Purpose for Wed Grinder

Cluster	Cluster Strength	Essential Product		Comfort Product		Luxury Product	
		N	%	N	%	N	%
Need Recognition Cluster	220	179	81.4	33	14.9	8	3.7
Domestic Purchase Cluster	392	282	71.9	88	22.5	22	5.6
High Technology Cluster	88	59	67.0	20	23	9	10.3

(Source: Primary data)

From the table -6 it is seen that among the Need Recognition Cluster 81.4% of the respondents feel that Wed Grinder is an Essential Product, whereas 14.9% of them feel it to be a Comfort Product and 3.7% feel it to be a Luxury Product. Among the Domestic Purchase Cluster 71.9.0% of the respondents feel that Wed Grinder is an essential product, whereas 22.5% of them feel it to be a Comfort Product and 5.6% feel it to be a Luxury Product. Among the High Technology Cluster 66.7% of the respondents feel that Wed Grinder is an Essential Product, whereas 23% of them feel it to be a Comfort Product and 10.3% feel it to be a Luxury Product.

From the above discussions it can be seen that the respondents of all the three clusters feel Wed Grinder to be an essential product.

Impact of Income on Consumer Behaviour & Lifestyle Characteristics

The next demographic variable considered for the analysis is income. Using the multivariate analysis the impact of income on the lifestyle dimensions was analyzed and the results are shown in table - 7.

Table -7 Impact of Income on Consumer Behaviour & Lifestyle Characteristics

Consumer behaviour and Lifestyle characteristic	Need recognition Cluster		Domestic purchase Cluster		High Technology Cluster	
	F	Sig	F	Sig	F	Sig
Frivolous time	2.266	0.134	3.896	0.049*	0.476	0.493
Gregarious approach	0.513	0.475	5.612	0.018*	2.762	0.101
Meticulous approach	0.102	0.750	0.357	0.550	0.302	0.584
Peculiarity	0.179	0.672	0.054	0.816	1.556	0.216
Domestic approach	0.216	0.643	10.288	0.001*	0.451	0.504
Go-getters	0.040	0.843	4.480	0.035*	0.320	0.573
Product characteristics	0.697	0.405	5.156	0.024*	0.086	0.770
Purchase materialization	0.009	0.926	3.993	0.046*	2.821	0.097
Quality conscious	0.058	0.809	3.166	0.076	0.010	0.919
Perceived notions	0.053	0.817	2.267	0.133	6.993	0.010*

*Degree of Freedom = 1 * Significant at 5% significance level*

(Source: Computed for Primary Data)

From the table - 6 it can be seen that income does not have any influence on the members of the purchase-oriented cluster that is all income group members prevail in this cluster. Income has a very great impact on the members of the Domestic purchase cluster. There is a significant difference between income and usage of leisure time ($F = 3.896$), Level of Gregarious approach ($F = 5.612$), Domestic approach ($F = 10.288$), information search ($F = 4.480$), Product characteristics ($F = 5.516$) and Purchase materialization ($F = 3.993$)

Being Domestic purchase group, their level in the Domestic approach is greatly determined by the income of the respondents. Though all the members in this group search for the information regarding the products, the level of seeking information differs with the income within the group.

Income does not have a great impact on the High technology cluster. It can be seen that income has an impact only on the perception factor of lifestyle ($F = 6.993$) that is the Perceived notions changes with change in the income level.

Suggestions and Recommendations

- **The need recognition cluster** members are people who are very loyal to the shops. They buy only from stores on which they can count on the product guarantee. As they do not keep the products for more than 5 years, this cluster is a potential segment for the market. Marketer in this case can use promotional appeals, discounts credit periods and the like to motivate the consumers in this segment.
- **Domestic purchase cluster** members are active information seekers. They tend to shop more frequently, visit variety of stores and exhibitions to compare the products, style, quality, price before they make their final choice. Hence display of goods at stores must match the lifestyle of the consumer's whom the marketer intends to approach.
- **High technology lifestyle cluster** are people who are very interested in trying new products and fashions. They always want to be the trendsetters. This would always lead to make

them opinion leaders who in turn would influence the buying patterns of their peers, friends and relatives. Hence marketers must always keep this segment members abreast of the new products introduced.

- The preference has profound on consumers' purchase behaviour. This gives a clear signal for the manufacturer and marketers of popular brands to sustain their brand loyalty. The makers of weak brands shall strive to find out their reasons for their unpopularity and venture on strategies to step up the market share in both the explored and unexplored areas.
- To achieve success in the market, it has become highly inevitable to produce goods in such a manner as preferred by the customer, as he is the king around whom the entire marketing activity revolves. It can be said that the modern market is consumer oriented and any product success or failure is determined only by the consumers.

Conclusion

This present study concluded that, the consumer behavior have a great impact on the household appliances of the clusters. In a consumption environment, a person chooses a product or a brand, which seems to possess a maximum possibility of the definition or elaboration of his life style identity. Alternatively, a person makes a choice in a consumption environment in order to define or actualize his life style, identify it through the products or brands chosen. It can be assumed that the individual's consumption behavior can be predicted from an understanding of how he represents his world to himself, if the details of his life style system are known.

The household appliances like Electrical cooker, Electrical induction stove, Micro oven, Multipurpose mixer, Refrigerator, Wed grinder were once considered as life purchase but now people become more open to the idea of exchanging their old appliances for new ones. The relationship between consumer behavior and household appliances can thus be seen as an individual's purchases and use of products and services where these choices constitute part of his life style expression and its reflection.

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SOCIO-ECONOMIC CONDITION OF POWERLOOM ENTREPRENEURS IN ERODE DISTRICT, TAMILNADU-AN ANALYSIS

Dr. S. Manikandan•

ABSTRACT

The MSME sector covers the full range of medium and small enterprises. It includes industries using state of art of technology with medium capital investment. The SSI sector has played an important role in the Indian economy. The sector currently contributes 30% of the total industrial production in the country. SSI in India provided employment to nearly 27 million people. SSI sector has a crucial role to play in the economic development, one such industry is Powerloom sector. Powerloom sector is more labour intensive and less capital intensive and hence an ideally suited for our country where capital is scarce and labour is abundant. Powerloom sector products meet a substantial part of the essential requirement of rural and semi urban areas. This will play a significant role in uplifting and removal of poverty. This article highlights the role of state government, DIC, Govt. of India, Commercial banks, SIDBI & IDBI, as well as state finance corporation to promote Powerloom sectors in Erode District.

Introduction

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Currently, it contributes about 14% to industrial production, 4% to the GDP, and 17% to the country's export earnings. It provides direct employment to over 35 million people, which includes a substantial number of SC/ST, and women. The Textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

The Indian textiles industry is extremely varied, with the hand-spun and handwoven sector at one end of the spectrum, and the capital intensive, sophisticated mill sector at the other. The decentralized powerlooms / hosiery and knitting sector form the largest section of the Textiles Sector. The close linkage of the Industry to agriculture and the ancient culture, and traditions of the country

make the Indian textiles sector unique in comparison with the textiles industry of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country. The major sub-sectors that comprise the textiles sector include the organized Cotton/Man-Made Fibre Textiles Mill Industry, the Man-Made Fibre / Filament Yarn Industry, the Wool and Woollen Textiles Industry, the Sericulture and Silk Textiles Industry, Handlooms, Handicrafts, the Jute and Jute Textiles Industry, and Textiles Exports.

Meaning of Powerloom

As the very name indicate that the loom operated by power is quite reverse to handloom. Powerloom means a loom which is worked by power usually in the range of 0.75 to 1.00 horse power. Power means electrical energy or any other form of energy which is mechanically transmitted, and it is not generated by human or animal energy. The powerloom are basically weaving factories, which get yarn from and get the cloth processed outside. Typically they are small firms. Since weaving itself is subject to limited economics of scale.

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Review of Literature

A few studies have attempted to examine the working of the textile and powerloom industry in Tamil Nadu, which are reviewed in this section. Tamil Nadu is a major player in the Indian textile industry in terms of production and export of yarn, fabrics, knitwear, made ups-and garments. Consequently, it is a major consumer of cotton and other raw materials and intermediates. However, the markets for all these items are greatly influenced by international trends as well as the trade policies of the Government of India. At present, Tamil Nadu, despite its significant presence in the industry, is not actively associated in the policy making processes of the Government of India affecting the industry. It is felt that in all such matters, the State should actively be involved in the decision making process.¹

Dutta² presents an overview of the textile industry in Tamil Nadu in which he reports that all the new fibres have considerable influence on the industry, economy and also society. He suggests that the Tamil Nadu textile industry should concentrate on stepping up value addition of textile more towards high value realization in the export market.

Despite being an important activity, powerloom units are not a homogeneous group with respect to income earned by them. Powerloom units fall into 3 distinct categories 12 per cent in High income, 36 per cent low income and the remaining 52 per cent in middle income). The low income units have not been able to upgrade quickly to the higher income brackets, but have been leaving powerloom weaving altogether.

Kumar states that the productivity of powerloom units has not been registering any significant increase. This has made them at the lower end of the value spectrum engaged in production of simple weaves very vulnerable to competition from the much more productive mill sector.³

Production and productivity of textile industry in Tamil Nadu has not made significant strides over the years. Further, the prices of cotton are strongly influenced by international production trends and prices as well as the trade policies of the Central Government. However, the clothing needs of the poorer sections of society are better served by increasing the use of synthetic fibres like polyester as these fabrics are lower in both initial and maintenance costs, more durable and more easily maintained than pure cotton fabrics. This is the trend worldwide as cotton fabrics are considered to be primarily for the wealthier sections of society. Therefore, ensuring the availability of such synthetic fibres at the right prices is an area that needs attention.¹⁸

Statement of the Problem

The Indian powerloom industry, like the agricultural sector has grown over the years and occupies a very prominent position in terms of its contribution to employment, national product and also foreign exchange. This industry has seen a steady and continuous growth and now occupies a significant position as it accounts for more than 60 per cent of total cloth production in the country. However, for a consistent growth and development of any industry, the Government's intervention in the form of attractive policy formulations, encouraging infrastructure build up and also a supportive subsidy regime is necessary, for developing country like India. This becomes even more pertinent in the case of powerloom industry given the fact that the industry is highly unorganised in the country and it is carried out like a cottage industry until now. There are numerous households who operate a few powerloom units in their own premises producing the grey cloth with very old technology and with no professional training at all. This is very similar to the agricultural sector, which is also quite huge in size, using primitive technology, illiterate or less

¹ Aruljothi, M.R., (2003), "The Role of Textile Industry in Tamil Nadu" *Journal of the Textile Association*" Vol. 64, November December, pp. 124-131.

² Dutta, Pradipkumar, (1995), "Social and Economic Values of Textile Fabrics", *The Tamil Nadu Textile Journal*, May, pp. 31-32.

³ Moorthy, A., (2007), "Problems of the Powerloom Units in Tamil Nadu," *Economic and Political Weekly*, Vol. XIII, No. 2, pp. 119-126.

Kumar, Sampath, (2006), "Powerlooms are here to stay", *Indian Textile Journal*, No 30, pp. 34-38.

⁵ Manohar. S., (2005), "Textile Industry and its performance in Tamil Nadu", *Southern Economist*, 15th June, pp. 19-22.

educated operators and with lesser value addition. The powerloom industry is at the cross roads at it is unable to modernise, cut cost, upgrade quality, add value, market directly and take on the global competition head-on. Thus, even small countries which are new comers in the international arena like Vietnam are able to overtake India. The powerloom industry in Tamil Nadu, which plays a pivotal role at the national level, typically faces all the problems mentioned above. This calls for an in-depth analysis about the performance of the textile industry with particular reference to the powerloom industry in Erode district of Tamil Nadu.

Objectives of the Study

1. To examine the structure of the textile industry in general and that of the powerloom sector in particular at all-India and Tamil Nadu level.
2. To know the Characteristic of employment among weaving workers and master weavers.
3. To examine the monetary and non-monetary benefits received by weaving workers and master weavers.

Testing of Hypothesis

1. There is a significant relationship between the size of investment and labour productivity among the sample powerloom owners.
2. There is significant variation in the cost of production of the product among the sample powerloom owners.

Research Methodology

In Tamil Nadu, powerloom activity is carried out in districts like Coimbatore, Erode, Salem, Tiruppur, Karur, Madurai and Chennai, in which Erode is quite popular for the powerloom industry and stands next only to Coimbatore and Tiruppur in the quantum of production. In Erode district, powerlooms are operated in all the seven taluks viz., Erode, Perundurai, Bhavani, Kangeyam, Gobichettipalayam, Sathyamangalam and Dharapuram. Among these seven taluks, the number of households which are engaged in power loom activity and the number of looms is higher in Erode and Perundurai than other taluks.

The growth of the power loom industry in terms of number of looms, sector-wise and fibre-wise production of cloth and export of textile products at the All-India level and in Tamil Nadu have been examined with the help of secondary data. These data have been gathered for the period 1999-2000 to 2008-09, which is considered as the study period. In the case of primary data, field survey has been conducted among the owners of the powerloom in the study area during 2009 to 2010.

Sample Design

The sampling method used in this study is based on multi-stage proportionate random sampling. In the first stage, Erode district has been selected as the broad study area, since it is one of the prominent districts in Tamil Nadu which is involved in the powerloom industry.

In the second stage, in Erode, out of the 7 taluks which are involved in the powerloom industry, two taluks, viz., Erode and Perundurai have been purposively chosen as the number of loom in these two taluks is higher than that of other taluks.

In the third stage, out of the total of 4600 households with powerlooms in the two taluks, a total of 460 households have been randomly selected as sample households for this study. Thus, from each of the two taluks, among those who have powerloom units, 10 per cent has been selected as the sample households. These 460 sample households have been chosen randomly, though enough importance has been attached to include all segments of the powerloom industry like, investors with less number of looms and those with more number of looms and others, in order to make the sampling as much representative as possible.

Limitations of the Study

Tamil Nadu is one of the foremost states in the country as far as the powerloom industry is concerned as the powerloom activity is carried out in many districts of the State. The present study, however, takes into consideration only one district, viz., Erode, since it will be too big a task to concentrate on more than one district, though such an effort would have produced more robust results.

Similarly, due to the limitations of time and other factors, the sample size could not be expanded beyond the 10 per cent of the population in the study area. Moreover, the information provided by the owners and weavers in the powerloom industry regarding their size of investment, rate of return, extent of problems faced by them in the spheres of finance, power, marketing, labour and others have to be taken as it is, since they cannot be cross-checked for their veracity.

Powerloom sector in Tamil Nadu

The growth of the powerloom sector in Tamil Nadu has been very spectacular registering over a period of time. The history of powerloom industry start in Tamil Nadu during 1928 where the factory with six looms was started at Madurai. In 1933, a powerloom unit was started in Komarapalayam of Salem District for making tapes and wicks. The Fact- Finding Committee of 1941 observed that there were "few hundred of powerloom scattered over the Madras

Province. After the independence during the first plan period there were around 1519 powerloom of which 650 were on cotton. After the new textile policy in 1985 and new economic reform policy the powerloom in Tamil Nadu was increased to 2, 27,500 in 1993 and it has further increased to 4,00,000 of which 3.20 looms are registered powerlooms and remaining 80,000 looms are un-registered loom. In Tamil Nadu, the powerloom weavers co-operative societies, were working for the promotion of the weavers working in the powerloom industry and also in the production process. There are 142 Powerloom Weavers Cooperative Societies covering 24,000 looms. The annual turnover of these societies is around Rs.20.00 Crore. In 2006-07 there are 4.50 lakh Powerlooms in Tamil Nadu, providing employment to about 9.14 lakh workers. Out of this, 32,087 Powerlooms are under cooperative sector. These societies are capable of producing all types of Grey bleached dyed gadas, printed sarees, lungies, bed sheets, furnishings, pillow covers, blended dhothies and sarees etc.

Employment Condition of sample powerloom owners, weaving workers and Master Weavers

Table – 1 : Worker's Details in the Sample Units

Number of Workers	Erode	Perundurai	Total
Up to 5	40	68	108
	(37.0)	(63.0)	(100.0)
	[14.9]	[35.4]	[23.5]
6-10	67	52	119
	(56.3)	(43.7)	(100.0)
	[25.0]	[27.1]	[25.9]
11-15	100	51	151
	(66.2)	(33.8)	(100.0)
	[37.3]	[26.6]	[32.8]
Above 15	61	21	82
	(74.4)	(25.6)	(100.0)
	[22.8]	[10.9]	[17.8]
Total	268	192	460
	(58.3)	(41.7)	(100.0)
	[100.0]	[100.0]	[100.0]

(Note: Figures in round brackets are row-wise percentages and those in square brackets are column) wise percentages. Source: Field survey.)

Table 1 shows the proportion of units which have employed upto 10 workers is higher in Perundurai (62.5 per cent) than in Erode (40 per cent), while the proportion of units which have employed more than 10 workers is higher in Erode (60 per cent) than in Perundurai (37.5 per cent). Thus, the number of workers employed in the sample powerloom units is higher in Erode taluk than in Perundurai Taluk.

Social Characteristics of the Sample Unit Owners

This section examines the social characteristics of the sample unit owners, which include their gender, community, age, marital status, educational standards, experience, etc. To begin with, Table – 2 presents the area-wise sex of the sample unit owners.

Table – 2 : Sex-wise distribution of the Sample Unit Owners in the Study Area

Sex	Erode	Perundurai	Total
Male	257	186	443
	(58.0)	(42.0)	(100.0)
	[95.9]	[96.9]	[96.3]
Female	11	6	17
	(64.7)	(35.3)	(100.0)
	[4.1]	[3.1]	[3.7]
Total	268	192	460
	(58.3)	(41.7)	(100.0)
	[100.0]	[100.0]	[100.0]

(**Note:** Figures in round brackets are row-wise percentages and those in square brackets are column- wise percentages. Source: Field survey.)

Table - 2 reveals that among the 460 sample unit owners, as many as 443 (96.3 per cent) are males and only 17 unit owners (3.7 per cent) are females. This is not surprising, given the fact that in most of the cases, the looms are operated within the homesteads, wherein the males take care of these activities.

Age Group

The age group of the sample unit owners is examined here with the help of the data given in Table – 4.

Table – 4 Age-wise Distributions of the Sample Unit Owners in the Study Area

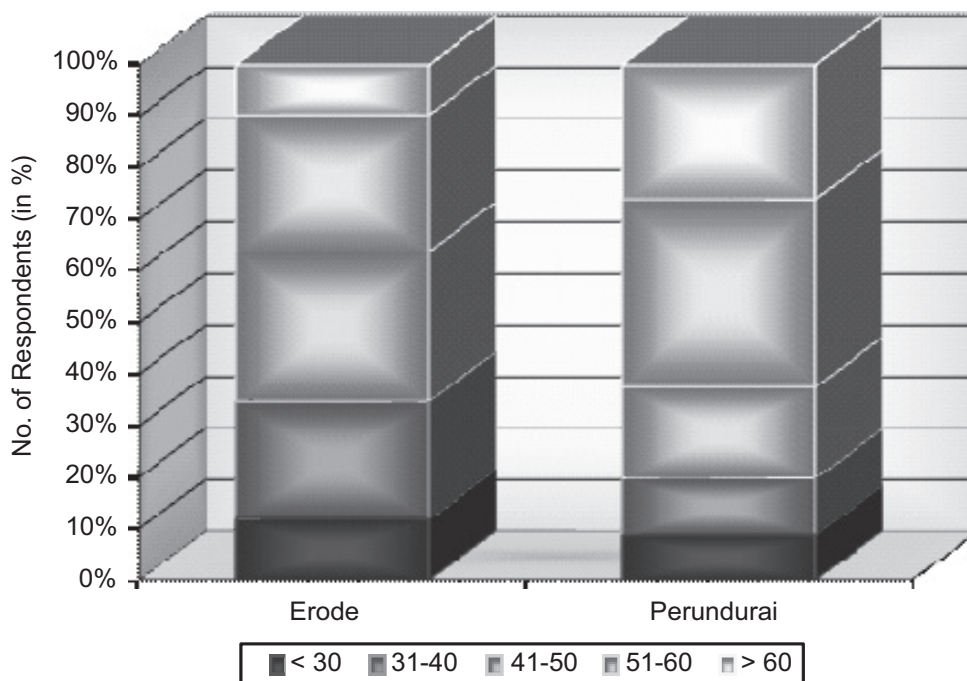
Age	Erode	Perundurai	Total
Upto 30	32	17	49
	(65.3)	(34.7)	(100.0)
	[11.9]	[8.9]	[10.7]
31-40	61	21	82
	(74.4)	(25.6)	(100.0)
	[22.8]	[10.9]	[17.8]

41-50	78	34	112
	(69.6)	(30.4)	(100.0)
	[29.1]	[17.7]	[24.3]
51-60	71	70	141
	(50.4)	(49.6)	(100.0)
	[26.5]	[36.5]	[30.7]
Above 60	26	50	76
	(34.2)	(65.8)	(100.0)
	[9.7]	[26.0]	[16.5]
Total	268	192	460
	(58.3)	(41.7)	(100.0)
	[100.0]	[100.0]	[100.0]

(Note: Figures in round brackets are row-wise percentages and those in square brackets are column-wise percentages. Source: Field survey.)

Table – 4 shows that among the 460 sample unit owners, 49 (10.7 per cent) come under the age group of upto 30 years, 82 (17.8 per cent) fall in the age group of 31-40 years, 112 unit owners (24.3 per cent) belong to the age group of 41- 50, there are 141 unit owners (30.7 per cent) in the age group of 51-60 and in the age group of above 60 years, there are 76 unit owners (16.5 per cent). This age group-wise distribution of the sample unit owners is graphically shown in Chart.1

Chart – 1 Area-wise Age Group of the Sample Unit Owners in the Study



(Source: Based on Table – 4)

Area-wise, among the 268 sample unit owners who are located in Erode, 93 (34.7 per cent) come under the age group of upto 40 years, 149 (55.6 per cent) belong to the age group of 41-60 years and there are 26 unit owners (9.7 per cent) in the above 60 age group. On the other hand, out of the 192 unit owners who are located in Perundurai, 38 (19.8 per cent) are in the age group of upto 40 years, there are 104 (54.2 per cent) who belong to the 41-60 age group and 50 unit owners (26 per cent) come under the above 60 age group. This suggests that the proportion of unit owners who come under the younger age group of upto 40 years is quite high in Erode (34.7 per cent) than in Perundurai (19.8 per cent), while the proportion of unit owners who fall in the older age group of above 60 years is higher in Perundurai (26 per cent) than in Erode (9.7 per cent).

Marital Status

Table – 5 Marital Status of the Sample Unit Owners in the Study Area

Age	Erode	Perundurai	Total
Married	223	166	389
	(57.3)	(42.7)	(100.0)
	[83.2]	[86.5]	[84.6]
Unmarried	45	26	71
	(63.4)	(36.6)	(100.0)
	[16.8]	[13.5]	[15.4]
Total	268	192	460
	(58.3)	(41.7)	(100.0)
	[100.0]	[100.0]	[100.0]

(Note: Figures in round brackets are row-wise percentages and those in square brackets are column-wise percentages. Source: Field survey.)

It is observed from the Table – 5 that out of the 460 sample unit owners, 389 unit owners (84.6 per cent) are married, which includes 223 (57.3 per cent) from Erode and 166 unit owners (42.7 per cent) from Perundurai. On the other hand, 71 unit owners (15.4 per cent) are unmarried, which consists of 45 (63.4 per cent) from Erode taluk and 26 unit owners (36.6 per cent) from the Perunduraitaluk. Thus, a greater proportion of the sample unit owners are unmarried in Erode taluk than in Perundurai taluk.

Characteristics of the Workers in The Sample Units

This section presents the basic characteristics of the workers in the sample units which include the following:

- Educational levels;
- Experience;

- Monthly income and
- Monetary and Non-monetary benefits extended to them.

Educational Levels of the Workers

Table – 6 indicates that among the 460 sample units, a total of 2170 workers are employed, which consists of 1539 male workers (70.9 per cent) and 631 female workers (29.1 per cent). Educational level-wise, out of the 2170 workers, 156 (7.2 per cent) are literate upto the primary level, 341 (15.7 per cent) are literate upto the high

Table – 6 Educational Levels of the Workers in the Sample Units

Educational Levels	Male	Female	Total
Upto Primary	82	74	156
	(52.6)	(47.4)	(100.0)
	[5.3]	[11.7]	[7.2]
Upto High	178	163	341
	(52.2)	(47.8)	(100.0)
	[11.6]	[25.8]	[15.7]
Upto Higher Secondary	688	267	955
	(72.0)	(28.0)	(100.0)
	[44.7]	[42.3]	[44.0]
Degree and Others	591	127	718
	(82.3)	(17.7)	(100.0)
	[38.4]	[20.1]	[33.1]
Total	1539	631	2170
	(70.9)	(29.1)	(100.0)
	[100.0]	[100.0]	[100.0]

(Note: Figures in round brackets are row-wise percentages and those in square brackets are column-wise percentages. Source: Field survey.)

school level, 955 (44 per cent) are literate upto the level of higher secondary and 718 workers (33.1 per cent) have degree and other qualifications like diploma. On the basis of their sex, among the 1539 male workers, 82 (5.3 per cent) are literate upto the primary level, 178 (11.6 per cent) are literate upto the high school level, 688 (44.7 per cent) are literate upto the level of higher secondary and 591 workers (38.4 per cent) have degree and other qualifications. Similarly, out of the 631 female workers, 74 (11.7 per cent) are literate upto the primary level, 163 (25.8 per cent) are literate upto the high school level, 267 (42.3 per cent) are literate upto the level of higher secondary and 127 female workers (20.1 per cent) have degree and other qualifications. This suggests that among the workers in the sample units, none of them is illiterate, though around 23 per cent of them are literate only upto the high school level. One-third of them have degree or other qualifications, which is more than 38 per cent among the males, while it is only 20 per cent among the females. Thus, in general, the educational levels of the workers are low in the study area.

Experience of the Workers

Table – 7 Experiences of the Workers in the Sample Units

Experience	Male	Female	Total
Upto 5 Years	432	290	722
	(59.8)	(40.2)	(100.0)
	[28.1]	[46.0]	[33.3]

6-10 Years	658	243	901
	(73.0)	(27.0)	(100.0)
	[42.8]	[38.5]	[41.5]
11-15 Years	390	98	488
	(79.9)	(20.1)	(100.0)
	[25.3]	[15.5]	[22.5]
Above 15 Years	59	Nil	59
	(100.0)	Nil	(100.0)
	[3.8]	Nil	[2.7]
Total	1539	631	2170
	(70.9)	(29.1)	(100.0)
	[100.0]	[100.0]	[100.0]

(Note: Figures in round brackets are row-wise percentages and those in square brackets are column-wise percentages. Source: Field survey.)

Table – 7 reveals that out of the 2170 workers, 722 (33.3 per cent) have upto 5 years experience, 901 (41.5 per cent) have 6-10 years experience, 488 (22.5 per cent) have 11-15 years experience and 59 (2.7 per cent) have experience of more than 15 years. Years of experience-wise, out of the 722 workers who have experience of upto 5 years, 432 (59.8 per cent) are males and 290 (40.2 per cent) are females; among the 901 workers who have experience in the range of 6-10 years, 658 (73 per cent) are males and 243 (27 per cent) are females; in the case of 488 workers who have experience of 11-15 years, 390 (79.9 per cent) are males and 98 (20.1 per cent) are females; out of the 59 workers who have experience of above 15 years, all of them are males. This suggests that two-thirds of the workers have a minimum of 5 years experience, while it is 72 per cent among the males and among the females, no one is experienced for more than 15 years.

Monthly Income of the Workers

Table – 8 Monthly Income of the Workers in the Sample Units

Income	Male	Female	Total
UptoRs. 5000	395	413	808
	(48.9)	(51.1)	(100.0)
	[25.7]	[65.5]	[37.2]
Rs. 5001-10000	543	218	761
	(71.4)	(28.6)	(100.0)
	[35.3]	[34.5]	[35.1]
Rs. 10001-15000	493	Nil	493
	(100.0)	Nil	(100.0)
	[32.0]	Nil	[22.7]

Above Rs. 15000	108	Nil	108
	(5.0)	Nil	(100.0)
	[7.0]	Nil	[5.0]
Total	1539	631	2170
	(70.9)	(29.1)	(100.0)
	[100.0]	[100.0]	[100.0]

(Note: Figures in round brackets are row-wise percentages and those in square brackets are column-wise percentages. Source: Field survey.)

Table – 8 shows that among the 2170 workers, 808 (37.2 per cent) earn uptoRs. 5000 per month, 761 (35.1 per cent) belong to the monthly income range of Rs. 5001-10000, 493 (22.7 per cent) earn in the range of Rs. 10001-15000 and 108 workers (5 per cent) earn above Rs. 15000 per month. On the basis of their sex, among the 1539 male workers, 395 (25.7 per cent) earn uptoRs. 5000, 543 (35.3 per cent) fall in the monthly income range of Rs. 5001-10000, 493 (32 per cent) earn Rs. 10001-15000 and 108 workers (7 per cent) earn above Rs. 15000 per month. In the case of 631 female workers, 413 (65.5 per cent) earn uptoRs. 5000 per month and 218 (34.5 per cent) come under the monthly income range of Rs. 5001-10000. Thus, no one earns more than Rs. 10000 per month among the female workers, while 39 per cent of the male workers earn more than Rs. 10000 as their monthly income, which suggests the income disparity among the two genders in the study area.

Monetary and Non-Monetary Benefits for the Workers

Table – 9 Monetary and Non-Monetary Benefits Extended to the Workers in the Sample Units

	Yes		No		Total	
	No.	%	No.	%	No.	%
MONETARY BENEFITS						
Annual Increment	1458	67.2	712	32.8	2170	100.0
Allowances (D.A., H.R.A., M.A.)	Nil	Nil	2170	100.0	2170	100.0
Overtime	1489	68.6	681	31.4	2170	100.0
Paid Holiday	Nil	Nil	2170	100.0	2170	100.0
Bonus	459	21.2	1711	78.8	2170	100.0
Festival Advance	1785	82.3	385	17.7	2170	100.0
Provident Fund	Nil	Nil	2170	100.0	2170	100.0
Gratuity	Nil	Nil	2170	100.0	2170	100.0
Accident Insurance	Nil	Nil	2170	100.0	2170	100.0
Pension	Nil	Nil	2170	100.0	2170	100.0

NON-MONETARY BENEFITS						
Free medical aid	Nil	Nil	2170	100.0	2170	100.0
Employee State Insurance	Nil	Nil	2170	100.0	2170	100.0
Free schooling for children	Nil	Nil	2170	100.0	2170	100.0
Rent free house	Nil	Nil	2170	100.0	2170	100.0
Free refreshment during working hours	Nil	Nil	2170	100.0	2170	100.0

(Note: D.A. – Dearness Allowance; H.R.A. – House Rent allowance and M.A. – Medical Allowance. Source: Field survey.)

Table – 9 indicates among the monetary benefits, annual increment is given to 67.2 per cent of the workers, while no one is given dearness allowance (DA), house rent allowance (HRA) and medical allowance (MA), 68.6 per cent of them get overtime and no one is given paid holiday. Bonus is given only in the case of 21.2 per cent of the workers and festival advance is extended to 82.3 per cent of them. However, other important benefits like provident fund, gratuity, accident insurance and pension is not given by any employer, which underscores the vulnerable nature of the workers in the study area. On the other hand, non-monetary benefits like free medical aid, employee state insurance, free schooling for children, rent free house and free refreshment during working hours are not given to any of them. This also indicates the unorganized nature of the industry overall.

Testing of Hypothesis

H_0 : There is no significant relationship between the size of investment and labour productivity among the sample powerloom owners.

H_1 : There is a significant relationship between the size of investment and labour productivity among the sample powerloom owners.

Table – 10 Testing the Relationship between Size Investment and Labour Productivity

Statistics	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	596.042***	6	0.000
Likelihood Ratio	588.981***	6	0.000
Linear-by-Linear Association	332.924***	1	0.000
N of Valid Cases	460		

(Note: *** indicates 1 per cent level of significance. Source: Computed from field survey data.)

It is inferred from the table that the calculated Chi-square value is significant at 1 per cent level and thus, the null hypothesis is rejected. This implies that there is a significant relationship between size of investment and labour productivity among the sample units in the study area.

Hypothesis Two

H_0 : There is no significant variation in the cost of production of the product among the sample powerloom owners.

H_1 : There is significant variation in the cost of production of the product among the sample powerloom owners.

The average cost of production incurred per metre of cloth is taken as the testing variable and one way ANOVA is applied.

Table – 11 Testing the Variation in the Cost of Production

Variation	Sum of Squares	df	Mean Square	F-value	Sig.
Between Groups	0.256	1	0.256		
Within Groups	151.125	458	0.330	0.775	0.379
Total	151.380	459			

(Source: Computed from field survey data.)

The test result indicates that the calculated F-value is not statistically significant and thus, the null hypothesis is accepted. This suggests that there is no significant variation in the cost of production of the product among the sample units. Though there is significant variation in the labour efficiency among the sample units, this has not translated into significant variation in average cost of the product. This underscores the fact that the cost of material, cost of power and maintenance cost which form the bulk of the total cost, do not vary a great deal among the sample units and thus, the average cost incurred by them ranges only from Rs. 4 to Rs. 6 per metre.

Conclusion:

Powerloom industry is not only an unorganised industry, but also a highly labour intensive industry. The Government can come forward to take a holistic view about the industry to protect the interest of numerous poor and less educated weavers. The following measures already taken by government to improve the labour productivity like Powerloom service centre, group insurance scheme, group workshed scheme, integrated schemes for powerloom owners, marketing development

programme, powerloom cluster development, powerloom hi-tech park.

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A STUDY ON SOCIO ECONOMIC BACKGROUND OF TOURISTGUIDES IN KANYAKUMARI DISTRICT

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Abstract

The present study aims to analyse the economic background of tourist guides in kanyakumari district. Tourism is a service-oriented industry, tourism makes a tremendous contribution to the improvement of the social, and cultural life of nations. Therefore that is better understanding among nations can be attributed to the tremendous growth of the tourist market. After the Industrial revolution in 18th century there were lot of improvement in industries. The existence of factory system and the introduction of various labor legislation and social security helped in the rapid development of tourism. In early days tourism was merely pilgrims and adventure. But in modern days tourism occupies an important place in the organized and non – organized sector of labour.

Keywords: Service-oriented industry, Labour.

Introduction

Tourism plays a major role in the global economy. Countries like Singapore, Hong Kong, Thailand, China, United Kingdom, United States and Germany have attracted more tourists and earned sizable revenue in respect of foreign exchange. In the past tourism was only very limited because of the non-availability of infrastructures like transport, mode of communication etc. But today we are entirely living in an all age of science and technology with mindboggling development.

“Tourism is the totality of the relationship and phenomenon arising from the travel and stay of strangers provided the stay does not imply the establishment of a permanent residence and not connected with remunerative activity”. This definition was subsequently adopted by the International Association Scientific Exports in Tourism (AIFST)

Importance of the Study

Tourism Agencies in India either governmental or private spend only a negligible quantum of research

work in Tourism Industry, even though there has been a vast scope for research work. A few surveys were conducted in India by the Tourism Department, Government of India in order to assess the motivation for travel. An UNESCO exports Dr. E.R. Allchin was invited to India in January 1969 by the department of Tourism to study certain aspects that cultural tourism. His report revealed that 54% of tourists enjoyed their stay in India because there was such a feast of beautiful creations of men such as buildings, temples. Churches etc. First comes the monumental heritage or cultural tourism and next is the religious heritage.

Most of the research works conducted by the above agencies did not take into account the guides, operating in Tourism Industry. There has been a binding relationship between the tourism and guides. The property of tourism helps the life of the guides flourish. Tourism promotion makes the Socio-economic conditions of the guides stronger. The life or death of tourists or the prosperity or destitute of the tourist guides depends upon the tourism Industry.

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Tourism Industry nowadays brings in high amount of foreign exchange to India without any except the cost of advertisement in being the tourists from all over the world. The development in tourism industry in India provides a lifeline to the tourist guides operating through out the world. It is time the central and states Government stream line the working conditions and provisions under which the tourist guides here have to function least the tourists coming to India are not exploited by the guides or vice versa. In this sceneries it becomes imperative on the part of the researches to study systematically the socio-economic background in which the guides have been functioning.

Statement of the Problem

The problem involves the task of laying down boundaries with in which a researcher shall study the problem with a pre-determined objective in view. The researcher select the topic "Socio – Economic condition of tourist guides in Kanyakumari Town" in order to know the present Socio – Economic situation for the condition of the tourist guides in Kanyakumari. The study relate to the selection and training facilities available for the tourist guide and the living conditions of both recognized and unrecognised guides and also, the earnings to tourist guide purely out of the guidance services and other sources of income. So as to find out whether their income is sufficient to maintain their families or not.

Scope of the Study

Most of statistics collected so far by the department, tourism Government of India pertain to tourism arrivals, their destination countries. Mode of travel and transpiration and nor about the tourist guides services and measures needed for the improvement of their service conditions.

The study of tourist guides is an imperative part of tourism research, because of their qualitative services, the tourists have lot of information with in a limited span of time, save energy and money, avoid useless stay in the tourist spots, last but not least the tourist feel free as they are in their home place.

Research is also deemed necessary to study the selection and training facilities available for the tourist guides, and the living conditions of both recognized and unrecognised tourist's guides, in Kanyakumari town, and the study related to earnings of the tourists guides. Purely out of the guidance services and other sources of income, in case the tourists guides do the guidance as a part time job, is also to be studied, so as to find out whether their income is sufficient to maintain their families or not. This study pertains to the study of socio-economic conditions of tourist guides in Kanyakumari Town alone and it is pertinent to both recognize and unrecognised tourist guides engaged in tourist at Kanyakumari town.

Objectives of the Study

1. To study the social background of the tourist guides in Kanyakumari town.
2. To study in detail the total earnings of tourist guides engaged in Kanyakumari town
3. To study the attitude of tourist guides towards their job.
4. To assess the welfare measures available to the tourist guides in Kanyakumari town

Research Methodology

The study of "Socio-economic conditions of Tourist Guides in Kanyakumari town", comprises both secondary data and primary data. Secondary data were collected from various Government Office, dissertations, journals Trade unions and books. This study basically depended on primary data. Primary data were collected through questionnaire; Direct interviews were also conducted by the researcher to collect the primary data. The questionnaire employed in his study was constructed by the researcher with the help of his supervisor. In order to test the validity of the format, it was given to research expert in the field of social science for valuation. Further, the researcher have constructed the officials of the tourist department in Kanyakumari in order to enrich the contents of schedule keeping in mind, the suggestion the research experts including the supervisor, the rough draft was revised and final draft was prepared.

Sampling Size

In the area of study namely Kanyakumari town there were only 58 guides, belonging to both recognized and unrecognized categories. The entire population of tourist guides operating at Kanyakumari town was taken as a sample. The researcher conducted personal interview only with 50 tourist guides, because of non-availability eight tourist guides for various reasons.

The population of tourists guides was divided into four categories namely (1) full time (2) part time (3) seasonal and (4) free lance for the purpose of the collection of primary data.

Data Analysis and Interpretation

Attitude towards Job Reasons for Taking up This Job

There have been various reasons for kindling the desire in the persons to become tourist guides. The following are the reasons, might be qualitative reasons, considered influencing them positively.

1. Fascinated by foreigners or new persons coming from various countries or various states on India.

2. Poor economic background
3. Free trips to tourist spots
4. Poor educational background
5. Guidance is a cushy job
6. No other employment
7. Pleasure of guidance
8. To be in touch with the foreign language learnt
9. Proximity to tourist spots
10. One among the family members / relatives / friends is an tourist guide.

In the questionnaire, the above reasons were mentioned and tourist guides were asked to rank all the reason in the order of their preference. The first five reasons preferred by the majority of the guides are considered to be the most influencing reasons for choosing this job.

The preferences were quantified by points that is the first preference was given 10 points and 9 points was given to the second preferences and points go on decreasing with the subsequent preferences. The last reasons that is the 10th preference was given one point.

Table-1 Preferences of tourist guides in kanyakumari town for taking up the job

Preference	1	2	3	4	5	6	7	8	9	10	Total
First Preference	2	8	-	2	-	36	-	-	-	-	50
Second Preference	2	33	-	10	-	05	-	-	-	-	50
Third Preference	-	-	-	15	-	-	-	05	22	8	50
Fourth Preference	20	6	-	-	-	-	4	10	10	-	50
Fifth Preference	-	-	32	-	16	2	-	-	-	-	50
Sixth Preference	-	-	-	-	-	-	26	15	-	9	50
Seventh Preference	10	3	-	-	-	05	-	3	6	23	50
Eighth Preference	-	-	10	-	25	-	10	-	5	-	50
Ninth Preference	16	-	8	16	8	-	-	-	2	-	50
Tenth Preference	-	-	-	7	1	-	10	17	5	10	50

(Source: Primary Data)

(Note: Figures in round brackets are row-wise percentages and those in square brackets are column-wise percentages. Source: Field survey.)

Table .1 Reveals that the sixth reason that is “No other employment” was preferred by majority of the tourist guides and this reason, got highest points that is $(36 \times 10) + (5 \times 9) + (2 \times 6) + (5 \times 4) = 437$. Hence the most influencing reason was “No other Employment”. The last influencing reason was.

The ranking of reasons for taking up this job on the basis of preference given by the 50 tourist guides are given below.

1. No other Employment	437
2. Poor Economic Background	431
3. Proximity to tourist spots	294
4. Poor educational Background	269
5. Fascinated by foreigners or new persons coming from various countries or various states in India.	} 250
6. Free trips to tourist spots	
7. To be in touch with the foreign language learnt	214
8. One among the family members /relatives / Friends is a tourist guides.	} 211

9. Pleasure of guidance	198
10. Guidance is a cushy job	188

The first three reasons elected based on the ranking done by the tourist guides, considerably influencing them in choosing this job. It is obviously found that “No other source of Employment”, “Poor economic background”. Proximity to tourist spots and poor educational background are the dominating factors.

Attitude towards Earnings

Earnings of the persons decide the standard of living, Earnings must be sufficient not only to meet the basic needs such as food, cloth and shelter but also to meet the expenses for education, medical social obligation etc. The total earnings of the tourist guides consist of income from guidance, income from property, income from the members of the family and income by way of commission etc. Most of the tourist guides have no other sources of income except income from guidance. The table 2 shows below reveals the attitude of tourist’s guides towards earnings.x

Table-2 : Attitude Towards Total Earnings

Attitude	Number of tourist guide	Percentage
More than sufficient	Nil	Nil
Sufficient	10	20
Not sufficient	32	64
Very poor	8	16
	50	100

(Source: Primary Data)

The Table 2 reveals that 32 tourist guides out of 50 who constitute 64 percent complained that their total earnings was not sufficient even to meet their basic needs. 16 percent of tourist guides who numbered 8 out of 50 felt that their earnings was very poor. Only 10 guides who constitute 20 percent repeated that their earnings were sufficient. It is inferred from the above Table that is 80 percent that is 40 out of 50 guides; income was insufficient to meet the basic needs. Their monthly income is also not constant but depends upon the arrival of tourists.

Attitude towards Welfare Measures

The welfare measures are the schemes implemented either by the government or by the travel agency for the benefits of the tourists guides or for their family members namely free medical facilities, free education, contribution by the employer towards provident fund, family pension and insurance schemes.

Table -3 Attitude Towards Welfare Measures

Attitude	Number of tourist guide	Percentage
Implemented	Nil	-
Not Implemented	50	100
	50	100

(Source: Primary Data)

Table -3 exhibits that no such welfare measures were implemented for the benefits of the tourist guides. Tourist guides mostly procure the tourists by themselves. They do their job independently. But a few of the tourist guides were engaged very often by the travel agencies at Kanyakumari purely on a contract basis. Tourist guides were not engaged continuously by travel agencies. Guides are paid depending upon the time and distance covered by a tour. Tourist guides are not covered under insurance schemes. No compensation is paid in case the guide meets with natural or unnatural death and accidents.

Provident fund, family pension group Insurance schemes are not implemented, as the tourist guides have no employer.

Findings

This study assesses the social backgrounds of the tourist guides in Kanyakumari town. The social backgrounds are assumed as the determinants in the selection of this job. Most of the tourist guides are not born but made. The social backgrounds like, joblessness, poor education, lack of industries in the place seasonal nature of agricultural works and poor economic family background are the factors which are pushing out the persons to choose this job. The central or state government or the government corporation in tourism industry are also not interested in recognizing this job all over India. Mostly the earnings of the tourist guides come out of bargaining with the tourist. In order to assess the social background of tourist guides in Kanyakumari town the following backgrounds namely Education, Age, Religion, Marital Status, Languages known and living conditions are thoroughly studied so as to know their role in determining the selection of this

job. The tourist guides are needed further in their job.

Suggestion

- It is in the fitness of things that the researcher, after having studied the social background of the tourist guides in Kanyakumari town thoroughly can make a few suggestions to make this wonderful tourist District blossom into a first rate tourist centre drawing tourists towards it like a magnet.
- It is true that Kanyakumari has a few facilities. But it is more to write and to flow and spend their time profitably to their sacrifice the place does require many more facilities. More and later accommodation is the need of the hour.
- A good tourist spot should have cleanliness in everything. This faded part of the India sub continent where more and more tourists are expected to congregate, should be made spick and span.
- Tourism, being a first rate foreign exchange earner, proper remuneration is the first requisite for attracting young talents. The Government – Central and state should take steps to see that proper and adequate remuneration is given to the guides. The government should take steps to fix time based or tour based remuneration for the tourist guides without any further delay.
- As the tourist guides are not covered under insurance scheme, they are put to great hardships. Hence, it is suggested that steps should be taken to pay adequate compensation in the event of a guide meeting with accident or death.

- Tourist guides can be effective if they are given proper training. A well trained guide is an asset to all concerned. Hence, more facilities for giving training to the tourist guides should be made available.

Conclusion

- In a District that boasts of 100 percent literacy and people with higher educational qualifications it is found that the tourist guides do not possess high educational qualifications. Graduates and post graduates seek their fortunes elsewhere and only persons with lesser qualification have taken of this job. Higher education qualification can indeed be an asset for a tourist guide as it equips him/her to discharge the duties guides efficiently and confidently. Hence there is need for persons with better qualification to centre this exciting field.
- Young and energetic people should come forward to act as tourist guides. The youth are adventurous. Hence, they above can shine in a field which requires constant and long distant travels. Moreover the youth can easily learn things which can make the foreign tourist culture
- Kanyakumari was once a heaven where all kinds of believers could exist. It is gratifying to note that tourist guides. Professing and practicing difficult religions can work as members of a particular profession with the only aim of helping the tourist.
- The living conditions of the tourist guides leave much to be desired. Poor housing naturally affects the efficiency of the guides. The income from the job is not attractive. When the income was assessed separately for each type of tourist. It was found to be insufficient, because of the lack of other sources of income most of the guides live a hand to mouth existence.

- It is the lack of other jobs that drove most of the guides to this job. But many are attracted by the possibility of meeting foreigners and strangers. Other reasons take poor educational background have been responsible for young men to take up their job. Income is very meager they are not engaged on a permanent basis. No insurance cover is provided. Though they have to work under such unenviable condition they have always brought a lot of enthusiasm and interest to their work, doing their work very efficiently.
- The one bright spot is the trade union and it has been a beacon of light to the poor tourist guides. It has done its best to bring cheer to its members. The fact that compensation is paid to the legal heirs and provide job is indeed very encourage up. "Attracting and retaining skilled, knowledge-based talent will be a key competitive differentiator in the coming years. In fact, talent will be the only sustainable differentiator."

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A STUDY ON INVENTORY MANAGEMENT IN PUBLIC SECTOR SUGAR MILLS IN TAMILNADU

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V.Baskaran**

ABSTRACT

The sugar industry in Tamilnadu has certain peculiar characteristics than other manufacturing industry. As far as the industry concerned the sugar mills have to go on purchasing sugar cane during season, crush and produce sugar only to stock it and waiting for the government order to release for sale throughout the year bit by bit. The sales function in sugar industry differs from other industries.

Introduction

Sugar industry in recent times has acquired great significance in India. It has been developing by leaps and bounds. The sugar industry is the second largest agro-based industry in India located in rural areas. The effective administration of working capital helps in understanding the survival and growth of sugar industry. Apart from this, many a times, problem arises as to how effectively the working capital be managed to obtain the results in terms of higher return on investment. Very often paucity of working capital is considered as the potent factor for the failure of the unit. About 50 million farmers, their dependants and a large number of agricultural labourers are involved in sugarcane cultivation, harvesting and ancillary activities, and constituting 7.5 per cent of the rural population. Besides, the industry provides employment to about 2 million skilled and semi skilled workers and others employed in ancillary activities are mostly from rural areas. India with around 4.25 million hectares of land on sugar cane produces around, 280 million tonnes of sugarcane.

The production of sugar has witnessed a dramatic increase to around 27.00 million tonnes during 2006-2007 against 1.10 million tonnes during 1950-51.

The production of sugar has witnessed a dramatic increase to around 27.00 million tonnes during 2006-2007 against 1.10 million tonnes during 1950-51.

When we feel proud of the improvement in the production of sugar over the years, we are pained to note that this sector has not been nourished on sound lines.

The sugar sector consisting sugar industry and the consumers continue to remain disillusioned over the vicious circle of high production with low prices followed by low production with improved prices. Policy initiatives of the government to insulate this sector from fluctuations for stable growth is the crying need of the hour. India is the largest consumer and second largest producer of sugar in the World. The sufficient and well distributed monsoon rains, rapid population growth and substantial increases in sugar production capacity have combined to make India the larger consumer and second largest producer of sugar in the world. Out of 453 sugar mills in the county, 252 are in cooperative sector, 134 in the private sector and 67 are in the public sector. Besides 136 units in the private sector are in various stages of implementation. A few such units are under implementation in the cooperative sector as well. But no new units have been proposed in the public sector.

Statement of the Problem

India ranks first in sugar consumption and second in sugar production in world but its share in global sugar trade is below 3%. Indian sugar industry has

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been facing raw material and resources as well as infrastructural problems. Globalization has brought a number of opportunities but at the same time posed certain challenges before sugar industry. Most of the sugar units utilize production capacity below 50%. Low capacities utilization and inadequacy of raw material led to closer of 100 sugar mills in India. Mounting losses and decreasing net worth of sugar mills have been responsible for sickness of sugar industry. Sickness in sugar industry has reached to an alarming proportion. Indian sugar industry has been cash striven for decades. Low cash inflow due to pilling stocks leads to serious financial crisis and finally to closing sugar mills. Sugar prices have been a political issue and rather than economical issue many a time it worsens economy of sugar mills.

Tamil Nadu is one of the major producers of sugar in India next to Uttarpradesh and Maharastra. Though the present scenario in Indian and global sugar industry is looks very good, returns gained by India Sugar Mills are very low compared with international level. The profits earned by sugar mill in Brazil, Thailand are very high due to the operating environment. But most of the sugar mills in India particularly in Tamil Nadu are incurring losses due to many reasons. Some of the reasons are increase in cost involved during production and recovery of sugar per tonne sugar cane crushed also not up to the international level shortage but the mismanagement of working capital is the real problem that led public ugar mills to losses.

Objectives of the study

The present study is designed to examine management of working capital in Sugar Corporation Limited in Tamil Nadu State. Following are the specific objectives of the study.

- i. To examine the working capital trends and liquidity of working capital in Sugar Corporation Limited in Tamil Nadu state.
- ii. To evaluate inventory management in sugar corporation limited in Tamil Nadu state.

Period of the study

To be more precise in analysis it was necessary to define the period of study. The study period is taken

as ten years from 1997-98 to 2006-2007. These are the financial years, commencing 1st April and ending 31st March every year. The period of ten years is quite enough to determine the trend of working capital and to examine the problem of management working of capital.

Sample Design

The present study pertains to only public sector sugar mills in Tamil Nadu state. Three public sector mills are selected for study are Arignar Anna Sugar Mill, Kurungulam, Thanjavur District, Madura Sugar Mill, Pandiarajapuram, Madurai District and Jawaharlal Nehru Sugar Mill, Erayur, Perambalur District, All public sector sugar mills are continuously in operation during the study period but, Madura Sugar Mill did not operate from 2002-2003 for reducing cane registration and some administration problems. Arignar Anna sugar Mill have crushing capacity 2500 TCD per day, Madura sugar Mill have crushing capacity 1250 TCD per day and Perambalur Sugar Mill have crushing capacity 3000 TCD per day.

Inventory occupies a very important position in the structure of working capital as it contributes to the major part of current assets, Maintaining inventories is necessary to every business because without inventories the operating cycle of the firm cannot continue. Inventories have their impact over the whole activities of the firm as raw material inventory is necessary for continuous production and finished goods inventory is necessary for continued sales. Inventories have their own cost and benefits, so proper management of inventories does not affect the profitability of the firm.

The term "Inventory" is used in day to day life as a manpower inventory, equipment inventory, inventory documents, inventory of raw materials, inventory of spare-parts, inventory of semi-finished items, inventory of finished goods, inventory of vehicles etc., The dictionary gives the meaning of the word as "stock of goods" (or) item in stock. The classified definition of inventory is that it is idle resources of any kind having an economic value.

From this we can identify inventory as those materials which are procured, stored and used for

day to day functioning of the organization inventory is also defined as the goods held for eventual resale by the firm. To the financial executive, it connotes the value of raw material, consumables, spares, work-in-progress and finished goods in which company's working capital funds have been invested.

Functions of Inventory Management

(i) Forecasting Inventories

Forecasting inventory importance need not be emphasized. The systematic marshalling of facts and judgment is essential for sound decision making, planning and control. The most important aspect of this process is the estimation of quantum and value of the future inventory of raw materials and semi-finished goods. Forecasting of inventories is essential for planning, management and control of the inventory. Forecasting of inventories implies quantitative as well as monetary value estimation of inventories.

(ii) Determination of optimum level of inventory

Inadequate and excess inventory situations are costly and harmful to any business enterprise. The prime function of inventory management is to determine the optimum level of inventory and its components. But determination of optimum quantity of inventory is not an easy task. The real problem is to determine the inventory level of which money invested in inventory produces a higher rate of return through these benefits than it would were it invested in some other phase of the business.

(iii) Maintaining Adequacy Inventories

If very low inventories are maintained, the company has to encounter frequent stock outs and incur heavy ordering costs. Very large inventories subject the company to heavy inventory carrying costs in addition to an unnecessary, tie up of funds. An efficient inventory management therefore requires the company to maintain inventories to an optimum level where inventories cost are the minimum at the same time where there is no stock outs which may result in loss of sale (or) interruption in the production process. So adequate inventory should be carried by a firm to perform its entire business operations smoothly.

(iv) Control over inventories

The fundamental function of inventory management is to keep inventories at an optimum level to get maximum possible return on the funds invested in it. To achieve this, various efforts are made. The entire range of efforts made to achieve this objective may be termed as inventory control techniques. Inventory control is a core part of inventory management and thus the term inventory management and inventory control are used for the same meaning.

Inventory control is a broad term. It refers to the control of raw materials, stores and spares, work-in-progress and finished goods. The concept of inventory control should be understood carefully.

Purchase of Sugarcane

Sugarcane is the main raw material of sugar mills. Purchase of sugarcane is important function in sugar mills. Sugarcane is a perishable raw material. It should be sent to production immediately after it is harvested. Harvesting programme is prepared by sugar mills and cane is brought to mills as per the requirement of production. To get fully matured and quality cane, schemes of cane development are implemented by sugar mills in its area of operation. Two expert officers named Agriculture Development Officer and Cane Development Officer are appointed to look after the cane plantation, cane development and cane harvesting programme. The entire programme of cane plantation and cane harvesting are prepared well in advance for every season by these officers and cane purchases are made as the pre-determined programme.

Sale of sugar

Sugar mills are not free to sell their sugar on their own, even though sugar industry is liberalized. Sale of sugar is regulated by central government. Central government regulates sale of sugar through release of quota for every three months to each mill. This is because government regulates the supply of sugar to control its prices and to make uninterrupted supply to consumers. This is done by government as the sugar comes under the essential commodities act.

Presently, the policy adopted by government is partial control, under which 15 percent of the production of

sugar must be sold by every mills under “Levy Sugar Quota” and 85percent under “Free Quota”. Government purchases levy sugar of a lower price than market price and uses it for sale through public distribution system. 85percent of the production of the sugar cane can be sold in free market at market price, but only under the release quota sanctioned. It was common problem in public sector sugar mills studied that this system of sale of sugar is costly as the sugar is not speedily sold and money blocked in stock of sugar is not realized. These results in shortage of cash and additional working capital loans are to be raised to meet the deficit cash.

Adequacy of Inventory – Inventory Turnover Ratio's

Inventory turnover ratio is also known as stock turnover ratio in the traditional language. It helps in determining the liquidity of a firm as much as it gives the rate which inventories are converted into sales than into cash. It assists the financial manager in evaluating inventory policy to avoid any danger of over stocking.

Inventory turnover is an indication of the velocity with which merchandise moves through the business. An inventory turnover ratio, standing, itself, means absolutely nothing, because there is no fixed norms for inventory, which depends greatly in the nature of the industry and on the sale policies followed by the firm.

Inventory is the most important factor in working capital. It constitutes major portion of current assets. Inventory turnover ratio is also known as stock

turnover ratio. It expresses the relationship between cost of goods and average inventory for the given period. Any abatement in turnover would disturb the financial structure and soundness of the mills. To evaluate working capital, it is necessary to analyse the efficiency of inventory management by its turnover ratio.

It helps to decide whether the investment in inventory is used efficiently or not. There is no fixed norm for inventory turnover. Mostly, it depends on nature of the firm and sales polices adopted by them.

Formulation:

$$\text{Inventory turnover ratio} = \frac{\text{Cost of good sold}}{\text{Net sales}}$$

[Or]

$$\frac{\text{Sales}}{\text{Average Inventory}}$$

Adequacy of the inventories can be known by using inventory turnover ratio. More the ratio, more the efficiency of inventory management, and less the ratio, less the efficiency is taken as norms. It has been the experience of public sector sugar mills that they hold excess of finished goods (or) stores and spares. Ratios are computed for every year from 1997-1998 to 2006-2007. The ratio is computed by using the formula sales divided by average inventory. The average inventory is calculated as opening stock of inventory plus closing stock of inventory divided by two. This ratio shows operation of working capital. Table 1 shows inventory turnover ratio of public sector sugar mills studied.

Table 1
Stock Turnover Ratio of Tamil Nadu Sugar Corporation Limited

Years	Arignar Anna Sugar Mill	Madura Sugar Mill	Perambalur Sugar Mill
1997-98	0.90	1.01	1.30
1998-99	1.27	1.10	1.37
1999-00	1.35	1.51	1.48
2000-01	1.22	1.43	1.25

2001-02	1.48	1.59	1.38
2002-03	1.38	2.5	1.41
2003-04	1.11	No operation	0.91
2004-05	1.57	No operation	1.02
2005-06	1.56	No operation	1.54
2006-07	2.13	No operation	2.07
Average	1.42	1.52	1.37

(Source: Annual Reports from TASCO)

In Arignar Anna Sugar Mill, it can be observed from the table 1 that the average inventory turnover ratio was 1.42percent. Highest inventory turnover ratio recorded was 2.13:1percent in 2006-2007. High inventory turnover ratio may be appreciate, however there is no standard ratio. Highest inventory turnover ratio indicates low inventory and increased sales volume. It express efficient control over inventory. It was favourable position for the mills to some extent. The lowest inventory turnover ratio ascertained was 0.90, imitating huge amount of inventory against sales. It indicates poor performance of inventory management. Huge stock of inventory blocks heavy amount of cash. It becomes difficult to meet short term obligations.

The average inventory turnover ratio in Madura Sugars for the study period upto 2002-03 was 1.52:1. From 2003-04 the mill was not working for cane registration reduce and some administration problems. Highest turnover ratio was 2.5 in 2002-03, reflecting higher sales volume. It was favourable position for the mill to some extent, lowest ratio ascertained was 1.01 in 1997-98, intimating little of sales. Low inventory turnover ratio indicates inability of the mills to increase sales, huge amount unduly tied up with inventory. It may affect the financial position of the mill.

The average inventory turnover ratio in Perambalur Sugar mill for given period was 1.37:1, which was less than the average of Arignar Anna Sugar Mill. The highest ratio ascertained was 2.07 in 2006-07, due to increased sales volume and low stock of inventory. This may be better position for the mills.

The lowest inventory ratio observed was 0.91 in 2003-04, intimating the huge amount of inventory against decreased sales volume. The lowest inventory turnover ratio indicates the inability to augment sales. It is clear that the mill has maintained huge stock of finished goods blocking heavy amount.

Inventory Control

Inventory control may be defined “as the systematic control over the procurement, storage and usage of materials so as to maintain an even flow of materials and at the same time avoiding excessive investment in inventories.

Various techniques are available for the control of Inventories. But except classification and codification no other techniques of control for inventories are used by public sector sugar mills studied. Finished goods and consumable stores are the major components of inventories in sugar mills. It is found that both the components were beyond the control of management by public sector sugar mills.

Regarding finished goods inventory that is stock of sugar, the public sector sugar mills are helpless. They cannot speed up sales and cannot reduce this inventory through sales. They cannot control production of sugar as to reduce the excess finished goods inventory because they have to crush every stock of cane in their area of operation considering it as their social responsibility. This means the important functions, production and sales are beyond the control of sugar mills.

It has been found that no other control measures, like fixation of minimum level, maximum level, order level and economic order quantity are used by sugar mills studied. Physical verification of stock is made, but casually and not regularly. Bin card and store ledgers are used by all mills studied.

Inventory occupies a major share in the structure of working capital. Holding of inventories results into cost and benefits, so the management of inventories affects the probability of the firm, various factors like inventory cost, funds available, rate of consumption, lead time, availability of required materials and management policy determine the size of inventories.

Inventory of public sector sugar mills comprises the stocks of work in progress, finished goods and stores and spares. It is observed in sugar mills that, on an average inventory occupies 80% to 90% shares in current assets.

Free sale of sugar is not allowed to sugar mills. Three sugar mills have to sell sugar under the control of government. Sales are made on the basis of monthly quota allotted to each mills. Government totally regulates the supply of sugar. Levy sale quota is purchased by state governments at a prescribed price determined by it. This quota of sugar is used by government to sell under public distribution system. Levy sale price is always less than open market price. Free sale sugar quota may be sold by mills in open market inviting tenders. It is observed the government controls the sale of sugar which slows the speed of sales in the sugar mills. Hence, three mills have to hold huge stock of its production. This lengthens the duration of operating cycle, which results in cash shortage.

Production of public sector sugar mills are governed by sugar cane availability in its area of operation, and not by demand and supply forces in the market. The production of sugar increases as per the availability of sugar cane, irrespective of demand. This results in accumulation of huge stocks of sugar.

Conclusion

Inventory turnover ratio of public sector sugar mills shows that inventory turnover ratio is less than

standard ratio. The lower ratio indicates the lowest efficiency of inventory management. The inventory turnover ratio ranges between 1.37 and 1.42. The highest ratio is shown by Arignar Anna Sugar mill and lowest Perambalur sugar mill.

Lowest ratio shows inefficient use of inventories in the mills. The inventory turnover ratio analysis reveals that there was inadequate inventory in all mills studied. The highest average inventory turn over ratio observed was 1.42 in Arignar Anna sugar mill and lowest 1.37 in Perambalur sugar mill. It is observed that the average highest inventory turnover ratio of 5.1 was ascertained by 2006-07 and lowest 1.01 in 2003-04.

It may be noted that the sugar mills are not free to sell the stock of sugar according to their financial needs. It is clear that the sugar mills have maintained huge stock of finished goods blocking heavy amount. It is common features of sugar mills that they have to hold huge stock of sugar continuously for a long period.

Not a single mill touched the standard ratio of 2:1. Except Arignar Anna sugar mill and Perambalur Sugar Mill in the year 2006-07. This shows low speed of sales and consumption of stores and spares. Huge stocks of sugar and stores, low rate of sales of sugar and consumption of stores and spares have slowed down the inventory turn over ratio. This reveals that there are excess of inventories in public sector sugar mills.

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PURCHASE DECISION FACTORS OF LIFE INSURANCE POLICY HOLDERS IN DHARMAPURI DISTRICT, TAMIL NADU, INDIA

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Dr. G. Vadivalagan**

ABSTRACT

The Indian Insurance Industry is as old as it is in any other part of the world. There were a number of foreign and Indian insurers operating in the Indian market. Regulations were passed to regulate the Indian insurers but not the foreign companies providing insurance services in India. Analysis and understanding of prospective buyers of life insurance according to their demographic characteristics in specific geographical regions thus becomes important. This will enable the insurers to better prepare their marketing strategies as per the requirements of the people in the region.

Key words: Factors, Influencing, Customer preferences, Demographic, Insurance.

Introduction

Life Insurance is the fastest growing sector in India since 2000 as Government allowed Private players and FDI up to 26% and recently Cabinet approved a proposal to increase it to 49%. Life Insurance in India was nationalised by incorporating Life Insurance Corporation (LIC) in 1956. All private life insurance companies at that time were taken over by LIC. In 1993, the Government of India appointed RN Malhotra Committee to lay down a road map for privatisation of the life insurance sector (Desai, G.R. 2002). While the committee submitted its report in 1994, it took another six years before the enabling legislation was passed in the year 2000, legislation amending the Insurance Act of 1938 and legislating the Insurance Regulatory and Development Authority Act of 2000. The same year the newly appointed insurance regulator - Insurance Regulatory and Development Authority IRDA— started issuing licenses to private life insurers.

Analysing purchasing behaviour profile is important as the progress of life insurance penetration and density is far from satisfying and this indicates at some problem in the way it is being sold in our country. Overselling life insurance to few wealthy people in the society is not going to be the panacea for all the life insurers. They need to realize that

every insurable individual has to be insured and then only the motive of life insurance can be fulfilled in the right sense.

Analysis and understanding of prospective buyers of life insurance according to their demographic characteristics in specific geographical regions thus becomes important. This will enable the insurers to better prepare their marketing strategies as per the requirements of the people in the region.

Review of Literature

The study of Babita Yadav (2011) is empirical based and the primary research conducted through a market survey consisting of 100 respondents of Jabalpur city of Madhya Pradesh. LIC is the leading brand in life Insurance sector but its market share is declining after privatization, LIC need to improve its service quality to meet changing demands and expectations of customers are some of the major findings of the study. The study is significant also because it would help LIC to create a positive impact on its customers by working on its lacking qualities.

Deepika Upadhyaya (2011) has made a study is pioneering work, because this is the first time an attempt is being made to study the service quality assessment of life insurance companies operating in states of Rajasthan and Maharashtra. A major

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contribution of the study is the provision of an approach for the managers to identify the factors of service quality and customer satisfaction in retail life Insurance in India. Although the satisfaction levels are on the higher side, yet there remains a lot to be done by the management of the retail life Insurance companies to maximize their customers' satisfaction and improve the quality of service. The satisfaction of the customer with the services of Life Insurance Companies is linked with the performance of the service.

Sanjaykumar and Jagannath Patil (2012) studied Customer Satisfaction towards Life Insurance Corporation of India (LIC), because Consumer Satisfaction is the first step to Achieve Consumer Loyalty. If the customers of Life Insurance Corporation are Satisfied and Happy then and then only they may be Loyal to the LIC. The authors point out that there are 65% of respondent's objective while purchasing Insurance policy was to cover risk, 25% respondent's objective while purchasing Insurance policy was future investment and 10% respondent's objective while purchasing Insurance policy was long term benefits.

The study of **Sarat Borah (2012)** analyzed the satisfaction level of customers of private sector insurance companies and find out the service factors that has the maximum impact on customer satisfaction. The study observed that, most of the Customers are satisfied with the services offered by Kotak Mahindra Life Insurance Company. The research explicitly indicates that Tangible, Accessibility and Understanding factor have the maximum impact on customer satisfaction.

Objective of the Study

The objective of the present paper is to analyse the gender and age factors in influencing the purchase decision of the policy holders in Dharmapuri district.

Hypotheses of the Study

H01: There is no significant difference between the different factors influencing customers in favour of a life insurance product **across different age categories** of respondents.

H02: There is no significant difference between the different factors influencing customers in favour of a life insurance product **across different gender categories** of respondents.

Research Methodology

This is a sample survey and it takes Dharmapuri town as its geographical area. From the LIC endowment policy holders list of 2011-12 in Dharmapuri district 613 endowment policyholders (out of 2043 policy holders who have taken endowment policy in the district during 2011-12) have been selected at random for this study. The sample size is 30% of the population.

A questionnaire was distributed among the sample policy holders and the data were put into analysis.

Variables of the Study

The study carried gender and age of the LIC policy holders as the personal variables and the product quality and brand image, service quality, customer friendliness, brand loyalty and commitment are the research variables.

Statistical Tool

Analysis of variance (ANOVA) is applicable in this study to analyse the data and test the hypotheses. SPSS16 version is used for this purpose.

Analysis and Findings

Table 1: Gender and age Profile of the Policy Holders

Variable	Category	Count N=613	Percentage
Gender	Male	477	77.8
	Female	136	22.2
Age	Upto 20 years	70	11.4
	From 21 to 30 years	89	14.5
	From 31 to 40 years	60	9.8
	From 41 to 50 Years	252	41.1
	From 51 to 60 years	130	21.2
	Above 60 Years	12	2.0

(Source: Primary data)

Table 2: Mean of Factors Influencing Customers in favour of Insurance Products among different Gender categories of Respondents

Gender-wise Classification	Product Quality and Brand Image	Service Quality	Customer Friendliness	Brand Loyalty	Commitment
Male	3.8768	3.6946	3.6541	3.1950	3.9979
Female	3.8051	3.5490	3.7923	3.2868	3.2868
Total	3.8609	3.6623	3.6847	3.2153	3.8401

Table 3: One way ANOVA Analysis between mean values of different factors of an Insurance product with Gender Categories of Respondents

		Sum of Squares	df	Mean Square	F	Sig.
Product Quality and Brand Image	Between Groups	.544	1			0.00
	Within Groups	456.31.6	611	.747		
	Total	456.860	612			
Service Quality	Between Groups	2.243	1	2.243	3.44	.064
	Within Groups	398.412	611	.652		
	Total	400.655	612			
Customer Friendliness	Between Groups	2.021	1	2.021	2.60	.108
	Within Groups	475.744	611	.779		
	Total	477.765	612			
Brand Loyalty	Between Groups	.892	1	.892	.733	.380
	Within Groups		611	1.153		
	Total	705.576	612			
Commitment	Between Groups	53.519	1	53.519	40.33	.000
	Within Groups	810.814	611	1.327		
	Total	864.333	612			

(Source: Primary data)

In Table 3, analysis of mean of different factors among different gender categories of respondents reveals that mean ratings of 'Commitment', 'Product Quality and Brand Image' and 'Service Quality' are higher among males as compared to females whereas 'Brand Loyalty' is found more among female respondents as compared to male respondents. However 'Product Quality and Brand Image' has got the highest mean among all categories of respondents.

One-way ANOVA was carried out to check H1 that is, there is no significant difference in the mean of different factors motivating respondents in favour of Insurance products among different gender categories of respondents. From the Table 5, it is clear that calculated value of F is greater than the tabulated value of F (2.37) at 5% level of significance. Hence null hypothesis is rejected indicating that there is significant difference in the means of different factors influencing customers in favour of Insurance products across the gender categories.

Table 4: Mean of Factors Influencing Customers in favour of Insurance Products among different Age categories of Respondents

Age-wise Classification	Product Quality and Brand Image	Service Quality	Customer Friendliness	Brand Loyalty	Commitment
Upto 20 years	3.4655	3.2667	3.6679	3.3429	3.1000
From 21 to 30 years	4.0122	3.6105	4.0197	3.3933	3.6966
From 31 to 40 years	4.2347	3.8611	3.7667	3.9000	3.6966
From 41 to 50 Years	3.5820	3.5489	3.5188	2.9365	4.5167
From 51 to 60 years	4.3263	4.0154	3.7288	3.2923	3.8651
Above 60 Years	3.9931	3.9167	3.8958	2.7500	4.0385
Total	3.8609	3.6623	3.6847	3.2153	3.1667

(Primary Data)

Mean of Motivating Factors Influencing Customers in favour of Insurance Products among Different Age group of Respondents Mean score of all the dependent variables were calculated using SPSS software and cross table analysis was carried out to find the significance of variance across demographic characteristics of respondents.

Table 5: One-way ANOVA Analysis between Mean values of different factors of an insurance product with Age categories of Respondents

		Sum of Squares	df	Mean Square	F	Sig.
Product Quality and Brand Image	Between Groups	69.332	5	13.86	21.72	.000
	Within Groups	387.528	607	.38		
	Total	456.860	612			
Service Quality	Between Groups	33.789	5	6.75	11.18	.000
	Within Groups	366.866	607	.604		
	Total	400.655	612			

Customer Friendliness	Between Groups	18.129	5	3.62	4.79	.000
	Within Groups	459.636	607	.754		
	Total	477.765	612			
Brand Loyalty	Between Groups	55.042	5	11.00	10.28	.000
	Within Groups	650.534	607	1.07		
	Total	705.576	612			
Commitment	Between Groups	78.353	5	15.67	12.10	.000
	Within Groups	785.979	607	1.29		
	Total	863.333	612			

(Primary Data)

As it is evident from Table 5, among the mean ratings of various factors across different age groups of respondents, the mean rating of 'Customer Friendliness' is the highest among age group of respondents 'Upto 20 years'. 'Commitment' has got highest mean rating among the age group of respondents ranging 'From 31 to 40 years'. Also a comparative analysis of all the five factors, 'Brand Loyalty' has been rated lowest among customers while selecting and purchasing life insurance products. This signifies the presence of healthy competition among life insurance industry.

In Table 5, one-way ANOVA was carried out to check H1 that is, there is no significant difference between the different factors motivating customers in favour of an insurance product across different age categories of respondents. The test was carried out at 5 degrees of freedom with tabulated value of 2.37. It can be observed from the Table 5 that the value of F of all the factors namely Product Quality and Brand Image, Service Quality, Customer Friendliness, Brand Loyalty, and Commitment, is greater than the tabulated value of F i.e. 2.37 at 5 degrees of freedom and 5% level of significance. Thus there is a significant difference between the different factors motivating customers in favour of a life insurance product across different age categories of respondents and hence null hypothesis is rejected.

Conclusion

The insurance companies thus should try to maintain the timely and satisfactory service along with maintaining their reputation and goodwill. The

companies should pay more attention in timely and hassle free settlement of the claims. Further customer relationship management should be of utmost importance for such companies. 'Brand Loyalty' has been rated lowest among customers while selecting and purchasing insurance product which signifies the healthy competition among the insurance industry.

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EMINENCE MANAGEMENT IN HIGHER EDUCATION MOTIVATION PERFORMANCES

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ABSTRACT

The purpose of this research paper is to present research findings that show motivational teaching strategies to encourage the academic performance and achievement of students. Motivation is the drive on one's thoughts and actions. Motivation is key to arouse the brain and to activate your senses. Motivation to learn is defined as, "The meaningfulness, value, and benefits of academic tasks to the learner." (Lumsden, 1994). Students use motivation in the classroom to stimulate their learning capabilities. "Some students seem naturally enthusiastic about learning, but many need-or expect-their instructors to inspire, challenge, and stimulate them." (Gross Davis 1993). To properly motivate one must understand a student's behaviors. Behaviors that include the logical and illogical, the rational and irrational (Ames, 1984).

An effort has been made to identify possible links between new discoveries in our understanding of how the emotional condition of the human brain affects cognition and memory, and new developments in educational technology. One of the biggest issues facing educators in the modern world is that of student motivation. In the past this was seen as solely the responsibility of the student. If a student lacked motivation it was regarded as a personal failing, caused by laziness or a general lack of application. The answer to the problem was generally punitive and those who didn't respond were discarded by the education system. Nowadays educators take a more responsible view of unmotivated students and a huge range of theories drawn from cognitive and behavioural psychology have been used to try and develop strategies to engage students in the learning process. Recent developments in Neuroscience, specifically research focussing on emotion and cognition, have begun to identify the mechanism within the human brain that underpins motivation

Introduction

Motivation is something that is lacking in several students. It helps students to develop the motivation to learn. Student motivation can be affected by several factors. These elements include parent involvement, teacher enthusiasm, rewards, peers, the learner's environment, personal experiences, personal interests of the student, and self-esteem and self-image. Components such as these weigh heavily on the understanding and importance of learning to the student. These aspects aid in creating lifelong learners.

To distinguish a student by their learning style, there must first be a review of the student's abilities and the factors affecting their learning. When reviewing

these factors there will be a sense of when the student's responses are more consistent and help a teacher figure out when a student learns the best and how they learn as an individual. There are six different things that could affect the learning of a student: brain processing, senses, physical needs, environment, social needs and emotional attitudes. One must not only understand the knowledge of the past and see the events of the present, but must also seek a common link between themselves and the future. Knowledge will provide the connection, as each idea is a part of another and therefore a part of another time. The ideas of the past with generate the ideas of the future and through this knowledge man will live forever.

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Research Design

Need and Importance of Research problem

Motivation is perhaps the most crucial element of a student life. According to Michael B. Brown, Ph. D at East Carolina University, an academically motivated student is a child that “wants to learn, likes learning-related activities, and believes school is important” (Brown, 1998). Thus a motivated student and a smart student are not categorically equivalent. While the correlation between intelligence and achievement is higher than the correlation between achievement and any other factor, the relationship is not perfect. For instance, 10 students with identical IQs will demonstrate variability in achievement on similar and dissimilar learning tasks (Andrews, 2003). Motivation is one of the primary causes of the range of scores. Thus, it is logical to conclude that in order to maximize a student’s potential, and in turn the educational experience, a student must be motivated. With the knowledge that motivation must precede success, it is clear that those in charge of educational planning should attempt to maximize motivation with the forthcoming

Statement of the problem

This research is based on the topic Quality Management in Higher education- A motivation Techniques, which was analysed to know the effectiveness of the motivation and to investigate the parameters of motivation for today young generation through the teaching pedagogy in Higher Educational Institution with reference to Bangalore North respondents.

Objectives

Objectives of the study include the following:

1. To investigate the motivation techniques used by the Educational Institution of higher education.

1. Age group of the respondents: (Total Respondent 21)

Gender/Age(Yrs)	18-25	26-30	31-40	Above 41	Total
Male	9	3	2	1	15
Female	4	0	1	1	6
Total	15	3	2	1	21

2. To examine the views of teachers and students about the effective and ineffective motivational techniques used by them.
3. To verify if the students are happy with the current practices in Motivation Techniques.

Methodology

Population

The population of the study comprised the following categories of respondents:

- (a) Students of degree colleges, Masters Degree and Employees of different Companies.
- (b) Few Teachers and Trainers working in various colleges and Institutions.

Sample

The random sampling was used for selecting the study sample. Twenty one respondents were randomly selected from each college and organization.

Measuring Instruments

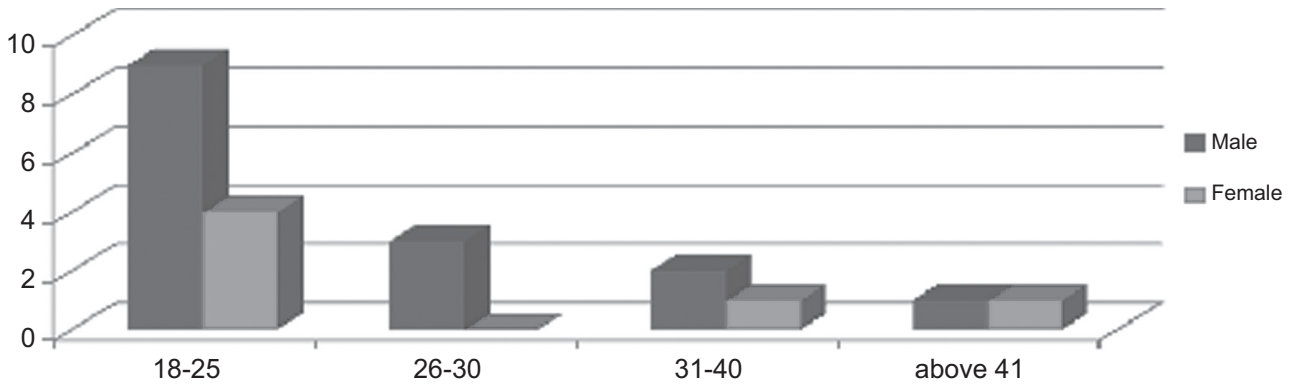
A questionnaire was used as research instruments for collection of data. The questionnaire was validated through pilot testing before this was administered on the sample.

Collection of Data

The researcher visited most of the colleges of Bangalore personally. Hundred percent data from sampled colleges and organizations were collected properly.

Analysis of Data

Data collected through above-mentioned instruments were tabulated, analyzed and interpreted. To analyze the data, Pie charts, Bar Graphs and other charts with percentage were used.



Interpretation

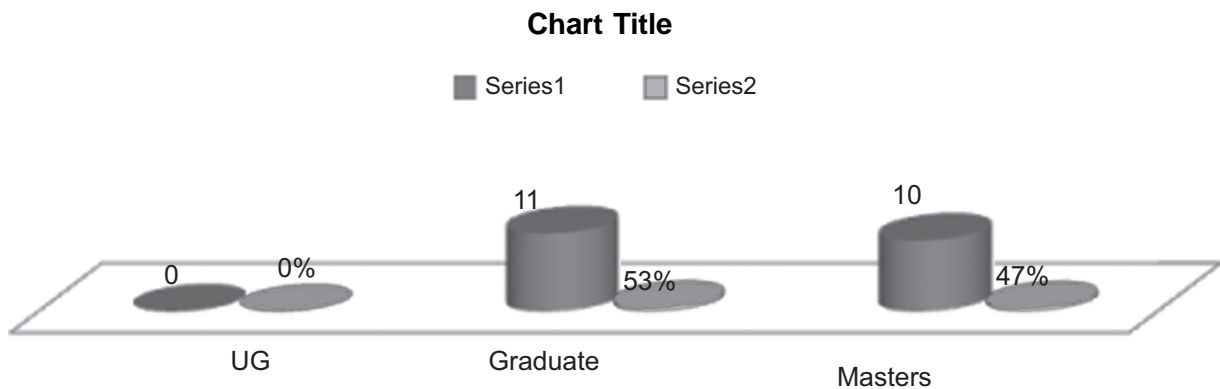
Among the sample the age group of the respondents starts from 18-25 to Above 41 years. Most of the respondents are from the age group of 18-25 and majority of them are Males.

Suggestion

This shows that the young generation is the major decision makers in terms of academic strategies to speak about the changes required in our education system for them to get motivated.

2. Respondent's education qualification

Respondents Qualification	No. of Respondents	Percentage (%)
UG	0	0%
Graduate	11	53%
Masters	10	47%
Total	21	100%



Interpretation

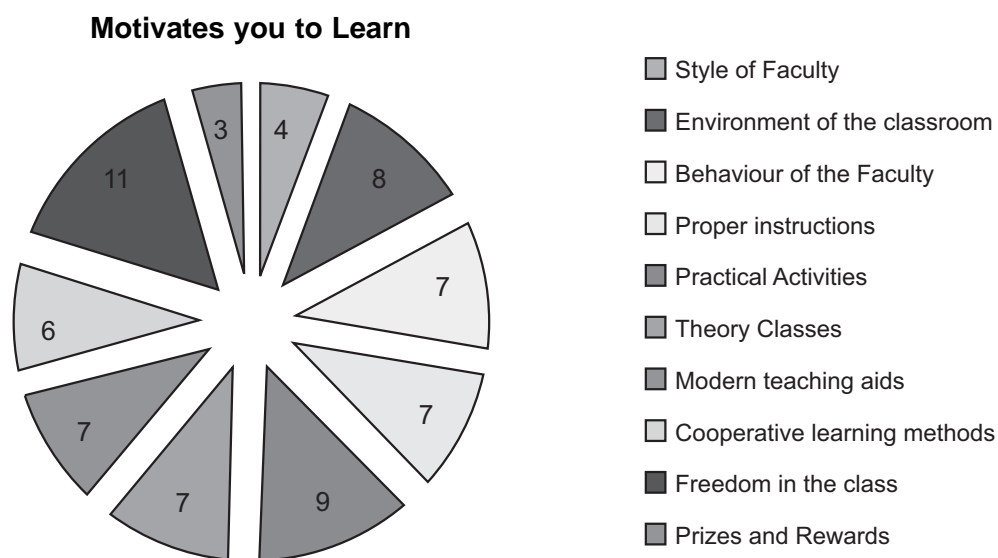
When we look at respondent's education qualification Graduates share 52% of the total share, 38% are Masters in different streams and only 10% of them have PhD.

Suggestion

This interpretation clearly states that most of the respondents are Graduates and some have Masters Degree. But one particular point to be noted is that most of them don't perceive their much higher studies. Hardly students take up additional courses in their day to day life

3. What motivates you to learn?

Sl.No.	Category	No. of Selection	Percentage (%)
1	Style of Faculty	4	6%
2	Environment of the classroom	8	12%
3	Behaviour of the Faculty	7	10%
4	Proper instructions	7	10%
5	Practical Activities	9	13%
6	Theory Classes	7	10%
7	Modern teaching aids	7	10%
8	Cooperative learning methods	6	9%
9	Freedom in the class	11	16%
10	Prizes and Rewards	3	4%
	Total	69	100%



Interpretation

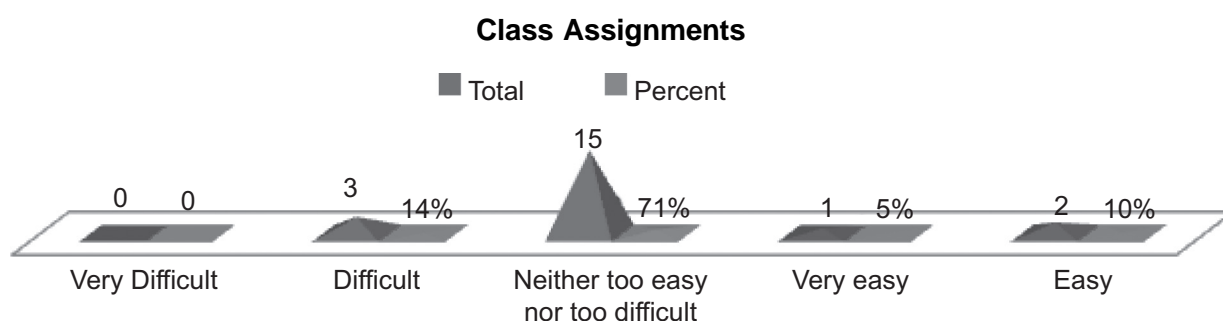
The above chart shows that respondents are not very clear about which is that factor which is the motivating aspect. But 13% of the respondents feel that freedom is required in the class room. And followed by practical activities accounting 13% also classroom environment is also important say 12%.

Suggestion

Looking at the chart respondents feel freedom in the classroom, environment and lot of practical activities helps one to learn the most in terms of motivation techniques.

4. Class Assignments should be:

Sl.No.	Particular	Total	Percentage (%)
a)	Very difficult	0	0%
b)	Difficult	3	14%
c)	Neither too easy nor too difficult	15	71%
d)	Very easy	1	5%
e)	Easy	2	10%
	Total	21	100%



Interpretation

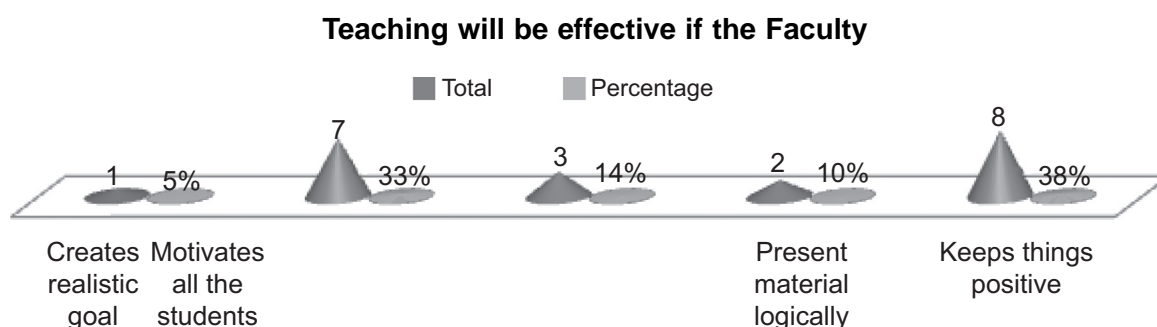
Class assignments should be neither too easy nor too difficult say 71% of the respondents, followed by 15% say they require difficult assignments and 10% say it would be better if they have easy assignments.

Suggestion

Most of the respondents say they require neither too difficult nor too easy assignments to learn.

5. Teaching will be effective if the Faculty:

Sl.No.	Options	Total	Percentage (%)
a)	Creates realistic goals	1	5%
b)	Motivates all the students	7	33%
c)	Leads to interaction and involvement	3	14%
d)	Present material logically	2	10%
e)	Keeps things positive	8	38%
	Total	21	100%



Interpretation

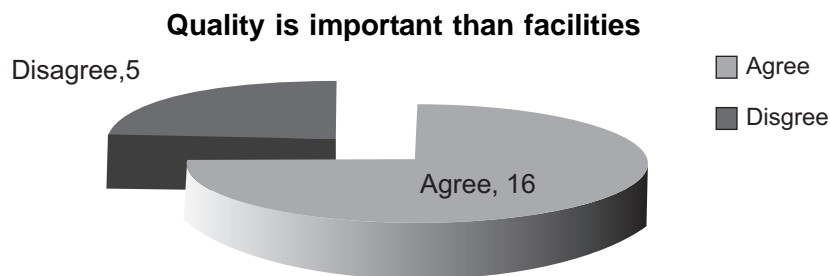
Teaching will be effective if the Faculty keeps things positive say 38%,33% of the respondents say if faculty motivates all the students and 14% say if leads to interaction and involvement.

Suggestion

This clearly states that the positive attitude is very important for the faculties with an intention to motivate all the students with interaction and involvement.

6. Quality is important than facilities in the recent days –

Sl.No.	Options	Total	Percentage (%)
a)	Agree	16	76%
b)	Disagree	5	24%
	Total	21	1



Interpretation

76% of the respondents agree that quality is important than facilities in the recent days but 24% disagree with this.

Suggestion

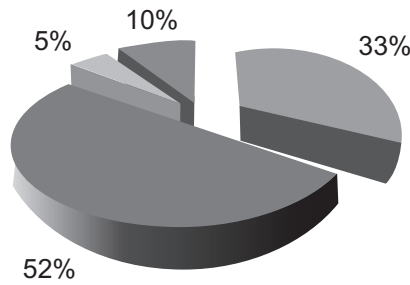
This clearly conveys that the quality plays a dominant role in learning and implementation part rather than the various facilities.

7. Higher education system teaching aids in India is really good.

Sl.No.	Options	Total	Percentage (%)
a)	Completely agree	7	33%
b)	Agree	11	52%
c)	Disagree	1	5%
d)	Completely disagree	2	10%
	Total	21	100%

Higher education system teaching aids in India is really good

Completely agree
 Agree
 Disagree
 Completely disagree



Interpretation

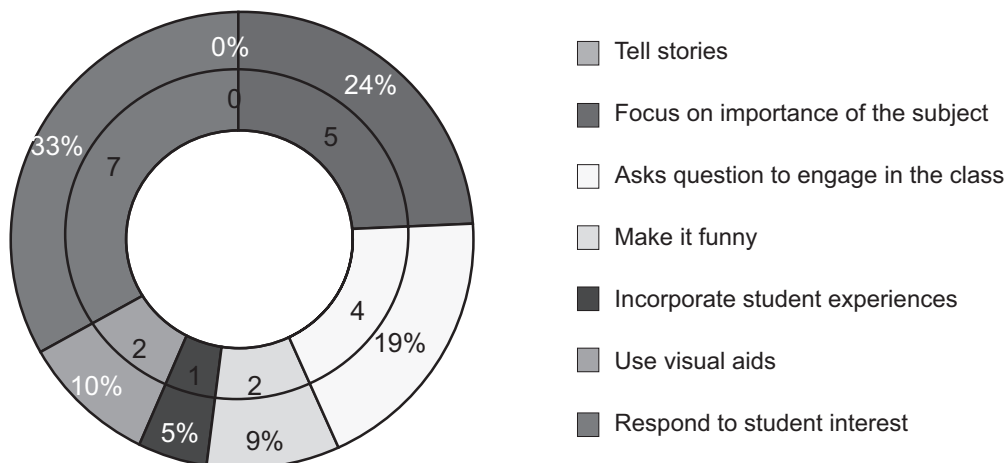
Higher education system teaching aids in India is really good say 52% of the sample population but 33% of the respondents disagree with this statement.

Suggestion

This clearly shows there is major concern towards teaching aids in the educational institutions since it's not upto the required level for the advances in all sectors.

8. Topic seems interesting if Faculty:

Sl.No.	Options	Total	Percentage (%)
a)	Tell stories	0	0%
b)	Focus on importance of the subject	5	24%
c)	Asks questions to engage in the class	4	19%
d)	Make it funny	2	10%
e)	Incorporate student experiences	1	5%
f)	Use visual aids	2	10%
g)	Respond to student interest	7	33%
	Total	21	100%



Interpretation

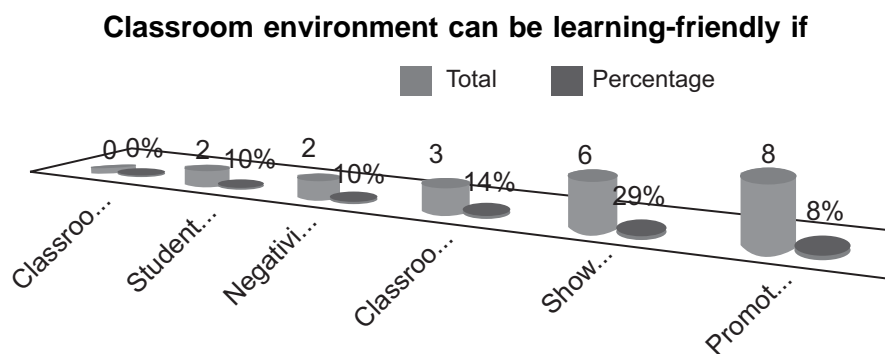
Topic seems interesting if Faculty responds to the interest of the students say 33%of the respondents, 24% of the respondents say its focus on importance of the subject, should ask questions to engage in the class say 19%.

Suggestion

The interest of faculty should be to find out the interest of the students and train or teach accordingly.

9. Classroom environment can be learning-friendly if

Sl.No.	Options	Total	Percentage (%)
a)	Classroom is organized	0	0%
b)	Students are supported in their learning efforts	2	10%
c)	Negativity is avoided	2	10%
d)	Classroom should be inviting	3	14%
e)	Show interest in students as individuals	6	29%
f)	Promote open communication and discussion	8	38%
	Total	21	100%



Interpretation

Classroom environment can be learning-friendly if open communication and discussion is promoted say 38%, show interest in students as individuals say 29%, and classroom should be inviting say 14% of the sample population.

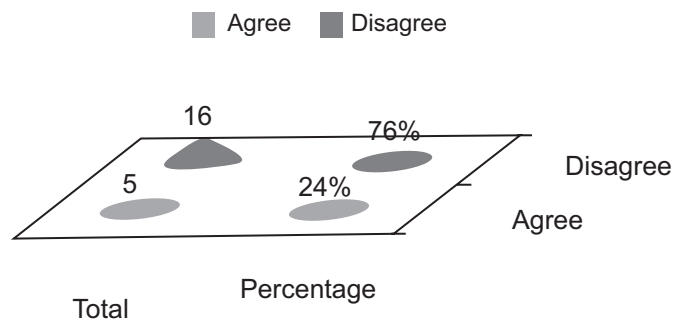
Suggestion

Classroom environment should be friendly and an open communication with healthy discussion can set students to identify them in a motivated personalities and they find the class very interesting and inviting.

10. Online learning is better than classroom learning.

Sl.No.	Options	Total	Percentage (%)
a)	Agree	5	24%
b)	Disagree	16	76%
	Total	21	100%

Online learning is better than classroom learn



Interpretation

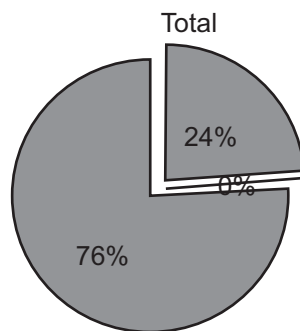
76% of the respondents disagree with the statement online learning is better than classroom learning whereas 24% of the population feel online is better.

Suggestion

This clearly shows that classroom learning is the best way of learning than online training.

11. "Motivation strongly depends on the kind of Assessments". Assessments should be based upon:

SI.No.	Options	Total	Percentage (%)
a)	How much one has understood?	5	24%
b)	How much one has written in the test?	0	0%
c)	How much one has memorized?	0	0%
d)	How much one can apply the learning in a given situation?	16	76%
	Total	21	100%



Interpretation

Assessments should be based upon how much one can apply the learning in a given situationsay 76%, 24% say how much one has understood is very important when assessing a student or learner in terms of assessments.

Recommendations

- Teachers need to be friendly with students and guide the students to learn practical oriented and not exam orientted.

- In classroom everyone should be like a family member and open minded. Also the activities should be based on current situations.
- Show your students that you take an interest in them and that they belong in your classroom.
- Understand student's weakness and motivate them to overcome.
- Focus the activities and teaching on industry requirements not academic requirement.
- Humour, positive attitude and friendly environment can motivate students to learn.
- Make sure that students know what they are to do, how to proceed, and how to determine when they have achieved goals.
- Make use of objectives that are challenging but attainable and, when appropriate, that involve student input.
- Provide knowledge of results by emphasizing the positive.
- Try to encourage the development of need achievement, self-confidence, and self-direction in students who need these qualities.
- Use cooperative-learning methods.
- Try to make learning interesting by emphasizing activity, investigation, adventure, social interaction, and usefulness.

Conclusion

The question of assessment in the "school system, individual schools, and teachers have evoked strong and sometimes violent emotions from the educational community, the general public and their legislative representatives. Assessment based on

standardized tests has been looked at very closely over the recent years, and some people have even mentioned that they be eliminated completely. Those who feel traditional methods should be replaced by alternative methods. These people feel that demonstration, exhibition, investigation, oral response, portfolio, and written responses are all examples of alternative assessments and should be incorporated in the classroom. They also feel that peer assessment should be incorporated because students learn a great deal from each other, and with large student numbers, "the importance of student feedback increases as the availability of tutor feedback decreases"(Brown & Knight, 1994).Creating a great learning environment is key to motivating students. The first step to motivating students is to spark their interest in the subject.

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A STUDY ON PERFORMANCE OF INSURANCE INDUSTRY IN INDIA

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Dr.M.Balamurugan**

ABSTRACT

Life insurance is not simply a business proposition. It is not just a question of mobilization of resources for development; it is a question of citizen's sense of security. It provides a link between the present and the future. Today India is one of the fastest growing economies of the world. It is now Asia's third largest economy and has made inroads into the global top 10 in terms of Gross Domestic Product (GDP). GDP originating from the service sector recorded a growth rate of 9.30 per cent in 2010-2011. The contours of insurance business have been changing across the globe and rippling effect of the same can be observed in the Indian market as well. Insurance Industry is a growth-oriented industry. The life insurance sector in India has seen an array of changes in the past one decade. The economic scenario which emerged after globalization, privatization and liberalization has thrown a new challenge before the insurers. Now it has to be more competitive in order to meet the needs and demands of its customers. With a huge population base and large untapped market, life insurance industry has a big opportunity in India for National as well as foreign investors. The profitability of the life insurance companies has also been changed due to change in operating activity like selling new policies, appointment of active agents, giving commission to the agents and evaluating maturity value. The growth of insurance business of private sector companies has been higher than government sector.

Keywords: Life Insurance, GDP, profitability, growth, economy, competitive.

Introduction

The Life Insurance Industry in India is one of the hard-core parts of the service sector. It plays a vital role in the economic development of our nation. It not only provides safety against life risk for individuals but also acts as savings, financial intermediary, and promoter of investment activities and stabilizer of financial markets. This in turn generates long-term investible funds for nation building and enhances standard living of the people. Financial systems are an important element for the economic growth process, because they have a function which provides funds for wide spreading of new technologies and accumulation of capital funds. Developed financial systems which are effectively fulfilling the functions can increase efficiency in addition to economic growth. These functions are such as orientation of small deposit is owned by

individuals to large investments. The investments are diversified to reduce the risk of depositors, reducing collecting and evaluating information costs about the projects which is applied by the specialized agencies.

The life insurance sector in India has seen an array of changes in the past one decade. The economic scenario which emerged after globalization, privatization and liberalization has thrown a new challenge before the insurers. Now it has to be more competitive in order to meet the needs and demands of its customers. The reforms contributed to increase the awareness of the insuring public about the wider range of choice of insurance products and the price offered by the competing insurers in the market. The customers know well about their rights and remedies, availability of various grievance redress mechanisms,

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progressive decontrol and detoxification of pricing of insurance products. The technical know-how, expertise and wide experience of multinationals that have joined with the Indian companies have revolutionized almost all aspects in the industry.

Life Insurance of India

The first company that sold policies to Indians with 'fair value' was the Bombay Mutual Life Assurance Society starting in 1871. For the next hundred years, life insurance was confined mostly to the wealthy living in large metropolitan areas. The Life Insurance Corporation of India was formed by an Act of Parliament viz. LIC Act 1956, with the motto of spreading life insurance to all segments of people in the country. The eagerly awaited Insurance Regulatory and Development Authority (IRDA) Bill to open the insurance sector India to private and foreign players was passed by the Lok Sabha on December 2, 1999 and by the Rajyasabha in December 1999. After passing this Act the entry of the private players is increased year-by-year. At the end of 31st March 2011 there are 23 private players operating in India.

Review of Literature

Gamarra(2007) estimated cost and profit efficiency of three groups of German life insurance companies: multichannel insurers, direct insurers, and independent agent insurers. Nonparametric DEA is used to estimate efficiencies for a sample of German life insurers for the years 1997-2005. Testing a set of hypothesis, she found economic evidence for the coexistence of the different distribution systems which is the absence of comparative performance advantages of specialised insurers. Further, she found evidence for scale economies in the German life insurance industry.

In the Indian context, Tone and Sahoo(2005) were the first to study efficiency of the life insurance sector as they applied new cost efficiency model to examine the performance of Life Insurance Corporation (LIC) of India. The findings show a significant heterogeneity in the cost efficiency scores over the

course of 19 years. A decline in performance after 1994–1995 can be taken as evidence of increasing allocative inefficiencies arising from the huge initial fixed cost undertaken by LIC in modernizing its operations. A significant increase in cost efficiency in 2000–2001 is, however, cause for optimism that LIC may now be realizing a benefit from such modernization. This will stand them in good stead in terms of future competition. Results from a sensitivity analysis are in broad agreement with the main findings of this study.

Need of the Study

With a huge population base and large untapped market, life insurance industry has a big opportunity in India for National as well as foreign investors. Till 1999 there was only one public Insurer –Life Insurance Corporation of India. Liberalization and privatization of the insurance sector has brought 23 private players till date and has offered tremendous opportunities. Now the state owned LIC has been compelled to review their philosophy and method of working in order to be ready for competition with private sector companies.

After liberalization the public life insurer's market share started declining year-by-year due to the ineffective marketing strategy adopted by the private players. In order to sustain in the market, players opt various innovative policies at affordable premiums and enhanced services to withhold their existing policy holders and to attract new ones. The survival of the company may depend on the proactive strategy in the product designing, marketing techniques, customized service and claim and settlement practices. This may have a direct impact on the productivity and financial efficiency of the insurers. This initiated the researcher to evaluate how these companies are performing in the post-liberalized period in India.

This raised the following questions:

What is the growth and progress of the life insurance companies in India after liberalization? Which factors are affecting the financial efficiency of the life insurance companies in India?

Objectives of the Study

The following are the objectives of the study:

- To analyze the growth and progress of the Indian life insurance companies in post- liberalization period.
- To examine the factors influencing the financial efficiency of the life insurance companies in India.
- To offer findings and to make suggestions for the improvement of Insurance companies in India.

Hypothesis of the Study

In this study the following hypotheses has been framed.

There is no significant difference among Gross premium, number of companies, claims paid, operating expenses, commission expenses, income from investment, number of agencies, number of policies, and profitability.

Research Methodology

By carrying out Analytical study the performance of life insurance companies in India are determined.

Data and Sources of Data

The present study is based on secondary data. Data for this study are obtained from the IRDA (Insurance Regulatory Development Authority) annual reports, Bulletins and statement of accounts of the various Life Insurance Companies.

Period of the Study

The study covers a period of ten years from the accounting year 2001-2002 to 2010-2011.

Sampling Design

Among 24 Life Insurers in India 12 life insurance companies have been selected through Purposive sampling method. The selection method is based on the first date of incorporation of the life insurance companies. The following table shows the list of insurance companies selected for this study.

List of sample companies included in the present study

Table - 1 : Insurance Companies in India

Sl.No.	Insurance company	Date of Incorporation
1	Life Insurance Corporation of India	01.09.1956
2	HDFC standard life insurance	23.10.2000
3	Max New York life insurance	15.11.2000
4	ICICI prudential life insurance	24.11.2000
5	OM Kotak life insurance	10.01.2001
6	Birla Sun life insurance	31.01.2001
7	Tata AIG life insurance	12.02.2001
8	SBI life insurance	29.03.2001
9	ING Vysya life insurance	02.08.2001
10	Allianz Bajaj life insurance	03.08.2001
11	Met Life India insurance	06.08.2001
12	Reliance Life insurance	03.01.2002

(Source : Secondary data)

Framework of Analysis

Multiple Régression Analysis

Multiple regression is a statistical process by which several variables are used to predict another variable. The following formula was used:

$$Y = a+B1 X1 + B2 +.....+BnXn$$

While selecting the independent variables to a larger extent, variables which were less correlated were selected in order to avoid multicollinearity problem. The F ratio and P valve for the model were also computed to test their significance. If the computed P value was lower than the critical level of d=0.05 the model was determined as statistically significant. The co-efficient of determination R2 was also computed to find the percentage of the explaining power of the model R2 which would always increase when all independent variables are added, adjusted R2 will come down if the added variable does not reduce the unexplained variations. The adjusted R2 was calculated by

$$\text{Adjusted R2} = 1-(1-R2)(N-1)/(N-K)$$

N = Number of Sample observations

K = Number of parameters

If the adjusted R2 is close to R2 the addition of any further independent variable would not help in better prediction, when there is a wide difference, it is an indication of the need for the inclusion of some more independent variables. Further the best subset regression was computed by generating all the possible combinations of the selected independent variables. The two variables model with higher R2 was chosen as the best model.

Compound Annual Growth Rate

Compound Annual Growth Rate of the variable is computed per annum. The following formula is used to compute the growth rate.

When there is a continuous growth of the variable the formula is used:

$$(\text{End value} / \text{Beginning value})^{1/n-1}$$

Where n = Number of years

When there is a variable growth of the variable the formula used is:

$$N\sqrt{(1+r1))1+r2) (1+rn)—1}$$

R growth rate

All the ratios are used to find out the growth rate of variables.

Result and Discussions

Table - 2 : Multiple Regressions

SI.No.	Company's	R2	Adj R2	't'	Significant
1	LIC	.990	.908	.195	.219
2	BIRLA	1.000	.999	5.141	.001
3	ICICI	.837	.267	-1.889	.463
4	ING	1.000	.997	-4.375	.041
5	HDFC	.999	.988	-.928	.078
6	MAX NEW	.923	.655	1.113	.243
7	RELIANCE	.997	.991	2.728	.001
8	TATAAIG	1.000	.999	-5.536	.017
9	MET LIFE	.961	.826	1.919	.129
10	SBI LIFE	1.000	1.000	4.875	.009
11	BAJAJ ALLIANCE	1.000	1.000	.585	.000
12	KOTAK	.978	.804	-1.906	.316

(Source : Secondary data)

Hypothesis

It is clear from the above table that the hypothesis is accepted (no significant) in the influencing factors namely gross premium, number of companies, claims paid, operating expenses, commission expenses, income from investment, number of agencies, number of policies and profitability.

Table 2 shows multiple regression of the determinants of profit. The model for the LIC explains 99 per cent of the variations in its profit. The adjusted R2 is closer to R2 and this indicates that no new variables need to be added. The computed P values .219 were higher than the critical value at the 0.05 level. The agencies are closer to the 0.05 level (0.18).

The BIRLA explains 100 per cent of the variations in its profit. The adjusted R2 is closer to R2 and this indicates that no new variables need to be added. The computed P (.001) values were less than the critical value at the 0.05 level. The companies are significant at the 0.05 level (0.009).

The ICICI recorded 83 per cent of the variations in its net profit. The adjusted R2 is not closer to R2. The computed P values (.463) were higher than the critical value at the 0.05 level. Hence the companies (.19) is closer to the 0.05 level.

The ING has 100 per cent of the variations in its profit. The adjusted R2 is closer to R2 and this indicates that no new variables need to be added. The computed P values is .041 were higher than the critical value at the 0.05 level. The claims are closer to the 0.05 level (0.10).

The HDFC holds 99 per cent of the variations in its profit. The adjusted R2 is closer to R2 and this indicates that no new variables need to be added. The computed P (.078) values were higher than the critical value at the 0.05 level. The operating expenses are closer to the 0.05 level (0.13).

The MAX NEW carries 92 per cent of the variations in its profit. The adjusted R2 is not closer to R2.

The computed P values were higher than (.243) the critical value at the 0.05 level. The fixed assets (0.32) are closer to the 0.05 level than the other variables.

The RELIANCE explains 99 per cent of the variations in its profit. The adjusted R2 is very closer to R2 and this indicates that no new variables need to be added. The computed P (.001) values were less than the critical value at the 0.05 level, when the claims and operating expenses (0.001) are significant at the 0.05 level.

The TATAAIG recorded 100 per cent of the variations in its profit. The adjusted R2 is very closer to R2. This indicates that no new variables need to be added. The computed P values were higher (.017) than the critical value at the 0.05 level. The claims (.084) are closer to the 0.05 level.

The MET LIFE explains 96 per cent of the variations in its profit. The adjusted R2 is not closer to R2. The computed P values were .129 higher than the critical value at the 0.05 level, when the all the variables are above the 0.05 level.

The SBI LIFE held 100 per cent of the variations in its profit. The adjusted R2 is equal to R2. This indicates that no new variables need to be added. The computed P values .009 were higher than the critical value at the 0.05 level. The commission expenses (0.036) are closer to the 0.05 level.

The BAJAJ ALLIANCE holds 100 per cent of the variations in its profit. The adjusted R2 is equal to R2. The computed P values .000 were less than the critical value at the 0.05 level, the policies (0.005) are significant at the 0.05 level.

The KOTAK presents 97 per cent of the variations in its profit. The adjusted R2 is not closer to R2. The computed P values were higher (.316) than the critical value at the 0.05 level. This model is statistically not significant, when the all variables are higher than the 0.05 level.

Table – 3 : Annual Growth Rate

Year	LIC	BIRLA	ICICI	ING	HDFC	MAX NEW	RELIANCE	TATA AIG	MET LIFE	SBI LIFE	BAJAJ ALLIANCE	KOTAK
2002-03	0.05	52.63	107.14	300.00	350.00	53.33	105.88	116.67	166.67	100.00	94.12	211.11
2003-04	0.23	41.38	137.93	62.50	44.44	43.48	37.14	100.00	100.00	90.00	48.48	39.29
2004-05	0.05	29.27	57.97	46.15	246.15	93.94	66.67	53.85	118.75	63.16	212.24	10.26
2005-06	1.05	83.02	60.55	78.95	66.67	31.25	96.25	80.00	22.86	48.39	270.59	6.98
2006-07	3.65	52.58	233.14	169.12	198.67	40.48	1.27	23.61	23.26	200.00	54.67	63.04
2007-08	9.60	263.51	235.85	44.81	27.01	64.41	368.55	217.98	77.36	44.93	14.82	101.33
2008-09	20.14	22.68	7.35	0.00	7.03	263.40	53.69	60.42	102.13	144.50	15.59	31.13
2009-10	7.26	-1.21	-8.61	-4.15	-6.73	0.00	8.91	-3.30	34.21	1.02	-1.12	8.59
2010-11	3.72	-5.37	-27.02	-2.76	-12.32	-28.51	0.08	-17.31	5.88	27.33	-5.13	-5.58

(Primary Data)

The annual rate of growth is found to be 20.14 in the year 2008-09 is a maximum and 0.05 is a minimum in the years 2002-03 and 2004-05 on the basis of number of companies in LIC. The average growth of LIC in the number of companies in the year 2007-08 with a value 9.60. The growth of number of companies in BIRLA was achieved highest in the year 2007-08 is 263.51 and lowest 5.37 negative growth in the year 2010-11. The average growth rate 83.02 recorded in the year 2005-06.

ICICI highest growth was recorded in the year 2007-08 and the lowest negative growth was recorded in the year 2010-11 is 235.85 and 27.02 respectively. ING the highest growth was attained in the year 2001-02 and the lowest negative record was attained in the year 2010-11 was 300.00 and 2.76 respectively.

The highest growth was recorded the HDFC in the year 2002-03 when the figure stood at 350.00 . The minimum growth was recorded in the year 2010-11 when the figure touched negative growth of 12.32. MAX NEW held a gradual increase in growth yearly with the record reaching 263.40 in the year 2008-09. The negative growth was recorded in the year 2010-11 when the figure touched 28.51.

TATA AIG holds a maximum growth was recorded in the year 2007-08 (217.98) and minimum negative growth in the year 2010-11 (17.31). Since the year

2001-02 , the MET LIFE has been declining records of growth rate. The year 2002-03 had been the year of highest growth with the value reaching 166.67. The least growth rate of 5.88 was recorded in the year 2010-11.

SBI LIFE had a record of growth rate was attained in the year 2006-07 was 200 the highest and the lowest record was attained in the year 2009-10 was 1.02. KOTAK held a negative growth rate of 5.58 in the year 2010-11 and the highest growth was recorded in the year 2002-03 was 211.11.

RELIANCE went through a phase of decreasing growth from the year 2001-02 to 2010-11, that is 105.88 to 0.08 respectively. The highest growth was recorded in the year 2007-08 (368.55). BAJAJ ALLIANCE recorded the negative growth rate in the year 2010-11 was 5.13 as against the highest record of 270.59 in the year 2005-06.

Findings

By applying Multiple Regression Analysis among the insurance companies, it is found that BIRLA, RELIANCE and BAJAJ ALLIANZE insurance companies are significant at 0.05 level. The MET LIFE and KODAK shows that all variables are above the level of 0.05, while other companies included for the study are closer to the significant level.

The study reveals that the growth rate of SBI LIFE is high (27.33), followed by MET LIFE with growth rate of 5.88. The MAX NEW insurance company has the highest negative growth rate 28.51, followed by ICICI with 27.02.

Suggestions

- The LIC has to innovatively alter the operating models, business processes, channel management and human resource strategy to control the operating expenses and the combined ratios to compete with private players.
- With the entry of private insurers in life insurance business, it is obvious that some proportion of new business will go in the hands of private life insurers. At this stage LIC is in urge to retain its customers.
- In order to increase the growth rate, the insurance companies has to introduce many new products to suit the customer needs like pension plan, special group policies, etc.
- The insurance company has to concentrate on the rural areas in order to increase the business.
- The insurance companies should conduct more extensive market research before introducing insurance products targeted at specific segments of the population so that insurance can become more meaningful and affordable.

Conclusion

The existence of life insurance companies is found even before nationalization in India. After nationalization the Life Insurance Corporation of India was incorporated by the constitution. The liberalization, privatization and globalization policies has made the insurance companies in India to expand their business territory across the globe. On the other hand many foreign insurance companies have also entered into Indian insurance market. The present scenario reveals that the growth of insurance business of private sector companies has been higher than that of government sector. The competition has become hectic between them, which ultimately benefits the consumer

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A STUDY ON SUCCESSION MANAGEMENT IN A.R.C SPINNING MILLS PVT LTD, COIMBATORE

Ms. J. Prabha*

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ABSTRACT

Most companies have an opportunity to improve their succession management programs. The number one challenge for succession management is developing a succession planning strategy. Interviews and surveys were conducted with business leaders, succession management program managers, and talent managers. Business experts have touted the importance of succession management systems as a way to help organizations attract, develop and retain talented employees. Findings suggest that by giving employees various types of career development opportunities, employees are more likely to feel that their organization is taking an interest in their careers and values their contributions, which predicts employee commitment and desire to stay in the organization

Keywords: Management Education, Appraisals, Feedback, Expectations and Stability.

Introduction

Succession Management is not replacement management. Succession Management is making provisions for the development, replacement and strategic application of key people over time, and requires the identification of the organization's values, mission, and strategic plans. It is a proactive approach that ensures continuing leadership by cultivating talent from within the organization through planned development activities.

Succession planning is a process for identifying and developing internal people with the potential to fill key leadership positions in the company. Succession planning increases the availability of experienced and capable employees that are prepared to assume these roles as they become available. Taken narrowly, "replacement planning" for key roles is the heart of succession planning.

Effective succession or talent-pool management concerns itself with building a series of feeder groups up and down the entire leadership pipeline or progression. In contrast, replacement planning is focused narrowly on identifying specific back-up candidates for given senior management positions.

Definition

"Managing succession" is more than fingering a slate of replacements for certain positions. It is a deliberate and systematic effort to project leadership requirements, identify a pool of high potential candidates, develop leadership competencies in those candidates through intentional learning experiences, and then select leaders from among the pool of potential leaders."

The most successful systems are built around continual reinvention. Best practice companies continually refine and adjust their systems as they receive feedback, monitor developments in technology and learn from other leading organizations.

High-Impact Succession Management

High-Impact Succession Management is the first study to take a comprehensive view of succession management and examine what companies are doing at all levels of the enterprise not just at top executive levels.

The study was conducted in partnership with the Center for Creative Leadership, an internationally recognized provider of executive education.

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Today, talent mobility the ability to quickly and effectively reorganize and move talent into new roles and vacancies is critical to business success. Without an integrated, top-to-bottom succession management program, your organization can't make informed talent-related decisions. High-Impact Succession Management serves as a detailed resource for business and human resource executives involved in all aspects of succession planning and management

Companies that create an effective succession management process

Quickly anticipate and fill succession gaps. Identify employees with high management potential and actively plan their careers and development to build "bench strength" Align their "people strategy" with their "business strategy." As a company grows and its strategy evolves, its leadership needs can change significantly. To meet needs like these, companies must regularly discuss their talent recruitment and development practices.

When organizations meet these requirements, they create the kind of leadership and management capacity that delivers sustainable business results. They also reduce the range in performance in key roles, minimize attrition among top performers, and promote a high internal hiring rate.

Many senior managers think their company is adept at succession planning, and they may be right. The problem is that although succession planning is essential, it's just the first step. It's equally important to develop the leaders and managers so they can execute the business strategy and deliver results.

Importance of Succession Management

- Identify succession candidates within your company.
- Provide management education and mentoring.
- Provide internal education and mentoring.
- If you don't have the talent, now is the time to get it.
- Succession management smoothes transitions.
- The "right" developmental assignments.

- Meaningful appraisals and feedback.
- Appropriate selection criteria.
- A range of good choices.
- Develop a strategic leadership HRP that includes comprehensive position descriptions, needs analysis and plans to bridge the gaps.
- Build relationship with and carefully study the performance and behaviour of successors over a long period of time.
- Retain a critically important employee who might otherwise leave if not formally recognized as the successor.
- Provide a sense of direction, stability and expectations for all key stakeholders (employee, customers, shareholders and vendors).

Ten Commands of Succession

- Don't assume continuity from within.
- Don't waste valuable time.
- Don't be secretive.
- Don't ask the impossible.
- Don't assume it gets done once a year.
- Don't mistake paper for reality.
- Don't assume it's just about potential.
- Don't wait for SAP.
- Don't overdo the identification of potential.
- Don't wait for the "right time".

Statement of problems

- Appointing the wrong person can lead to a variety of problems that result in poorer company performance and turnover.
- Pulling the trigger too quickly to appoint someone only to have a better candidate appear later on.
- Engaging in succession planning when the business is immature may lead to erroneous conclusions about leadership needs.
- A poorly conducted succession planning process will lead to poor decisions, disharmony and ultimately poor company performance as well.

- Lack of formal written plan for each key person or position.
- Too long a wait for real movement/promotion, potentially resulting in the best people leaving due to apparent inertia in the system.

Objective of the study

- To identify current and future competencies needed for successful performance in leadership positions.
- To understand future leaders strengths developmental opportunities and succession readiness.
- To consult with stake holders for placement of candidates as well as advice on future placements.
- To evaluate of team culture and individual values reports assessing team fit.
- To collect the individual feedback on performance and potential and the creation of development plans.
- To coaching and developmental programs to ensure that development goals are achieved

Methodology

In this study, both primary and secondary data were used for this study. The primary data were collected from well-designed interview schedule covering various aspects of the organization like Management Education, Appraisals, Feedback, Expectations and Stability. The secondary data were collected through journals, annual reports, and articles and also from websites.

Sampling Design

A Random sampling technique and Descriptive Research method was used to collect information from the A.R.C. Spinning Mill employees. Questionnaire was served to the employees working place. The questionnaire has different questions that bring about the various aspects of employees towards the management.

Sampling Size

The total number of employees interviewed was 100. Among them, 78 were male employees and 22 were female employees.

Data Analysis and Interpretation

Table. No: 1 Aware of Policies and Procedures of the Respondents

Data Analysis and Interpretation

Table. No: 1 Aware of Policies and Procedures of the Respondents

Sl.No.	Policies and Procedures	Respondents	Percentage
1	Not at all aware of this	-	-
2	Aware of this but need more information	76	76
3	Know & understand	24	24
	TOTAL	100	100

(Source: Primary Data)

Inference

From the above table shows that, 76% of the respondents are Aware of this but need more information, 24% of the respondents are no & understand aware of the policies and procedures.

Table. No: 2 Purpose of succession Management of the Organization

Sl.No.	Purpose of Succession Management	Respondents	Percentage
1	To easily identify replacement to fill key positions	14	14
2	Develop employees	32	32
3	Achieve strategic goals	41	41
4	Retain organizational goal	13	13
	TOTAL	100	100

(Source: Primary Data)

Inference

From the above table shows that, 41% of the respondents are help to achieve the strategic goals, 32% of the respondents are to develop the employees and 14% of the respondents are to easily identify replacement to fill key positions of the main purpose of Succession Management.

Findings

- Majority of the respondents are aware of the policies and procedures but they need more information.
- Most of the respondent's main purpose is to achieve strategic goals.
- The employees are helps to achieve the organization goals.
- The workers are need further training in their job profile
- Most of the respondents are feeling very important to have a succession planning procedure of the organization.
- The workers are agreeing the process of succession management needs new discipline.

Suggestions

- The majority of the employees are aware of the policies and procedures, but they need more information want to know so the organization has arranged or conducted meeting once in a year.
- Most of the respondents are wanted training for their job field, so the organization must give proper training for the employees to know about the job.

- While the decision making by the organization it has to consider the employees suggestion it will help to achieve the goal as soon as possible.
- The company valuable resources are the employees, so the organization must satisfy the employee's reasonable need and wants that can only it will develop.
- If the organization will take any decision which is favour to the goal, it should announce to all the employees without left even a single employee in the organization.
- In this organization has take the employees are mostly uneducated, so they did not know about the working condition about the job, so the management has to recruit the employees at least a basic knowledge i.e. higher secondary qualification because they can learn easily as well as soon.

Conclusion

The Succession Management unlocks the potential for business direction, continuity, retention of high-value talent and institutional knowledge, and it builds an organization culture that will outpace the competition. Enterprise-wide performance depends on the effectiveness, depth and breadth of an organization's succession management efforts.

Succession management secures future leadership capability, which is critical for driving organizational performance that wins in the changing world of work. It is an active and vital ongoing business process, embracing dynamic market imperatives to integrate the identification, assessment and development of talent with long-range strategic planning.

“Attracting and retaining skilled, knowledge-based talent will be a key competitive differentiator in the coming years. In fact, talent will be the only sustainable differentiator.”

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BRAND MANAGEMENT IN ELECTRONIC PRODUCTS WITH SPECIAL REFERENCE TO LAPTOP; AN EMPIRICAL STUDY

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ABSTRACT

Branding has emerged as a top management priority in the last decade due to the growing realization that brands are most valuable intangible assets that firms have. There has been a growing interest in the area of branding, more so, because, brands represents the goodwill of the firm. The paper assumes that brands (Name of products is Laptop) should be managed as valuable, long-term corporate assets.

Laptop sales is a highly competitive market in the present scenario. Due to rapid changes in the field of technology day by day new laptop brands comes in to existence. Also, the consumer desires and expectations are moving on. It becomes difficult to survive for laptop manufacturers if they don't move fast with growing needs of consumers. This study presents a brief overview of Indian Laptop industry. The present paper highlights the laptop usage in study from student's point of view. The research paper further makes an attempt to identify and evaluate various factors which influence purchase indent of management and engineering students. Finally present paper comes with some simple and practical suggestions to improve laptop features and that will help laptop manufacturers to develop brand management strategies and to make proper positioning of their brands.

Keywords: Laptop Usage, Students Learning, Impact Factor, Students Perception.

Introduction

Whether it is a growing craze or the emergence of a new breed of technology-conscious Laptop market is going to flourish in India. The need for anytime-anywhere access to information is pushing laptop demand in the market due to their convenience in terms of portability, flexibility and adaptability. In every field of life like, hospitality, railways, metro trains, corporate houses, academics, professionals etc. we found the use of laptop/computers for different purposes. Laptops are current day demand that simplify work and life as well. It contributes towards the up liftment of performance, work easiness by introducing the home office concept and provide a creative insight for the work. India' developing economy notifies positive impact of this technology and continuously moving towards growth. Initially laptop market started functioning as a niche market

but now it has various market segmentations as per their market demand. India is considered as the third fastest growing laptop market with a compound annual growth rate of 21.9 % in the Asia- Pacific region from last few years. In 2005 Laptop sale was accounted as 2% in India as compare to world laptop market. Near about 1.2bn computers were in use worldwide at the end of 2008. However, it has been expected that the global laptop market will be double by 2013. Increasing laptop demands also set a target to manufacturers to work as per consumer's expectations.

Major Laptop brands and manufacturers

We found various Laptops brands available in the market at different prices, size and features. Some of the well renowned Laptop brands and manufacturers are listed below:

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Major Laptop brands	Product Line Depth
Accer/Gateway Machines/Pakkard Bell	Travel, Extensa, Ferrari and aspire
Apple	MacBook, MacBook Air and Mac Book Pro
Dell	Alienware, Inspiron, Latitude, Precision, studio, vostro and XPS
Toshiba	Dynabook, Portege, Tecra, Satellite, Libretto
Lenova	Sony Vaio
Samsung	IdeaPad, Thinkpad and the essential B and G Series
Hewlett-Packard/Compaq	HP Pavilion, HP Envy, HP ProBook, HP EliteBook, Compaqpresari.
HCL	Me Laptop, Me Netbook, Leaptop and Mileap
Panasonic	Toughbook, Satellite, Let's Note (Japan Only)
LG	Xnote
Asus	Asus Eee, Lamborghini, Asus G Series (ROG)

(Source: Secondary Data)

Objectives of the study

The primary objective of the present study is to study the laptop brands preferred by the Management and Non- Management students.

Secondary objectives for the present study are as follows:

- 1) To determine the laptop usage in the study from the Management and Non- Management students point of view.
- 2) To identify & evaluate the factors impact on laptop purchase decision of the students.

Review of Literature

According to Cowie and Jones (2005), the majority of the teachers in their study used laptop for each of the following tasks: writing reports for parents; preparing student handouts; recording student grades; accessing the Internet for curriculum or assessing related documents; accessing specific website and the Internet for lesson planning; checking student lists or student records; and for routine communication within the school. These have been categorized by Cowie and Jones into three different tasks namely administrative tasks

related with educators' responsibilities to monitor and report on student advancement (writing reports for parents; recording student grades; and checking student lists or student records); use of the laptops in class planning and preparation (educator preparation of student handouts; accessing the Internet for curriculum or assessment related documents; accessing specific website and Internet for lesson planning); and administration and the sharing of instruction materials or casual chat in the school (routine communication within a school involves).

According to Falba, Grove, Anderson and Putney (2001, p. 2), "laptops are powerful instructional tools for student learning". This statement is affirmed by Mouza (2006) who stated that the results obtained from her observations and interviews with teachers showed that they integrated technology using laptops in their classrooms mainly for instructional tasks. Apart from that, educators also use laptops for lesson development and teaching purpose (Mouza, 2006).

According to Silvernail and Lane (2004), educators use portable computers in a variety of ways, and most frequently in developing instructional

materials; conducting study which are related to instruction; and communicating with colleagues. They found that the teachers use the laptop in a variety of ways to support their instruction and thus, the laptop use among the teachers has increased due to the implementation of the laptop initiative.

Another study by Cuban (2001) indicated that teachers' commitment to using technology in the classrooms often grew from the teachers' deep-seated belief in the importance of technology in the students' future. Studies have also shown that computers can potentially make classroom a collaborative environment but only when the teachers have already adopted a constructivist framework towards instruction or are willing to adopt this perspective into their own practices (Windschilt & Sahl, 2002).

Likewise, a recent study by Urwin (2007) indicated that educators do not have enough time to learn from experience and have difficulty keeping up to date. This results in educators feeling reluctant to invest time and effort with the latest technologies.

Research methodology

Following Methodological steps are followed for conducting the research

1. Literature / Internet survey:

This study started with the literature survey through various journals, magazines that helped to brief the various facts of the Laptop Industry.

2. Design of Questionnaire:

The questionnaire for the present study was designed based on the primary objectives of the study. The questionnaire frame using by closed-questions and only two open-ended questions. The entire questionnaire was as per standardized format. Questionnaire for present study has been divided into three parts.

a) Explanatory information:

It was provided by researcher to respondents to explain the purpose of the study.

b) Student personal information:

This part consisted questions with the sole purpose of gathering personal details of the

students regarding their names, educational stream, gender and residential status.

c) Basic information

The second section consisted of ten questions, first question pertaining to 'top of the mind awareness/ recall of laptop brand', 'brand of laptop presently being used', 'brand of laptop they intend to purchase if they are not using one at present', second question is related to the laptop usage in their study were measured on 5 point Likert Scale where 1 represented strongly disagree and 5 denoted strongly agree, third and fourth questions were asked to know about the students preference level towards laptop size and price range. Fifth question was asked to evaluate the purchase criteria. In the sixth question, eleven statements on different parameters of the brand were asked which consumer considers while deciding the brand of the laptop. Impacts of various factors were considered on a rating scale where 1 represented always and 5 denoted never.

3. Design of sample survey

In this study, the target sample size was 150 students, in the age group of 19 years and more, and was students of different management and non-management student's colleges from Dayananda Sagar Institutions Bangalore city. Non-Random sampling (Snowball) method was adopted in this study where students were approached directly and requested to fill the questionnaire.

4. Data collection Method

Primary data was collected by means of a structured questionnaire to conduct the study and arrive at conclusions based on the findings.

5. Data tabulation and validation

After the data collection the data was tabulated in a SPSS worksheet and then edited, coded and verified for validity. During the survey, 200 respondents were interviewed from the target group, as mentioned earlier. Out of them, around 50 records were discarded due to inconsistencies and incompleteness.

6. Determination of the data analysis methods:

In this study simple statistical technique has been used. Percentage of respondents has been calculated in respect of most of the data collected. The following steps are taken in the present study in order to analyze the data correctly-i) Editing, ii) Tabulating, and iii) Graphic Representation Further, Chi-square test for independence was conducted to unearth possible dependency between variables.

7. Interpretation of the result:

Finally the results that emerged from the study was analyzed and interpreted and suitable conclusions were drawn from those results.

Limitation of the Study

Some limitations of the present study were as follows:

- 1. Sample Size:** Sample size is limited to 150 respondents only which may not be representatives of universe. A large sample could not be taken due to limited time.
- 2. Unwillingness and inability of the respondents to provide information:** Especially question regarding the demographical factors. Many persons were unable to answer accurately due to ignorance of facts.
- 3. Time constraints:** Time available at the disposal was not enough. Therefore it was not feasible to go in depth and choose wider area.
- 4. Limitation regarding analysis:** Due to limited resources and time, a deeper statistical analysis like analysis of variance, rank correlation could not be carried out.

Data analysis and Interpretation

The null hypothesis was framed to prove the facts and truth based on primary and secondary objective. Finally different brand were compared to know which company is fulfilling the consumer's desire in better way.

Respondent's characteristics

A Sample size of 150 students were taken, out of them 73% (110 students) were Management students and 27% (40 students) were Non-management students from different colleges of Dayananda Sagar Institution, Bangalore city. This sample consists of 55% (82 students) male and 45% (68 students) female. Out of total 150, 33% (49 students) were from rural areas and 67 % (101 students) were from urban areas. Also 53% (80 students) were having a laptop and 47% (70 students) were not.

Testing of Hypothesis

The chi-square test for independence was conducted to determine the statistical significance of hypothesis. Chi-square is based on the observed versus expected frequencies when data is compared with a large value indicating that a statistically significant relationship exists between two variables and the sig. value/p-value is less than 0.05.

Research Question 1:

Is there a relationship between the demographics of the students and the brand of laptop preferred?

H1₍₀₎ The brand of laptop preferred is independent of the educational level of the students.

H2₍₀₎: The brand of laptop preferred is independent of the residential status of the students.

Cross Tabulation

Streams of Students	Laptop Brand								Total
	Dell	HP	Compaq	Sony	Lenova	Samsung	Acer	Others	
Management Students	18	8	5	3	1	3	2	0	40
Non-Management students	40	16	9	18	3	4	8	12	110
Total	58	24	14	21	4	7	10	12	150

Source: Primary Data

Chi Square Test for H2₍₀₎

Streams of Students	Value	Df	Asymp.sig (2 Side)
Pearson Chi-Square	8.878	7	0.162
Likelihood Ratio	12.033	7	0.099
Linear-by- Linear Association	3.791	1	0.052
N of Valid cases	150		

At 5% level of significance, the chi-square cut off is 14.067. The observed statistic (8.878) falls in the acceptance region, which leads to the acceptance of H1(0). Also the p-value is .162, which is more than 0.05, showing the acceptance of null hypothesis.

H2(0) Result :

At 5% level of significance, the chi-square cut off is 14.067. The observed statistic (6.927) falls in the acceptance region, which leads to the acceptance of H2(0). Also the p-value is .437, which is more than 0.05, showing the acceptance of null hypothesis.

Research Question 2:

Is there a relationship between the demographics of the students and the laptop use in their studies?
H3(0) Use of laptop in studies is independent to the educational level of students.

Cross Tabulation

Streams of Students	What do you think laptop is useful in your study?					Total
	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	
Management Students	16	15	9	0	0	40
Non-Management students	51	47	7	2	3	110
Total	67	62	16	2	3	150

Source: Primary Data

Chi Square Test for H3₍₀₎

Streams of Students	Value	Df	Asymp.sig (2 Side)
Pearson Chi-Square	9.439	4	0.051
Likelihood Ratio	9.775	4	0.44
Linear-by- Linear Association	0.460	1	0.498
N of Valid cases	150		

Source: Primary Data

At 5% level of significance, the chi-square cut off is 9.4877. The observed statistic (9.439) is less than the chi square cut off , which leads to the acceptance of H3(0). Also the p-value is .051, which is more than 0.05, showing the acceptance of null hypothesis.

Research question 3:

Does a relationship exist between the demographics of the students and the factors affecting their purchase decision?

H4(0) Factors effecting purchase decisions are independent to the educational level of Students.

In Question 3, respondents were asked to rate the impact of various factors on their final purchase decision, with the choices being “price,” “product quality/features/design,” “brand image,” “recommendations,” and “ease of purchase”, etc.

Cross Tabulation

Streams of Students	Price Impact on purchase					Total
	Always	Often	Occasionally	Rarely	Never	
Management Students	16	15	9	0	0	40
Non-Management students	51	47	7	2	3	110
Total	67	62	16	2	3	150

Source: Primary Data

Chi Square Test for H4 (0)

Streams of Students	Value	Df	Asymp.sig (2 Side)
Pearson Chi-Square	3.215	4	0.523
Likelihood Ratio	4.304	4	.366
Linear-by- Linear Association	0.770	1	.380
N of Valid cases	150		

Source: Primary Data

At 5% level of significance, the chi-square cut off is 9.4877. The observed statistic (3.215) is less than the chi square cut off, which leads to the acceptance of H4(0). Also the p-value is .523, which is more than 0.05, showing the acceptance of null hypothesis.

agreeing towards the fact that laptop is helpful in their studies.

- 2) The study reveals that 42% students thinks dell is satisfying consumer desires in a better way, 23% students thinks HP, 9% says Sony and rest 26% favouring other brands.

Findings and Suggestions

The major findings of the study were as follows:

- 1) This study highlight that out of total 150 students,46% strongly agree,41% agree, 11% not sure, and rest2 % were shared by disagree & strongly disagree towards the laptop use in their study. It means most of the students were

Conclusion

The entire study shows that Laptop usage is very much popular in between the students whether their residential status is urban and rural. It's the present day demand to run hand with the latest technology. This technology not only simplify students task but it also seem to morale boost up of the students. The

Key success of laptop sales factors such as the lack of time, technology competence, attitude towards technology, administrator support and technology support play a pertinent role in the integration of mobile technology in the teaching-learning process. Research on laptop use associated with gender is inconclusive as evidenced by the aforementioned studies. To conclude, educators use mobile technology for many professional activities and the success of such use and integration depends on more than one factor. Students found themselves connected with the entire world with the help of Laptops and by mean of this they can contribute a lot for the nation.

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TRADITIONAL Vs ONLINE NEWSPAPER – A CASE STUDY OF BANGALORE

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Dr.Kadacol.A.M**

ABSTRACT

A newspaper is a scheduled publication containing news of current events, informative articles, diverse features and advertising. It usually is printed on relatively inexpensive, low-grade paper such as newsprint. By 2007, there were 6580 daily newspapers in the world selling 395 million copies a day. The newspaper is typically funded by paid subscriptions and advertising. A wide variety of material has been published in newspapers, including editorial opinions, criticism, persuasion and op-eds; obituaries; entertainment features such as crosswords, sudoku and horoscopes; weather news and forecasts; advice, food and other columns; reviews of radio, movies, television, plays and restaurants; classified ads; display ads, radio and television listings, inserts from local merchants, editorial cartoons, gag cartoons and comic strips.

Key Words: Newspaper, Publication, Print Media

Introduction

A newspaper is a periodical publication containing news of current events, informative articles, diverse features, editorials, and advertising. It usually is printed on relatively inexpensive, low-grade paper such as newsprint. By 2007, there were 6,580 daily newspapers in the world selling 395 million copies a day. The worldwide recession of 2008, combined with the rapid growth of web-based alternatives, caused a serious decline in advertising and circulation, as many papers closed or sharply retrenched operations.

General-interest newspapers typically publish stories on local and national political events and personalities, crime, business, entertainment, society and sports. Most traditional papers also feature an editorial page containing editorials written by an editor and columns that express the personal opinions of writers. The newspaper is typically funded by paid subscriptions and advertising.

A wide variety of material has been published in newspapers, including editorial opinions, criticism, persuasion and opeds; obituaries; entertainment features such as crosswords, sudoku and horoscopes; weather news and forecasts; advice,

food and other columns; reviews of radio, movies, television, plays and restaurants; classified ads; display ads, radio and television listings, inserts from local merchants, editorial cartoons, gag cartoons and comic strips.

Newspaper in India

The history of newspapers in India is equally interesting. The introduction of newspapers in India was hastened by the spreading sense globalization amongst the countrymen who wished to be informed about the recent events in the world. It was during the same time that the first newspaper of the country was introduced in Calcutta (Kolkata). The newspaper titled Calcutta General Advertise or Hickey's Bengal Gazette was introduced by an eccentric Irishman called James Augustus Hickey during the 1780's. In the years to come India was the establishment of another newspaper daily in the form of Bombay Herald followed closely by Bombay Courier. In the 1950s 214 daily newspapers were published in the country. Out of these, 44 were English language dailies while the rest were published in various regional languages. This number rose to 2,856 dailies in 1990 with 209 English

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dailies. The total number of newspapers published in the country reached 35,595 newspapers by 1993 (3,805 dailies). The main regional newspapers of India include the Malayalam language Malayala Manorama (published from: Kerala, daily circulation: 673,000), the Hindi-language Dainik Jagran (published from: Uttar Pradesh, daily circulation in 2006: 580,000), and the Anandabazar Patrika (published from: Kolkata, daily circulation in 2006: 435,000). The Times of India Group, the Indian Express Group, the Hindustan Times Group, and the Anandabazar Patrika Group are the main print media houses of the country.

Newspapers in Bangalore

Bangalore also rendered as **Bangalore** is the capital of the Indian state of Karnataka. Located on the Deccan Plateau in the south-eastern part of Karnataka, Bangalore is India's third most populous city and fifth-most populous urban agglomeration. Bangalore is well known as a hub for India's information technology sector. It is among the top 10 preferred entrepreneurial locations in the world. As a growing metropolitan city in a developing country, Bangalore confronts substantial pollution and other logistical and socio-economic problems. A succession of South Indian dynasties ruled the

region of Bangalore until in 1537 AD, Kempegowda a feudatory ruler under the Vijayanagar Empire established a mud fort considered to be the foundation of modern Bangalore. Following transitory occupation by the Marathas and Mughals, the city remained under the Mysore kingdom, which is now a part of the Indian state of Karnataka. Bangalore continued to be a cantonment of the British and a major city of the Princely State of Mysore which existed as a nominally sovereign entity of the British Raj. Following the independence of India in 1947, Bangalore became the capital of Mysore state, and remained capital when the new Indian state of Karnataka was formed in 1956. With a Gross domestic product of \$83 billion, Bangalore is listed 4th among the top 15 cities contributing to India's overall GDP. The first printing-press in Bangalore was established in the year 1840. In 1859, Punjab Kesri became the first English bi-weekly newspaper to be published in Bangalore and in 1860; Mysore Vrittanta Bodhini became the first Kannada newspaper to be circulated in Bangalore. Currently, Vijaya karnataka and The Times of India are the most widely circulated Kannada and English newspapers in Bangalore respectively, closely followed by the Prajavani and Deccan Herald both owned by the Printers (Mysore) Limited – the largest print media house in Karnataka.

Cover Price Details of English Newspapers in Bangalore as on Jan 2013

Days	TOI	DC	TNIE	TH	DH	DNA
	Price in Rupees					
Monday	4.00	3.00	3.50	4.00	4.00	3.00
Tuesday	4.00	3.00	3.50	4.00	4.00	3.00
Wednesday	4.00	3.00	3.50	4.00	4.00	3.00
Thursday	4.00	3.00	3.50	4.00	4.00	3.00
Friday	4.00	3.00	3.50	4.00	4.00	3.00
Saturday	4.00	3.00	3.50	4.00	4.00	3.00
Sunday	5.00	3.00	5.00	5.00	5.00	3.00
Week	29.00	21.00	26.00	29.00	29.00	21.00

TOI- The Times of India, DC-Deccan Chronicle, TNIE-The New Indian Express, TH-The Hindu, DH-Deccan Herald, DNA-Daily News Analysis

Review of Literature

Samantha Barthelemy et al (2011) in their Research paper on Future of Print Media has sought to interrogate the commonly held assumption by media analysts and commentators that the newspaper industry is in perpetual decline. To be sure, the idea of the "death of print" is founded in a realistic assessment of the impact of technological advances.

Vivian Vahlberg (July 2003) in his research paper on Reader orientation pays off in higher readership Newspapers that put more emphasis on understanding and responding to consumers have strengthened their readership over the last 2.5 years. The results of a new study reinforce a key recommendation from the Readership Institute that newspapers become more reader-oriented.

Paul Farhi (July 2005) in his article on Bright future for Newspaper It pays to remember that new communications media rarely eliminate the old ones; the old simply adapt to accommodate the new. So movies didn't eliminate novels and TV didn't eliminate movies or radio. It could be just as likely, therefore, that the worst case doesn't happen. Maybe newspapers will find stability and equilibrium with a core of loyal, demographically attractive readers.

Scope of the Study

Since the entire world has become more of techno oriented and people are merely depending the technology of the routine works starting from .paying the electricity to paying the credit card bills. At the same time the concept of physical or traditional newspaper is loosing its importance against the online newspaper this study aims at knowing does really the online newspaper has made any impact on the Traditional Newspaper.

Objectives of the Study

- To analyse whether online newspaper is overtaking the traditional newspaper.
- To study the factors influencing to choose the traditional newspaper.

- To analyse the Time spending habits of Newspaper Readers (both Traditional & Online).
- To analyse the perception of Traditional newspaper readers towards pricing.

Methodology

Exploratory Type of research was implemented for the study with the sample size of 100 readers of English newspaper. The sample includes only those respondents who are 18 years and above. The sampling procedure used for the Study will be convenience sampling as in questionnaires are administered at places like residences /buildings, Apartments, up market, shopping centers, eating joints at Bangalore and at different companies in Bangalore.

Sampling: The study includes the Convenience sampling process in which most of the Respondents are professionals like software engineers, college professors and Corporate Employees.

Sample Size: The study is conducted with help of 500 samples from Bangalore City only.

Primary data

The primary data is generated by structured questionnaires for respondents with face to face interviews. Primary data will be collected through extensive use of questionnaire for survey. Survey will be conducted in Bangalore. Later the data collected will be used for the purpose of analysis.

Secondary Data

The secondary data will be collected from the news papers and journals, publications brought out by research institutions university library as well as those published on internet or website.

Analysis techniques

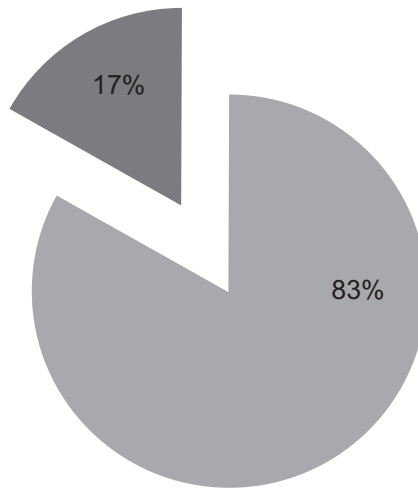
Analysis and interpretation was done on the basis of the collected data and the same was segregated and consolidated in the excel sheet and later the data was used for preparing of tables, list and the pie charts.

Table 1.1 Showing the Number of Readers reading Traditional and online Newspaper

Particulars	Respondents	%
Traditional Newspaper	415	83%
Online Newspaper	85	17%
Total	500	

Graph 1.1 Showing the Number of Respondents prefer Different form of Newspaper

■ Traditional Newspaper ■ Online Newspaper

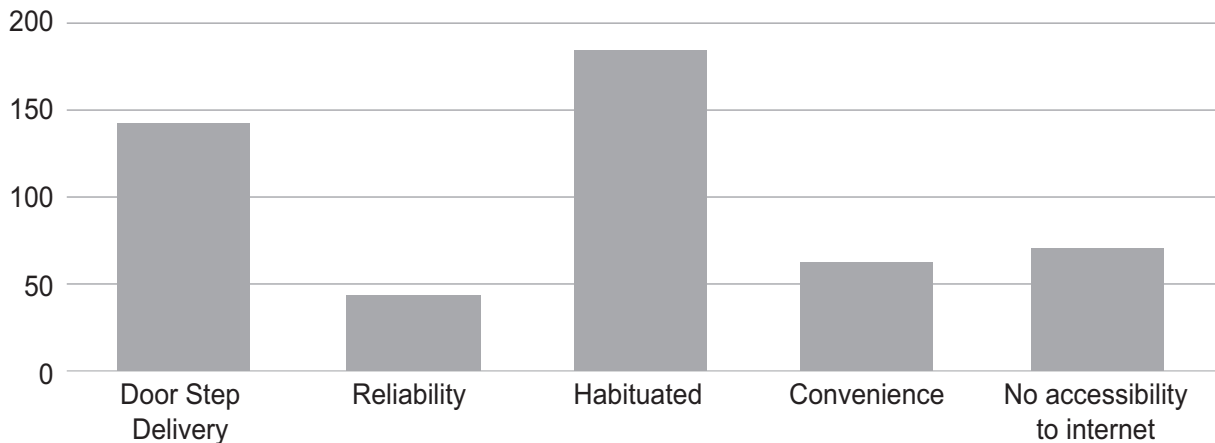


Interpretation: From the above analysis we can easily say that among the 500 respondents whom interviewed it was clear that majority of the readers (83%) depend on traditional newspaper to get the news at their door step and only few respondents (17%) would like to read the news from the online newspaper.

Table 1.2 showing the Influencing factors of Traditional Newspaper Respondents

Door Step Delivery	Reliability	Habituated	convenience	No accessibility to internet
140	45	185	60	70

Graph 1.2 Showing Influencing factors of Traditional Newspaper Respondents

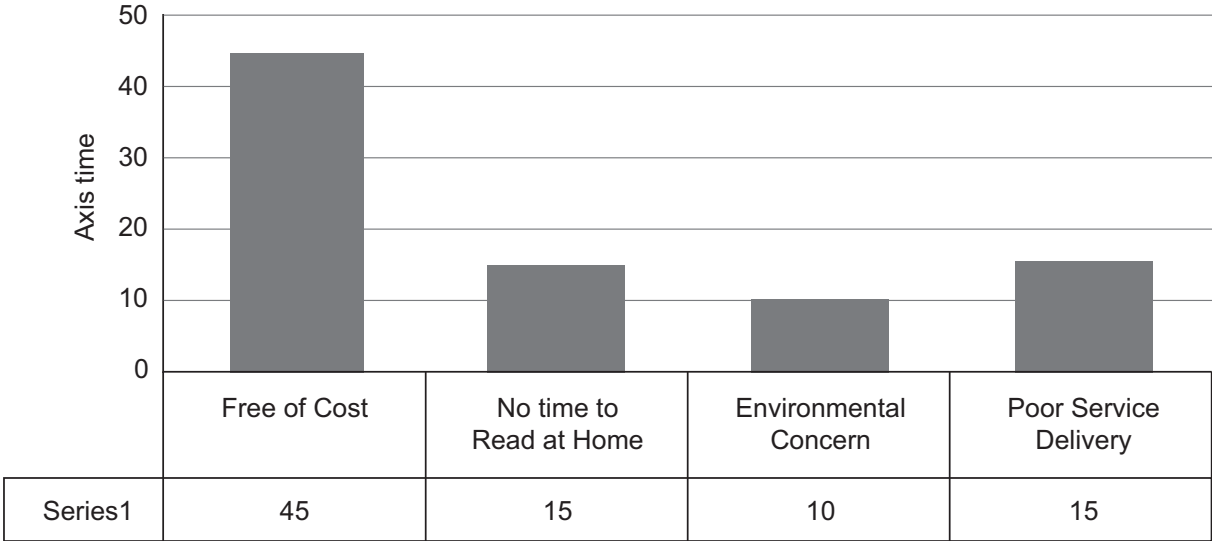


Interpretation: There are lot of factors which influences the Readers to relay on Traditional newspaper when the study was conducted to know the different variables which are influencing the customers to read traditional newspaper in which majority of readers(37%) said that they choose traditional newspaper because they are habituated in reading the physical copy, 28% of the readers go for traditional newspaper because it is been delivered to their respective doorsteps and 9% depends on it for reliability and 12% buy it since it is convenience for them and rest of the 8% go for it since they don't have accessibility to the internet.

Table: 1.3 Showing Influencing factors of online Newspaper Readers

Free of Cost	No time to Read at Home	Environmental Concern	Poor Service Delivery
140	45	185	60
		60	70

Chart 1.3

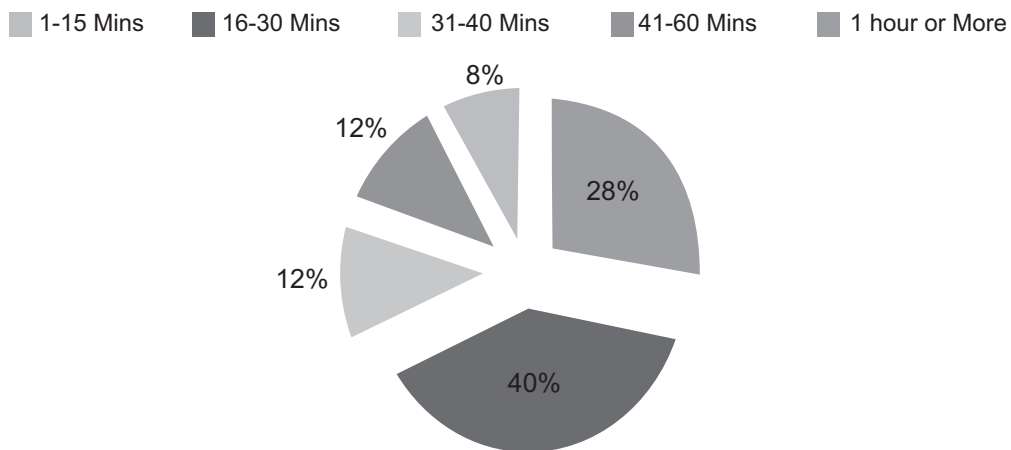


Inference: Most of the Respondents would like to look into the online newspaper since they are getting it at free of cost in their office or the institution where they are working and also readers does not have time to read the newspaper at home because of which they depend on online newspaper and people who are eco friendly who feels that getting hard copy of the newspaper is like cutting the trees and spoiling the environment and many readers stick with the online newspaper because of the bad experience with the services delivery.

Table 1.4 showing the Reading Habits of Respondents

1-15 Mins	16-30 Mins	31-40 Mins	41-60 Mins	1 hour or More
140	200	60	60	40

Graph 1.3 Showing the Reading habits of Readers

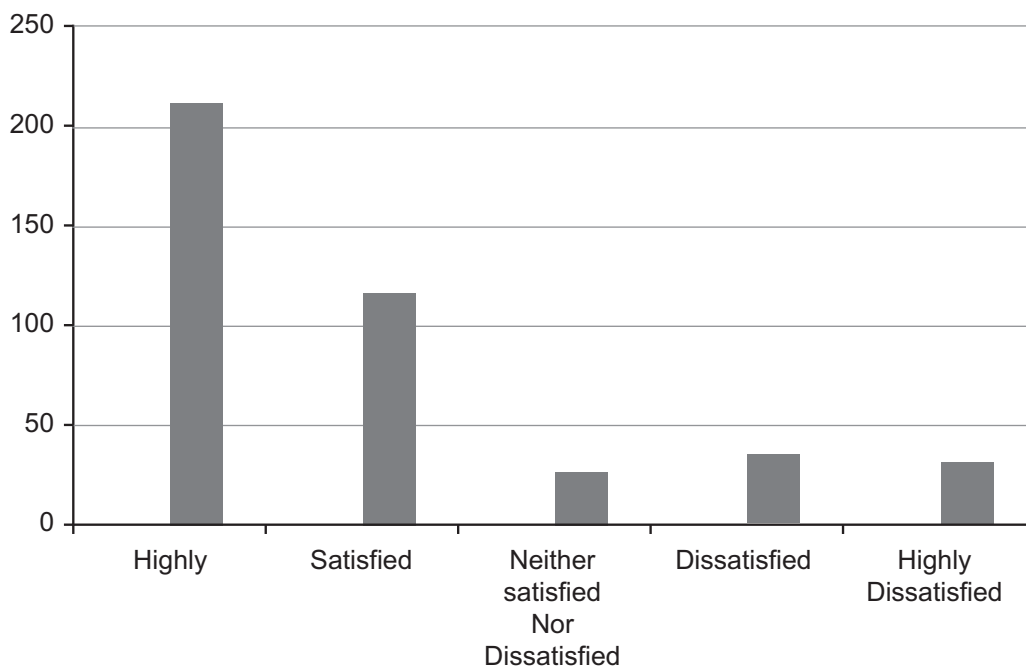


Interpretation: It is clear from the study that most of the readers (40%) would like to spend 16-30 minutes towards reading their newspaper they would like to glance through almost all the important news including reading all the headlines, 28% of the readers spend 1-15 minutes reading their newspaper and 12% of readers spend 31-40 minutes and 12% spend 41-60 minutes it was also interesting to know there are 8% of readers spend more than one hour reading a newspaper.

Table 1.5 showing the respondents perception towards pricing of Traditional Newspaper

Highly Satisfied	Satisfied	Neither satisfied Nor Dissatisfied	Dissatisfied	Highly Dissatisfied
210	115	25	35	30

Graph 1.5 showing the respondents perception towards pricing of Traditional Newspaper



Interpretation It was asked to the 415 respondents who reads only the Traditional newspaper to check their perception towards the pricing of the dailies they read and it was very clear from the study that more than 50% of the readers are happy with the pricing of the newspaper they read and also they are very loyal to the particular brand that they read. Only few of them was said that they not satisfied with the pricing and some of them tend to be neutral in their opinion.

Conclusion

In spite of lot of transformation from the digital era but still it is clear from the evidences that the readers prefer to go for a physical or traditional newspaper because of lot of attributes which are beneficial to them over the digital or online newspaper and the intersecting aspect which was revealed from the study was many of the readers prefer online newspaper only for previous day's news if it is more important and it is clear from the study that most of the readers prefer to go for the traditional newspaper rather than the digital and factors influencing readers to prefer traditional newspaper is because of the door step delivery they receive and many of the readers are habituated reading the physical newspaper from many decades and finding it difficult to switch over to the digital newspaper and even many respondents who are housewives said that they since they does not have accessibility to the internet the relay on traditional newspaper and it was also clear from the study that more of readers

like to spend more than 15mins towards reading the newspaper and give more importance for reading in-depth news and study also reveals that among the 13% of the Digital newspaper readers go with E-paper because it is available free of cost and their concer towards environmental sustainability.

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STUDY OF RELATIONSHIP BETWEEN SELECTED DEMOGRAPHIC VARIABLES AND MIGRATION BEHAVIOUR OF AGRICULTURAL LABOURERS OF KANCHEEPURAM TALUK.

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Dr.N.Panchanatham**

ABSTRACT

Migration of rural population to urban areas has really created threat both to the rural and urban areas creating severe scarcity of agricultural labourers leading to non-cultivation and in urban side it leads to overcrowding, population congestion with air and noise pollution. Agricultural labourers migrate to urban areas for higher paid wages and for better working conditions. Rapid industrialisation and large infrastructure also attracts rural people to move for employment from the villages. Moreover transport facilities offered by the employers to pick the people from villages would have motivated the agricultural labourers of both sexes to migrate to urban areas and hence many of the agricultural labourers have migrated to urban areas. This research study was conducted to know study of relationship between selected demographic variables and migration behaviour of agricultural labourers of Kancheepuram taluk. It was found out that Age and Occupation was found to be significant to migration behaviour.

KEY WORDS:Rural Urban Migration, Migrants, Agricultural Labourers.

Introduction

Human migration is common now. Due to globalisation, liberalisation and due to rapid industrialisation rural agricultural labourers are migrating to urban and semi urban areas creating big gap in their availability in the villages and the farmer who is interested to cultivate is not able to effectively do so and he is forced to sell his lands and keep quiet by investing money in financial institutions. Consequently, this has also made a large number of the poor farming labourers to migrate from their home to far off places in search of employment (Reddy and Narashima, 2003). But still the availability of food grains is possible with a huge cost because there are few rural people still involved in agriculture. The very fact remains that the entire World population have to depend only on the rural population who only feeds all. Hence an attempt was made to study the relationship between the selected demographic variables and migration behaviour of migrant agricultural labourers who have

left the villages and now involved in the non- farm operations in urban areas.

Review of Literature

Ramasubramanian (2003) found out that unemployment or lesser employment (87.33%), frequent crop failures due to aberrant monsoons (84.50%), low level of income (83.09%) and lower wages (67.61%) were the major push factors reported by the migrants. Smaller land holdings (45.07%) and discrimination or inequality (40.85%) also were reported by a substantial number of respondents as push factors. Higher wages in nearby towns (87.33%) and work with lesser drudgery were the major pull factors identified. Further better standard of living (54.92%) and better recreational facilities available in the towns (36.62%) acted as pull factors for considerable percentage of respondents. Work involving lesser drudgery was the pull factor which was reported by 80.28 per cent of the respondents. Rather than toiling in the field in

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the scorching sun they had a liking of working in a comfortable atmosphere provided by industries, shops and other business premises.

A study by Kees and Richard (2004) in north-west Ghana showed a strong inverse relationship between rainfall and out migration. Districts that received less rainfall tend to experience more out migration. Densely populated districts tend to have higher migration rates. Land scarcity and reduced soil fertility has pushed the people off the land. Migration propensities are higher in districts with more natural resource scarcity. Political and economic factors seemed to have more influence than environmental push in migration.

Profile Characteristics of Migrants

Age

Hossain (2001) reported that the rate of migration in Bangladesh was found significantly higher in age groups (20-24) and (25-29) years followed by age group (30-34) years (13 % and 6.8 % respectively). It was less for the age group (0-14) years and the rate was about 2.00 per cent among the age group 40 years and above.

Samal (2006) conducted a study in Andhra Pradesh and revealed that most of the migrants were in the 25-35 years age group (60 %) followed by of 35-45 years (17%).

Dugbazah (2008) conducted survey among 343 migrants within the Abutia area of Ghana. The (20-30) age bracket was the singular most dominant age group within which people migrate. There were 195 young adults who have migrated from this age bracket. This suggests that migration is concentrated more densely in the (20-29) age bracket. The proportion of migrants decreased with an increase in age group. 148 people have migrated from the (31-40) age bracket and this decreased to 64 people who have migrated from the (41-50) age bracket from the households surveyed.

Education

Hossain (2001) studied the distribution of migrants according to their educational attainment in Bangladesh. More than 50.00 per cent migrants

attained secondary and higher-secondary education, whereas about 12.00 per cent attained graduation. Illiterate and primary educated migrants were about 13.00 per cent and 23.00 per cent respectively.

Siddiqui (2004) conducted a study in Lahore district of Pakistan and reported that in case of farm households the literate migrants were higher in proportion (70.3 %) relative to illiterate (29.7%). In case of non-farm households the proportions of illiterate and literate migrants were 32.70 per cent and 67.30 per cent respectively. Thus education contributed in migration and the trend of migrants was positively affected by the education level in case of both farm and non-farm households.

Samal (2006) revealed that most of the migrants of Andhra Pradesh in both the rural to rural and rural to urban streams were unskilled and illiterate (64%) followed by those with very little education up to primary level (25%).

Dugbazah (2008) reported that out of the 479 people from Abutia of Ghana, who have migrated from the households surveyed, 100 primary school educations, and 210 migrants had secondary level education, 119 had some level of tertiary education and 50 migrants were illiterates. The survey results further showed that 96.00 per cent of male migrants were educated compared to 57.00 per cent of female migrants. It was evident from this result that the rate of migration increases with a higher level of education.

Anamica, (2010), has reported that majority of the respondents were found to have had primary (30.00%) to middle school (36.67%) level education

Occupation Status

Hossain (2001) reported that about 24.00 per cent were unemployed before migration in Bangladesh. Further, 17.00 per cent of the migrants were engaged in agriculture (landowner) and 8.60 per cent were labourers, mostly in agricultural sector. However, the rate of migration was observed to be the highest (about 21%) among population who were unemployed and lowest (0.7%) who were engaged in household work/others (including unable to work).

Ramasubramanian (2003) revealed that among non-

agricultural operations, match industries (63.38%), textile mills (50.71%), building construction (46.48%) and painting (39.44%) were preferred by the migrants of Arupukottai block. About one-third of migrants (33.81%) preferred to work as labourers in business premises.

Samal (2006) reported that in Andhra Pradesh 80.00 per cent of the migrants were involved mainly in the building/construction sector, canal and dam work, road-laying cable-laying work as wage labourers. The self-employment category mostly consisted of skilled workers and artisans who constituted around 10.00 per cent of migrants. Most self-employed skilled workers were found in building construction activities as masons, statue makers, stone grinders, mechanics, drivers, rickshaw pullers and other activities, mostly in urban centres and big cities. In contract employment, most migrants were found working as watchmen in apartments in towns and cities, bell-boys in hotels and lodges, servants in houses and petty-jobs in business establishments and offices.

Dugbazah (2008) observed that although agriculture constitutes the primary source of livelihood in Abutia of Ghana, the occupation of only 30.00 per cent of migrants were farmers prior to migration. The research findings further showed that 87.00 per cent of migrants were employed at their destination; 7.00 percent are students at various levels of education; whilst a minor 7.00 percent are unemployed. It was also observed from the study that informal sector, petty trading, artisan work, domestic worker are some of the occupations of most of the migrants. Anamica, (2010), has reported that nearly half (50.00%) of the respondents were found doing farming as well as engaging themselves as agricultural labourers and for the remaining were engaged in farming as well as business (33.44%) or services (16.66%).

Marital Status

Hossain (2001) from his study conducted in Bangladesh revealed that the percentage of married and unmarried migrants were 54 and 46 respectively. The proportion of married migrants was found to be comparatively low. It might be due to

the fact that a large proportion of them were found migrated before the age of twenty and it is likely that they might get married after being migrated. Anamica, (2010), has concluded that majority of the respondents (75.56%) were unmarried.

Farming Experience

Ramasubramanian (2003) reported from his study in Arupukottai block that 44.00 per cent of respondents were having medium farming experience in dry farming followed by 38.50 per cent and 17.50 per cent with high and low farm power status respectively.

Anamica, (2010), has reported that eleven to twenty years of experience in farming was observed among half (41.11%) of the respondents followed by one-third (32.22%) with less than ten years of farming experience.

Crop Loss

Jong (2000) revealed that crop loss enhanced more temporary and permanent migration behaviour for men and majority of the respondents in his study have experienced crop loss (74.8%).

Anamica, (2010), has reported that all the respondents reported to have experienced crop loss.

Distance of Migration

Ramasubramanian (2003) reported that majority of the respondents in Arupukottai block were travelling 5-10 km to seek employment and majority of the migrants were commuters.

In the study conducted by Siddiqui (2004) in Bangladesh, a positive correlation was found between proportion of migrants and the distance up to 40 kilometres in case of small farm category. The highest proportion of migrants from medium farm was found between the ranges of 11 to 12 kilometres. This might be due to available transport facility. None of the migrants were observed from large farm size category as their income level was adequate for their livelihood.

Methodology

Kancheepuram taluk of Kancheepuram district was selected for the study since Kancheepuram taluk

has more number of villages more Agricultural Labourers. In Kancheepuram taluk, both Kancheepuram & Walajabad blocks were selected for the study. The details of agricultural Labourers selected are given in Table 1.

Name of the Selected Block	Name of the Selected Village	Number of Agricultural Labourers as per Census 2001	Migrants	Non –Migrants	Total Respondents
Kancheepuram Block	Vippedu	85	25	25	50
	Valluvapakkam	125	25	35	60
	Kalakattur	309	50	40	90
	Total	519	100	100	200
Walajabad Block	Vaiyavur	619	80	25	105
	Paranthur	318	50	35	85
	Thenneri	371	40	45	85
	Total	1308	170	105	275
	Grand Total	1872	270	205	475

(Source: Primary Data)

Results and Discussion

A Correlation analysis was done to find out the association of selected demographic variables like Age, Educational Qualification, Occupation, Family Type, Type of Residence, Farming Experience and Annual Income with Migration Behaviour and the results of correlation analysis are presented below.

Age and Migration Behaviour

Ho: There is no significant relationship between the Age and Migration Behaviour of Migrants.

To test the above hypothesis a correlation analysis was used and the results are given in Table 2.

Table 2: Correlation of Age and Migration Behaviour

Variables	r value	Statistical inference	Total
Age and Migration Behaviour	-.128*	0.035p<0.05 Significant	270

(* Significant at 0.05 level)

From the above Table 2 it can be observed that, age of the respondents and migrants behaviour are negatively correlated at lesser degree. Hence the Null hypothesis is rejected. It is concluded that age of the respondents play a significant role in migration.

Educational Qualification and Migration Behaviour

Ho: There is no significant relationship between Educational qualifications and Migration Behaviour of Migrants.

To test the above hypothesis a correlation analysis was used and the results are given in Table 3.

Table 3 : Correlation of Educational Qualification and Migration Behaviour

Variables	r value	Statistical inference	Total
Educational Qualification and Migration Behaviour	-.042	0.496 $p>0.05$ Not Significant	270

(* Significant at 0.05 level)

From the above Table 3 it is vivid that, the educational qualification and migrants behaviour are not significant. Hence the Null hypothesis is accepted. It is concluded that educational qualification of the respondents does not play a significant role in migration.

Occupation and Migration Behaviour

Ho: There is no significant relationship between the Occupation and Migration Behaviour of Migrants. To test the above hypothesis a correlation analysis was used and the results are given in Table 4.

Table 4 : Correlation of Occupation and Migration Behaviour

Variables	r value	Statistical inference	Total
Occupation and Migration Behaviour	.270**	0.001 $p<0.05$ Significant	270

(** Significant at 0.01 level)

From the above Table 4 it can be seen that, occupation of the respondents and migrants behaviour are positively correlated at a lesser degree. Hence the Null hypothesis is rejected. It is concluded that occupation of the respondents play a significant role in migration.

Family Type and Migration Behaviour

Ho: There is no significant relationship between Family Type and Migration Behaviour of Migrants. To test the above hypothesis a correlation analysis was used and the results are given in Table 5.

Table 5 : Correlation of Family Type and Migration Behaviour

Variables	r value	Statistical inference	Total
Family Type and Migration Behaviour	0.080	0.118 $p>0.05$ Not Significant	270

From the above Table 5 it can be noted that, family type of the respondents and migrants behaviour are not significant. Hence the Null hypothesis is accepted. It is concluded that Family Type of the respondents does not play a significant role in migration.

Type of Residence and Migration Behaviour

Ho: There is no significant relationship between Type of Residence and Migration Behaviour of Migrants. To test the above hypothesis a correlation analysis was used and the results are given in Table 6.

Table 6 : Correlation of Type of Residence and Migration Behaviour

Variables	r value	Statistical inference	Total
Type of Residence and Migration Behaviour	0.097	0.112 $p > 0.05$ Not Significant	270

From the above Table 6 it could be observed that, type of residence and migrants' behaviour are not significant. Hence the Null hypothesis is accepted. It is concluded that type of residence does not play a significant role in migration

Farming experience and Migration Behaviour

Ho: There is no significant relationship between Farming Experience and Migration Behaviour of Migrants. To test the above hypothesis a correlation analysis was used and the results are given in Table 7.

Table 7 : Correlation of Farming Experience and Migration Behaviour

Variables	r value	Statistical inference	Total
Farming Experience and Migration Behaviour	0.115	0.059 $p > 0.05$ Not Significant	270

From the above Table 7 it may be observed that, farming experience of the respondents and migrants' behaviour are not significant. Hence the Null hypothesis is accepted. It is concluded that farming experience of the respondents does not play a significant role in migration.

Annual Income and Migration Behaviour

Ho: There is no significant relationship between annual income and Migration Behaviour of migrants. To test the above hypothesis a correlation analysis was used and the results are given in Table 8.

Table 8 : Correlation of Annual Income and Migration Behaviour

Variables	r value	Statistical inference	Total
Annual Income Behaviour	-.061	0.315 $p < 0.05$ Not Significant	270

(* Significant at 0.05 level)

From the above Table 8 it is observed that age of the respondents and migrants' behaviour are negatively correlated at lesser degree but there is no significant relationship between these variables. Hence the Null hypothesis is accepted. It is concluded that annual income does not play a significant role in migration.

From the above correlation analysis it could be inferred that, the variables Age and Occupation were found to be significant towards migration behaviour of agricultural labourers.

Conclusion

It is very much essential and it is a must that the younger agricultural labourers need to be attracted towards farming activities by providing a number of attractive farm incentive schemes and other facilities which would make them to remain in the villages in order to cultivate the lands without leaving them fallow and in order to produce more besides to avoid the congestion, overcrowding, pollution in urban areas. If the agricultural labourers are paid with wages agricultural labourers equal wages to

that of urban areas the younger generations can be attracted and can be retained for the farm operations and cultivation of lands will be round the year. Younger agricultural labourers have to be attracted with latest modern techniques in farm operations and they have to be trained in agro business activities.

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A STUDY ON CONSUMER BEHAVIOR OF WOMEN WITH SPECIAL REFERENCE TO DURABLE GOODS IN KANCHEEPURAM CITY, TAMIL NADU

V. Nagarathinam*

ABSTRACT

A study on women consumer behaviors with special reference to durable goods in kancheepuram city significance of the family in consumer behaviour there are many underlying influences both internal and external from the social environment. the combination of these inputs and internal factors can never be complex indeed. yet, the tools of market research can assess motivation and behaviour with considerable accuracy. perfect prediction of behaviour is never possible, but properly designed research efforts can significantly lower the risks of the types of product failure. while the consumer cannot knowingly be induced to act in a way contradictory to his or her own goals, motivation and behaviour can be influenced by outside sources. This influence is understood through research.

Key word: Consumer behaviours, motivation

Introduction

The Consumption rate of Indian customers has gone quite up since liberalization. International brands are coming with many product categories and options to choose. Customers have started giving more importance to choose from the various available products. The increase in number of malls with various retail outlets, additional benefits, offers, attractive packaging and brand endorsement by celebrities have also led to high involvement of consumers in the purchase process. Now-a-days, marketers appreciate the importance of understanding their customers and thus, if they come to know the level of involvement with various product options, risk associated with the product and their psychology, then they can plan their marketing strategies, target consumer and allocate their resources accordingly.

“The degrees to which customers are involved in different aspect of the act of purchasing such as product, advertisement and the act of purchasing has grown to be regarded as one of the central determinants of consumer behavior. The main reason for this lies in the potential of involvement to account for the differences in the degree of both mental and the physical efforts a customer is willing

to devote to consumption related activities (Laaksonen 1994)”

Involvement refers to how much time, thought, energy and other resources consumers devote for purchasing a product. It is one of the fundamental concepts used to explain the consumer buying process. The level of involvement is affected by the amount if efforts consumers give to learn about the products and to make purchase decisions.

It is a state of motivation, excitement or interest and is driven by current external variables (Situation, Product, Risk, Experience, Hedonic value, Communication etc.) and past internal variables (enduring, ego and central values)

Consumer involvement is a source of explanation for the differences in the degree of both mental & physical efforts of a consumer and his decision making (Beharrell and Denision, 1995; Laaksonen, 1993). Involvement can also be conceptualized as a consumer’s motivation to search for information (Brennan and Movado, 2000).

It is assumed that consumers put more efforts, perceive various risks and give more time for information reaching to purchase a product with

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costs high and have the property of being more durable.

Significance of the Family in Consumer Behavior

There are many underlying influences, both internal and external, from the social environment. The combination of these inputs and internal factors can never be complex indeed. Yet, the tools of market research can assess motivation and behavior with considerable accuracy. Perfect prediction of behavior is never possible, but properly designed research efforts can significantly lower the risks of the types of product failure. While the consumer cannot knowingly be induced to act in a way contradictory to his or her own goals, motivation and behavior can be influenced by outside sources. This influence is understood through research.

Decision Making Process in a Family

All the purchases made by a family follow a certain decision making process. The character and the extent of interaction between a husband and wife present an extremely important dimension in the decision making process.

No sale can be effective, unless a favorable decision is made by a buyer towards a particular product of a company.

The role of a spouse in the routine versus new decision process, the role of rational decisions of the particular household poised for changes in income, employment expenditure, saving, etc., change according to a given situation pattern

Husband and wife derive information from internal resources and external resources. Some information may bombard the individual without his explicit consent, although he may, at times, engage in a search for information. The actual purchase observable behavior is related to the individual's intentions, which are the words of Howard and Sheth Buyer forecast as to when, where and how a consumer is likely to buy a brand.

Changing Role of Women In The Present Scenario

Set against myriad social and cultural shifts accruing in the ground- urbanization, the shifts from savings

to spending rising home ownership, increased travel and mobility are boosting Indian economy and consumption is the long term, women's employment participation appears to be on an uptake, according to the latest survey from the National Sample Survey Organisation (NSSO). Women's employment participation grew to 31% in 2005 from 26% in 2000; the first rise seen is a decade.

The number of newly registered women chartered accountants is 2000-2006 was already 45% greater than the total number of women enrolled is 1990-1999. Women's presence in the industries were 13.1% in 2006, and it was 5% in 1995.

Statement of the Problem

In the competitive market, the prospective buyer is prepared to choose the right brand based on his/her needs. An understanding of purchase behavior of women is an essential aspect as it reflects the influence of brands, buyer & customer type on the purchase of a particular brand etc.

The success of the market or its failure depends on the purchase behavior of consumers. Now-a-days, the role of women in all fields is increasing, at present, the role of women in purchase decision has also increased.

Hence, the present study has been undertaken to find out the answers for the following questions:

1. What are the factors influencing women's purchasing behavior?
2. What are the problems faced by women during and after purchase?

This study is an attempt to find out answer to the above and related questions.

Scope of the Study

With the main objective of analyzing the women's purchase behavior and their role in purchase decision this study also extends the following related topics viz, Socio-Economy characteristics of the respondents, the factors influencing purchase behavior, problems faced by women during and after purchase, mode of payment and mode of carrying goods.

Objectives of Study

1. To analyze the factors influencing women's purchasing behavior.
2. To find out the problems faced by women during and after purchase.

Research Methodology

In the Kancheepuram city a total of 125 respondents were selected for the study. The method of convenience sampling has been followed for collecting details from the respondents, from the customers who have visited to the departmental stores, grocery shops, vendors, super markets etc. the data has been collected.

This study is based on both primary and secondary data. The primary data has been collected by using a questionnaire and the secondary data has been collected from books, manuals and Internet.

The questionnaire is the major tool administered for collecting primary data from the respondents.

The statistical tool used for the purpose of the analysis of this study is simple percentage technique. After the collection of data through the questionnaire, editing was done carefully.

The first eight questions were devoted to the basic information relating to the respondents personal factors; thereafter the questionnaire contains other factors.

The statistical tool used for the purpose of the analysis of this study is simple percentage technique. Weighted scaling technique and ranking technique has also been used for analyzing the factors determining the level of satisfaction and factors influencing the purchase behavior of women consumers.

Analysis and Interpretation

Table-1: Factors Influencing Purchase Behavior

Sl. No.	Influencing factors	No. of Respondents	Percentage
1	Convenience	10	8
2	Quality	89	71
3	Quantity	4	3
4	Cost	5	4
5	Service	8	6
6	Customer Relation	2	2
7	Brand	7	6
	Total	125	100

The above table indicates that the factor which influenced 8% of the respondents purchase behavior was convenience, 71% of the respondents were influenced by quality, 3% of the respondents were influenced by quantity, 4% of the respondents were influenced by Cost, 6% of the respondents were influenced by Service, 2% of the respondents were influenced by Customer Relation, 6% of the respondents were influenced by Brand. Thus the majority of the respondents purchase behavior was influenced by the quality of the product and only very few were influenced by the factor-shop keeper's attitude.

Table-2: Awareness towards Quality Marks

Sl. No.	Awareness	No. of Respondents	Percentage
1	Always	68	55
2	Sometimes	52	43
3	Rare	2	2
	Total	122	100

The above table reveals that 122 respondents give importance to date of manufacture, expiry date, IDI, etc. While purchasing and 3 respondents do not give any consideration for quality marks while purchasing goods. Out of 122 respondents, 55% of the respondents always look out for such quality marks, 43% of them look for the quality marks sometimes and 2% of the respondents gave importance to the quality marks every time they made a purchase and were emphatic in their questioning, if accurate quality marks were not present on the goods.

Table-3 : Types of Problems faced by Women during Purchase

Sl. No.	Types of Problems during Purchase	No. of Respondents	Percentage
1	Unavailability	13	10
2	Poor Quality	32	26
3	Harassment	35	28
4	Malpractice in Quantity	15	12
5	Adulteration	23	18
6	Other Specify	07	6
	Total	125	100

The reveals that during the purchase, 10% of the respondents face the problem of unavailability of products, 26% of the respondents feel that some products are of poor quality, 28% face of the problem of harassment, 12% of the respondents suspect malpractice in quality, 18% face the problem of product adulteration and only 6% of the respondents face the problem of customer care.

Table-4:Types of Problems faced by Women after Purchase

Sl. No	Problems faced after the Purchase	No. of Respondents	Percentage
1	Follow-up service	24	19
2	No satisfaction	32	26
3	Transportation Problem	59	47
4	Other	10	8
	Total	125	100

It reveals that after purchasing, 19% of the respondents feel that they lack follow-up service, 26% of the respondents were dissatisfied with their purchase, 47% of them faced problem in delivery of goods and only 8% of the majority of the respondents are facing transportation problem for carrying the goods after purchase.

Weighted Average Score Analysis

Weighted Average technique was used to find out the weighted average for each category of

respondents over several study factors to know their level of satisfaction towards the quality, price, availability, service, size & design of the Products. For this purpose, the qualitative information was converted into numerical one using five point scaling technique. While using five point scales, score 5- Was given to Highly Satisfied, 4- Was given to Satisfied, 3- Was given to Moderate, 2- Was given to Dissatisfied, 1- Was given to Dissatisfied.

Table-5 : Age and Considered for Product Satisfaction

Sl. No	Age	18-30 Yrs	41-50 Yrs	41-50 Yrs	Above 50 Yrs
1	Quality	4.42	4.35	3.96	5.00
2	Price	3.91	3.62	3.53	4.00
3	Availability	3.86	4.02	3.74	4.00
4	Service Rendered	3.93	3.90	3.82	4.00
5	Size	2.99	3.16	3.30	4.00
6	Design	3.98	3.93	3.95	4.00

From the above table, it is clear that respondents under the age group of 18-30 years were highly satisfied with quality and were satisfied with other factors viz., price, availability, service, size and design; respondents under the age group service, size and design. Respondents under the age group of 41-50 years are satisfied with other factors i.e., price, respondents above 50 years are highly satisfied with quality and were satisfied with other factors. Most of the respondents, irrespective of their age, are highly satisfied with product quality.

Table-6: Educational Qualification & Factors Considered for Product Satisfaction

Sl. No	Educational Qualification	School level	Graduate	PG	Diploma	Other Specify
1	Quality	4.17	4.42	4.18	4.63	4.00
2	Price	3.48	3.91	3.45	3.72	4.12
3	Availability	3.83	3.90	3.55	4.00	3.78
4	Service Rendered	3.52	3.93	3.73	4.73	4.15
5	Size	3.39	3.66	4.27	3.74	3.16
6	Design	3.75	4.00	4.00	3.71	4.17

It is inferred from the table that respondents whose education is up to school level are highly satisfied with product quality and satisfied with other factors like price, availability, service, size and design of the product and are satisfied with other factors. Postgraduates are highly satisfied with quality, size and design of the product and are satisfied with other factors. Diploma holder is highly satisfied with quality, availability and service rendered and is satisfied with other factors. Professionals are highly satisfied with quality, price, service and design and are satisfied with availability and size of the product.

Most of the respondents are highly satisfied with product quality irrespective of their educational qualification.

Table-7: Occupation & Factors Considered for Product Satisfaction

Sl. No	Occupation	Professional	Business	Employed	Agricultural	Other Specify
1	Quality	3.84	4.43	4.30	4.40	4.44
2	Price	3.82	4.03	3.72	3.82	3.82
3	Availability	3.60	3.74	4.05	3.73	3.92
4	Service Rendered	3.57	3.86	3.02	3.77	4.06
5	Size	3.64	3.57	3.65	3.44	3.73
6	Design	3.66	4.13	4.02	3.67	4.07

It is clear that professionals are highly satisfied with product quality, service and design and are satisfied with availability, price and size. Businessmen are highly satisfied with product quality, price and design and are satisfied with other factors. Employed respondents are highly satisfied with product quality, availability and design and are satisfied with other factors. Agriculturists are highly satisfied with product quality and are satisfied with other factors. Student and homemakers are highly satisfied with product quality, service and design and are satisfied with price, availability and size of the product.

Table-8: Marital Status and Factors Considered for Product Satisfaction

Sl. No	Occupation	Professional	Business
1	Quality	4.33	4.44
2	Price	3.78	3.84
3	Availability	3.82	3.92
4	Service Rendered	3.89	3.91
5	Size	3.67	4.49
6	Design	3.92	4.02

It is inferred from the above table that married respondents are highly satisfied with product quality and are satisfied with product price, availability, service, size and design. Unmarried respondents are highly satisfied with product quality, size and design and are also satisfied with other factors.

Majority of the respondents are highly satisfied with product quality, irrespective of their marital status.

Table-9: Family Income & Factors Considered for Product Satisfaction

Sl. No	Quality	Below Rs.5000	Rs.5001- Rs.10,000	Rs.10,001- Rs.15000	Above Rs.15,000
1	Quality	4.32	4.34	4.18	4.72
2	Price	3.92	3.86	3.52	3.72
3	Availability	3.89	3.82	3.91	4.13
4	Service Rendered	3.66	4.36	3.82	4.40
5	Size	3.65	3.66	3.91	4.00
6	Design	3.96	3.87	3.82	4.41

It is inferred from the table that respondents whose income level is below Rs.5000 p.m. are satisfied with product quality and are satisfied with other factors like price, availability, service, size and design. Respondents whose income level ranges between

Rs.5001- Rs.10, 000 p.m. are the highly satisfied with the product quality and service and are also satisfied with other factors. Respondents whose income level ranges between Rs.10, 001-Rs.15, 000 p.m. are highly satisfied with product quality and are satisfied with other factors. Respondents whose income is above Rs.15.000 p.m. are highly satisfied with product quality, availability, service, size and design and are also satisfied with price of the product.

Most of the respondents belonging to various income levels are highly satisfied with product quality.

Table-10: Nature of Family and Factors Considered for Product Satisfaction

Sl. No	Marital Status	Nuclear	Joint
1	Quality	4.39	4.30
2	Price	3.75	3.92
3	Availability	3.86	3.89
4	Service Rendered	4.06	3.50
5	Size	3.63	3.81
6	Design	3.92	3.96

The table shows that respondents from nuclear families are highly satisfied with product quality and service and are also satisfied with other factors. Respondents from joint family are highly satisfied with product quality and are also satisfied with other factors. Irrespective of the nature of family, most of the respondents are highly satisfied with product quality.

Findings, Suggestions and Conclusions

1) The higher income group respondents shop as and when they like similarly the working women

shop when the need arises but the housewives shop almost weekly.

- 2) The major portion of the respondent's family, a woman plays a major role in purchase decision, each family member's involvement influences their behavior.
- 3) The educational level of the women plays a vital role while they purchase, if they had good knowledge about the product before purchasing.
- 4) Majority of women like to purchase products from the departmental stores rather than other types

of shops, they felt it was more comfortable, identical & economical.

- 5) Most of the respondents are liked to suggest the product purchased by them to others at the same time they felt satisfied with the service of the salesmen,
- 6) This study clearly indicates that is family purchase decisions taken by the women is based on the interaction they have with each other leads the way for best buy.
- 7) Most of the respondents give their highest preference to the quality of the product.
- 8) Most of the respondents were satisfied with the factors like price, quality, availability, service, size and design and no one is dissatisfied with the above mentioned facts.
- 9) Ultimately, greater the interaction better is the involvement, and it may lead to a satisfactory purchase.

Suggestions

- 1) Women must know about the reasonable price, package date, ISI mark, expiry date, brand etc, while purchasing, they should buy on the basis of income, quality and according to the budget.
- 2) Women should be aware about the new products in the market, & they should aware about consumerism and consumer rights.

Conclusion

They study has mainly focused on women, and their perception about the buying behavior of durable goods, both the educated women and housewives prefer quality products & there is no significant difference between preference of brand and educational status.

Women buying behavior is influenced by internal factors such as demographic, lifestyle, personality, motivation, knowledge, attitude beliefs, feelings & family members needs and involvements, Apart from this the study reveals that while purchasing, women always concentrate to purchase quality goods at economical price to attain the whole family satisfaction.

EVALUATING THE FINANCIAL HEALTH OF WEST COAST PAPER MILLS LIMITED USING Z SCORE MODEL

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ABSTRACT

This paper has attempted to study the financial health of west coast paper mill limited. The study unit is situated at Dandeli in Uttar Kannda district of Karnataka state near the banks of River Kali and it is one among the nineteen large size paper mills in the Indian paper industry. The period of the study covers twelve financial years from 2000-01 to 2011-12. To evaluate the financial health of west coast paper, Altman's Z score model was used. It is observed that the overall financial health of the west coast paper is satisfactory during the study period.

Key words: Working Capital, Fixed Assets, Net Sales, EBIT.

Introduction

The prediction and prevention of financial distress is one of the major factors, which will help to avoid bankruptcy. There are several indicators and information sources that can help in the prediction and prevention of financial distress. Financial statement analysis is one of the methods that can be used in predicting financial distress, which focuses on financial variables.

To evaluate the financial conditions and performance of a company, the financial analyst needs certain yardsticks. Among the various tools employed in analyzing the financial information contained in the financial statements. Ratio analysis is a widely used tool, which is relevant in assessing the performance of a firm in respect of liquidity position, and long-term solvency. In addition to this, it helps to predict the financial distress of the business. An attempt has been made in the present study to have an insight into the examination of financial health of super abrasive tools manufacturing company in India.

Scope of the Study

An efficient use of financial resources is necessary to avoid financial distress. The prediction and prevention of financial distress is one of the major

factors, which will help to avoid bankruptcy. For the present study, one of the leading large size government paper mills has been considered to test the financial health. The scope covered under the present study is twelve years, beginning from 2000-01 to 2011-12. The study unit is situated at Dandeli in Karnataka state near the banks of River Kali.

Objectives of the Study

The objectives of this study are as follows:

1. To assess the overall financial performance of the West Coast Paper.
2. To know the efficiency in financial operations of the West Coast Paper.
3. To predict the financial health and viability of the West Coast Paper.

Research Methodology

Method of Data Collection

The research is fully based upon secondary data and has been collected from the official directory of Bombay Stock Exchange, Capitoline plus Corporate Data Base.

Period of Study

The selected study unit has been collected on a number of relevant variables during the period

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from 2000-01 to 2011-12, covering twelve years period.

Selection of Sample

The sample was drawn from the list of paper industry at Bombay Stock Exchange. For the present study, one out of nineteen large size paper mills listed at Bombay Stock Exchange, which is situated at Dandeli in Karnataka near the banks of River Kali.

Statistical Tools

Keeping the above view in mind, the 'Z' score analysis has been adopted to monitor the financial health of the company to predict as well as to avoid business failure and subsequent bankruptcy. In addition to that, the study used statistical tools like mean, standard deviation and co-efficient of variations and t- distribution.

Limitations of the Study

1. The study was limited to 12 years from 2000-01 to 2011-12.
2. The study was limited to one company i.e., situated at Dandeli in Karnataka near the banks of River Kali.
3. The secondary data has been taken from published annual reports only.

Profile of the West Coast Paper Mill Limited

The West coast paper mill is a government owned paper mill. It is situated at Bangu Nagar ,Dandeli in Uttar Kannda. District of Karnataka near the banks of River Kali and was established in 1955. This is one of the large size paper mills in the Indian paper industry. The company operates six versatile machines with an installed capacity of 320000 TPA. With the least addition of 500 TPD State of art voith paper machine, the quality standards have risen to international standards.

The Government has supported our endeavors to build a strong industry, while we have supported our nation by providing quality paper products that serve numerous industries like printing and publishing, writing and packaging. Even when the world was hit by recession, this company has successfully maintained its stability through its vision and strength.

Review of the Literature:

Many of the research works have been conducted, over the period by applying the Multiple Discriminate Analysis to predict the corporate failure. William.H. Beaver (1996) was the first researcher to study the prediction of bankruptcy using financial data. His analysis was based on ratios and identified ratios, which have discriminating power to predict the bankruptcy of the companies using failed and non-failed 79 manufacturing companies in each of two matched pair groups.

Altman I. Edward (1968) was the classical Multiple Discriminate Analysis technique with five financial ratios is used for predicting the risk of failure and developed a model (Z score) to find a bankruptcy prediction model based on a sample composed of 66 manufacturing companies with 33 companies in each of two matched-pair groups (33 publicly-traded manufacturing bankrupt companies between 1946 and 1965 and matched them to 33 firms on a random basis for a stratified sample), which is built out of the five weighted financial ratios.

Jonah Aiyabei (2002) discussed the theoretical aspect of a financially distressed firm based on a cyclical concept and examined the financial performance of small business firms based in Kenya using Z score model.

Ben McClure (2004) had confirmed the 'Z' score model through his research study and he concluded that to keep an eye on their investments, investors should consider checking their companies' Z-score on a regular basis. A deteriorating Z-score can signal trouble ahead and provide a simpler conclusion than the mass of ratios. Given its shortcomings, the Z is probably, it's better used as a gauge of relative financial health rather than as a predictor. Arguably, it's best to use the model as a quick check of financial health, but if the score indicates a problem, it's a good idea to conduct a more detailed analysis. In Indian context, L.C Gupta (1999) attempted a refinement of Beaver's method with objective of predicting the business failure. A sample of simple non-parametric test for measuring the relative differentiating power of the various financial ratios was used. The test is based on taking a sample of

sick and non-sick arraying them by magnitude of each ratio to be tested, selecting a cut of point which will divide array into two classed with a minimum possible number of miss-classification and then computing the percentage classification error.

Mansur A.Mulla (2002) made a study in Textile mill with the help of Z score model for evaluating the financial health with five weighted financial ratios.

Selvam M, and others (2004) had revealed about Cements industry financial health especially India Cements Limited.

Krishna Chaitanya (2005) used Z model to measure the financial distress of IDBI and concluded that IDBI is likely to become insolvent in them to come.

Dheenadhayalan V, (2008) adopted z score to predict the corporate failure of steel authority of Indian limited. The Z score of SAIL showed a rising trend throughout the study period and it was concluded that the financial health of the SAIL was good.

Shital P. Venapriya (2012) examined the financial health of Dr.Reddy's Laboratories' through Z score theory, this study applied K.B.Mehta's Z score model in the Indian scenario and according to Indian scenario the three situation arises, if the Z score value is less than 1.2 and it shows bankruptcy zone, between 1.2 and 2.9 then it shows grey zone and greater than 2.9 indicates that the safe zone. It is observed from the analysis the financial health of the company is very good and safe for long period of time.

Pressure to monitor financial health:

The pressure to monitor financial health of a company arises today for-

1. Determining the sustainability and growth of the company in the competitive world.
2. Identifying the sign of financial distress and thereby avoid the bankruptcy
3. Entry of the new players in the market
4. The integrated financial market bringing investors from foreign countries.
5. Reluctance to invest due to political uncertainty and coalition politics.

Measuring Financial Health through Ratio Analysis

For determining the financial health of a company the financial analyst takes initial steps to analyze a company's financial statement. It provides a clear picture of the financial soundness of a business and a roadmap outlining to direct the business is heading to. Ratio analysis is a widely used tool for financial analysis.

Financial data is used to identify positive and negative trends, strengths and weakness, investment attributes, and other trends. Ratio analysis is typically used to measure liquidity, leverage, activity, profitability and growth. Single ratio calculation cannot provide a meaningful complete picture of a company's financial position. Keeping the above point in mind, this study uses 'Z'-score model, which captures the predictive viability of a company's financial health by using a combination of financial ratios that ultimately predicts a score.

Z- Score Analysis

About 40years ago, Edward I. Altman, a financial economist at New York University's Graduate school of Business, developed a model for predicting the likelihood that a company would go bankrupt. This model uses five financial ratios that combine in a specific way to produce a single number. This number, called the Z-score, is a general measure of corporate financial health.

The most famous failure prediction model is Altman's Z-score Model. Based on Multiple Discriminate Analysis (MDA), the model predicts a company's financial health based on a discriminate function of the firm.

$$Z=1.2x_1+1.4x_2+3.3x_3+0.6x_4+1.0x_5$$

Where Z= Discriminate function score of a firm:

x_1 = working Capital / Total Assets:

x_2 = Retained Earnings / Total Assets;

x_3 = Earnings Before Interest And Taxes/Total Assets;

x_4 = Market Value Of Equity / Book Value Of Total Liabilities or Reciprocal Of Debt-Equity Ratio and

x_5 = Sales / Total Assets.

The Z-score model (developed in 1968) was based on a sample composed of 66 manufacturing companies' with 33 companies in each of two matched-pair groups. Altman subsequently developed a revised Z-score model (with revised co-efficient and Z-score cut-offs) which dropped variables X4 and X5 (above) and replaced them with a new variable $X4 = \text{net worth (book value)}/\text{total liabilities}$. The x5 variables were allegedly dropped to minimize potential industry effects related to assets turnover.

Table-1 : Z-score – Altman’s Guidelines for Healthy Zone

Situation	Z-score	Zone	Remarks
I	Below 1.8	Not Healthy	Its failure is certain and extremely likely and would occur probably within a period of two years.
II	Between 1.8 and 2.99	Healthy	Financial viability is considered healthy. The failure in this situation is uncertain to predict.
III	3.0 and above	Too Healthy	Its financial healthy is viable and not to fall

Result and Discussions

The above furnished variables are indicators of the financial health of the company. The result of the variables is as follows: To analysis the financial data the appropriate statistical tools like mean, standard deviation, co-efficient of variation, minimum and maximum used during the study period.

Table 2 Shows the relation of working capital to total Assets Ratio of West Coast Paper during the study period. Liquidity and size characteristics are explicitly considered. It is clear that the above analysis that the ratios are fluctuating trend throughout the study period. The mean ratio of working capital to total assets was 0.215 times during the study period. It is observed from the table, the minimum value of working capital to total assets ratio was -0.027 times and maximum at, 0.420 times. The co-efficient of variation was 77.98 percent. The working capital was inadequate and not satisfactory in the last two financial years of the study period. The total assets were highest in the last three years of the study period. The correlation co-efficient between working capital and total assets were positive which was tested through the hypothesis and the result was indicated in table 7. It is one of the ingredients of z-score to measure the financial health of the company during the study period.

Table 3, indicates the relation between the Retained Earnings to Total Assets Ratio of west Coast Paper

during the Study Period. it indicate the growth is financed through profit not debt. This is a measure of cumulative profitability overtime and leverage as well. It is clear from the above analysis that the ratios were fluctuating trend during the study period. The minimum value was observed from the table -0.025 times and the maximum value was 0.164 times. Which shows the profitability was fluctuated. the mean value of retained earnings to Total assets was 0.085 times during the study period. The standard deviation was 0.168 times. The co-efficient of variation was 60.29 percent. The correlation co-efficient between retained earnings to total assets was positive which was tested through the hypothesis and the result was presented in the table 7.

Table 4 shows the relationship between the EBIT to Total Assets of West Coast Paper during the study period of ten years from 2000-01 to 2011-12. This ratio shows the operating performance and earning power of the company. The operating performance of the west coast paper was fluctuated during the study period. The ratio varies from 0.064 times to 0.270 times, during the study period. It is evidenced that the mean value of EBIT to Total Assets ratio of West Coast Paper was 0.182 times during the study period. The co-efficient of variation was 38.72 percent. The co-efficient of correlation result is positive and insignificant.

Table 5 deals with the long term solvency of the company. It is observed that the debt financing capacity is more than the equity financing. The market value of equity was fluctuated remaining the study period. The book value of equity shows the increasing trend. The average value of this ratio was 0.130 times. The co-efficient of variation of this ratio was evidenced as about 99.49 percent during the study period. The correlation co-efficient result was positive and its significant result is given in the table 7.

Table 6 reveals the relationship between sales to total assets of west coast paper during the study period. It measures the standard turnover of west coast papers during the study period. The Net Sales and total assets were simultaneously increasing Trend. This ratio varies from 0.34 times to 1.74 times during the study period. It is observed that mean ratio was 1.12 times during the study period and the co-efficient of variation was 43.80 percent. The sales generating capacity is more during the study period. The correlation co-efficient is positive and the significant relationship between net sales and total assets is shown in the table 7.

Table-2 : Summary of Statistical Measures Of WC/TA

Mean	117.03	787.23	0.215
SD	157.54	631.63	0.168
CV(%)	134.61	80.24	77.982
Min	-183.65	224.86	-0.027
Max	408.64	1836.04	0.420

(Source: Computed)

Table-3 : Summary of Statistical Measures Of RE/TA

Mean	44.80	787.23	0.085
SD	34.86	631.63	0.051
CV(%)	77.81	80.24	60.290
Min	-33.56	224.86	-0.025
Max	90.54	1836.04	0.164

(Source: Computed)

Table-4 : Summary of Statistical Measures Of EBIT/TA

Mean	106.84	787.23	0.182
SD	55.11	631.63	0.071
CV(%)	51.59	80.24	38.724
Min	60.67	224.86	0.064
Max	245.23	1836.04	0.270

(Source: Computed)

Table-5 : Summary of Statistical Measures Of E/D

Mean	23.61	217.39	0.130
SD	28.39	211.27	0.129
CV(%)	120.26	97.18	99.488
Min	8.94	76.84	0.02
Max	88.58	737.82	0.43

(Source: Computed)

Table-6 : Summary of Statistical Measures Of S/TA

Mean	618.96	787.23	1.12
SD	282.95	631.63	0.49
CV(%)	45.71	80.24	43.80
Min	346.92	224.86	0.340
Max	1305.18	1836.04	1.735

(Source: Computed)

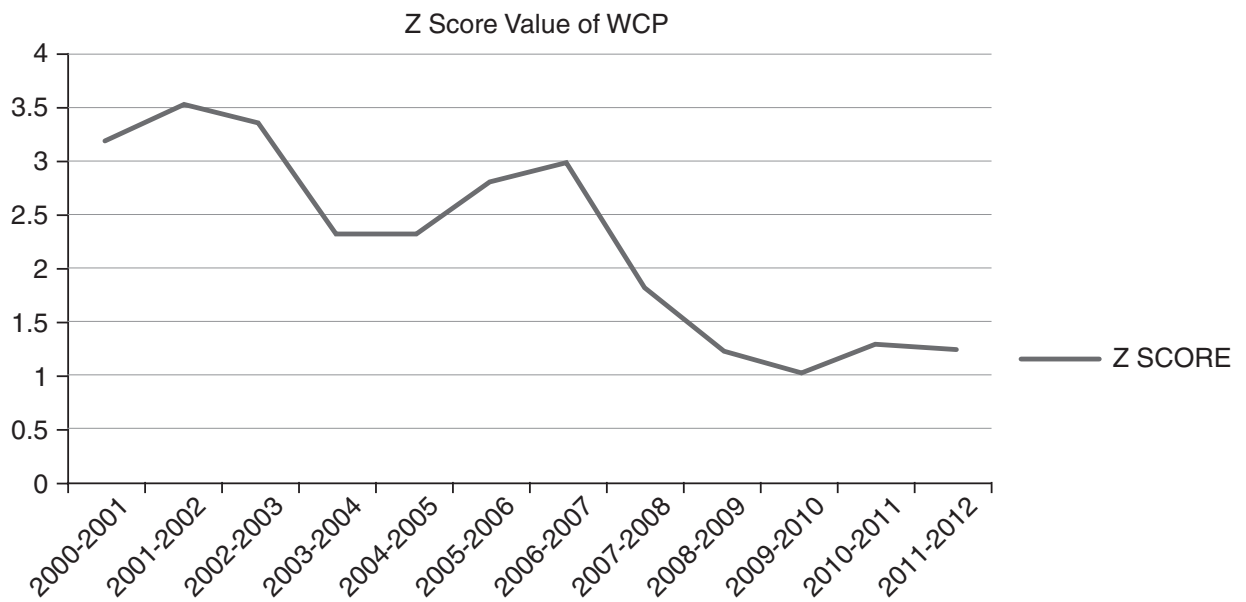
Table-7 : Shows Altman's Z-Scores Result of West Coast Paper

Year	X1	X2	X3	X4	X5	Z Score
2000-2001	0.504	0.178	0.891	0.072	1.543	3.188
2001-2002	0.301	0.179	0.838	0.48	1.735	3.533
2002-2003	0.199	0.179	0.818	0.48	1.652	3.328
2003-2004	0.173	0.122	0.647	0.042	1.321	2.305
2004-2005	0.398	0.109	0.545	0.054	1.177	2.283
2005-2006	0.355	0.129	0.749	0.048	1.526	2.807
2006-2007	0.499	0.23	0.828	0.048	1.367	2.972
2007-2008	0.391	0.141	0.488	0.06	0.723	1.803
2008-2009	0.282	0.073	0.244	0.258	0.356	1.213
2009-2010	0.198	0.042	0.211	0.222	0.34	1.013
2010-2011	-0.032	0.084	0.535	0.012	0.708	1.307
2011-2012	-0.167	-0.035	0.419	0.024	0.988	1.229

(Source: Computed)

Z score Value: This study is used to apply Altman's z score model to determine the financial health of this company. Table 7 shows the too healthy Zone in the year 2000-01 to 2003-04, which implies that its financial health was in the too healthy zone and not to fall. From 2003-04 to 2007-08 it is observed that the financial viability is considered to be healthy zone. From the years 2008-09 to 2011-12 it is evidenced that the financial position is not healthy zone, it failure is certain and extremely likely and would occurred probably within a period of two years. The overall financial health is considered to be satisfactory level.

Figure 1 Z Score Value Of West Cost Paper mills Limited



Testing the significance of correlation co-efficient

Keeping the above objectives in mind, the following hypothesis were framed and tested during the study period

Null Hypothesis: Ho

Ho: 1	There is no significant relationship between Working Capital and Total Assets
Ho: 2	There is no significant relationship between Retained Earnings and Total Assets
Ho: 3	There is no significant relationship between EBIT and Total Assets
Ho: 4	There is no significant relationship between Equity and Total Debts
Ho: 5	There is no significant relationship between Sales and Total Assets

Table- 8 : West Coast Papers Limited Summary of “t” distribution inferences

Relationship	Calculated value	Degrees of freedom	Table Value @ 5% confidence	Remark
Correlation between Working Capital and Total Assets	0.267	10	2.228	Not significant
Correlation between Retained Earnings and Total Assets	0.317	10	2.228	Not significant
Correlation between EBIT and Total Assets	0.739	10	2.228	Not significant
Correlation between Equity and Total Debts	0.140	10	2.228	Not significant
Correlation between Sales and Total Assets	0.632	10	2.228	Not significant

Findings

As mentioned above, this study has made an attempt to examine the general financial health of west coast paper mill limited through Z score analysis with the five weighted financial ratios. It is clear that this company's financial health is fluctuated during the study period.

1. It is observed that this company's financial position in the first half of the study period is exemplary and second half of the study period is considered to be satisfactory.
2. Working capital position of West Coast Paper during the study period is fluctuating trend throughout the study period.
3. The retained earnings to total Assets ratio of west Coast Paper during the Study Period are increasing trend during the study period.
4. The EBIT and total assets was fluctuated during the study period.
5. Market value of equity to total debts during the period of study or the reciprocal of debt- equity ratio. It showed a fluctuating trend throughout the study period.
6. The company's Sales and total assets was increasing trend and in the same proportion.
7. It is observed from the analysis that the overall financial position was satisfactory during the study period.

Suggestions

Though the company's financial position is satisfactory level, in order to sustain the present level and to grow, the following suggestions were made:

1. The Management of working capital should be strengthened, which helps to improve the financial position.
2. This company financed through their retained earnings, instead of debt, which will help the growth of the company.
3. The EBIT and total assets moves on the same direction, it will adversely affect the financial health of the company. So that the company's EBIT can convert into capital and maintain adequate working capital.

Conclusion

As per the Altman guidelines, the financial health of the sample unit was tested through Z-score model. As per the calculated Z score, West Coast Paper needs to put in efforts to increase the score. It is observed that the company's financial health in the first half of the study period is exemplary and second half of the study period is considered to be satisfactory. The financial health of west coast paper mill limited is satisfactory during the study period from 2000-01 to 2010-11. The correlation co-efficient of the selected variables exhibits that the insignificant relationship. The study concludes that the company's overall financial health was satisfactory during the study period.

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STUDY ON FACTORS INFLUENCING CUSTOMERS TOWARDS INSURANCE PRODUCTS

B.Anuradha*

ABSTRACT

The study aims to identify the factors influencing the customers to purchase the insurance products. An attempt has been made to study the customer buying preferences based on the source of information. The factors considered for the study are type of insurance company, media as source of information, factor influencing to purchase. The study also aims to find out the age group where the respondents are more interested with life and health insurance policies and whether the customer prefer public or private insurers. The study was done based on questionnaire with a sample of 130 respondents. The findings were analyzed using simple percentage Analysis and frequency table. Findings reveal that respondents less than 30 years are holding the life and health insurance policies in maximum. Internet, tax benefit and family members are some of the factors that have influenced the customers to purchase the insurance policy. The study has also found that the respondents, less than 30 years are holding both life and health insurance policy.

Key Words: Insurance, Awareness, Buying preferences, life insurance, Health Insurance policy

Introduction

Insurance sector plays a vital role in the process of economic development. Both Life and General Insurance Companies play as financial intermediaries are helpful to the Indian economy. Insurance is defined as a cooperative device to spread the loss caused by a particular risk over a number of persons who are exposed to it and who agree to ensure themselves against that risk. The person who takes the policy is known as Insured, the insurance company who agrees to pay is known as Insurer for an agreed amount payable (risk). The insurance rate is a factor used to determine the amount to be charged for a certain amount of insurance coverage, known as Premium. Insurance is classified as Life Insurance and General Insurance. Life insurance includes all risks related to lives of human beings and General Insurance covers the rest. General Insurance is classified as fire, marine and miscellaneous. Health Insurance comes under

Miscellaneous Insurance. Health Insurance policy is a contract between an insurer and an individual in which the insurance company agrees to pay an

agreed amount as protection against loss by sickness or bodily injury to the insured. Life insurance business was nationalized in 1956 by taking over 245 private insurers. The General Insurance Corporation (GIC) was established in 1972 by taking over 107 insurers. Private and foreign investors were allowed to enter the Indian market after the enactment of IRDA (Insurance Regulatory Development Act) Act in 1999.

Review of Literature

Garima Malik, Tarvi Predham,(2011) on their study found that product features like tax rebate, investments, advertising and agents knowledge, low premium are the key factors in determining selection of a insurance company. The study suggested that proper training should be given to the agents in all aspects like product knowledge, behavioral aspects, communication etc. More concentration should be given to advertisements- how the products reach the customers. More care has to be taken in fixing the premium for the target customers.

Vikas Gautam in his study in Hyderabad city noted that LIC (Public sector insurance company) has got

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the high quality perception as compared to private sector insurance company. The study observed that customer's base of LIC is very large and they need to be retained. He also found that both public and private players have given importance on all the five dimensions of service quality. He suggested that private players should give importance to reliability and they should come with more innovative products in competitive markets. The service quality dimensions like reliability, word of mouth plays a vital role.

The study has found that TV was most preferred media for customer's education & awareness than other on consumer products. People give more attention to advertisement while watching TV, they involve themselves, and they are able to judge the product before buying the same. Dalip Raina, Kritika Khajuria(2012), suggested that marketers must be able to know the customer's preference, how they evaluate the advertisement and decide to purchase the product. So they have to adopt a effective marketing strategy and to develop a catchy advertisement.

The study identified that public insurance company like LIC has the majority customer base and customers find policy as enables for tax rebate, investment, risk coverage and some are influenced by agent's product knowledge also. The study by Dharmendra Singh(2011) has also suggested that low premium, proper induction to agents, effective advertisement strategy, friendly policy, easy accessibility to insurance company have also motivated them to acquire a policy.

Need for the Study

As per the study done by various researchers in the insurance sector, it is clear that study in the insurance sector is very limited. The areas like willingness or awareness level and customer's preferences towards insurance policies are not studied in depth. With the increasing medical expenses and unknown diseases at the early age due to change in life style and food habits, it is the need of the hour to concentrate on such areas. It is also necessary to find out the factors which influence the customers to go for health insurance.

Objective of the Study

- To study the awareness level of the customers towards health Insurance.
- To analyze the factors which influence the customers to purchase Insurance policies.
- To study whether the Life Insurance Policyholders are also holding Health Insurance policy.

Research Methodology

The study is done with the help of Primary Data. 130 respondents were selected for collecting the data with the help of a questionnaire. For analyzing the data, I have used simple percentage analysis and frequency table procedure cross tabulation method.

Analysis of Data, Findings and Results

From the sample of 130 respondents, survey was done with the help of a questionnaire. Table 1 shows the personal profile of the respondents.

Table-1 : Personal Profile of the Respondents

Demographic Variable	Particulars	Frequency	Percentage %
Gender	Male	68	52
	Female	62	48
Age	<30	83	64
	30 – 40	31	24
	>40	16	12
Educational Qualification	UG	47	36
	PG	36	28

	Professional	47	36
Employment	Govt .Employee	11	8
	Private	36	28
	MNC	83	64
Awareness of Health Insurance	Aware	130	100
	Unaware	0	0
Policyholder	Life	78	60
	Health	0	0
	Both	52	40
Insurance Company	Public	83	64
	Private	20	15
	Both	27	21
Media as Source of Information	TV	42	32
	Internet	68	52
	Magazine	15	12
	Newspaper	5	4
Factor for Buying Insurance	Brand	16	12
	Tax Benefit	78	60
	Risk Coverage	36	28
Factor Influencing to Purchase Insurance policy	Family	57	44
	Friend	26	20
	Agent	47	36

(Source: Primary Data)

From the above table, it shows that 52% are male and 48% are female respondents. Under the age category 64 % are less than 30 yrs, 24 % are between the age group 30-40 and 12 % are above 40 yrs. The data shows that all the 130 respondents are aware of health insurance but 60% of the respondents are holding only life insurance policy and 40% of the respondents are holding both life and health insurance policy. 64% of the respondents are customers of public insurance company and only 36 % go for private insurance companies. Internet as media for source of information ranks the top (52 %), TV comes next with 32% followed by magazine with 12% and newspaper stands at last with 4% of respondents. When we take factors for buying insurance, Tax benefit has the highest response with 60% followed by Risk Coverage with 28% and brand comes the last with 12 %. The factor which influences to purchase insurance, family members comes the first with 44 % followed by agents 36% and 20% for friends.

Table-2 : Policy Holders

Aspects vise	< 30	30-40	>40	Total
Life Insurance	47	21	11	79
Health Insurance	0	0	0	0
Both	36	10	05	51
Total	83	31	16	130

(Source : Primary Data)

Table 2 shows those less than 30 yrs, 47 respondents are life insurance policyholders and 36 respondents are holders of both life and health insurance. Between the age group of 30-40, 21 respondents are holder of life insurance policy and 10 respondents are holders of both life and health insurance policy. Under the category above 40 yrs, 11 respondents are holding life insurance policy and only 5 respondents are holding both life and health insurance policy. It is found that respondents of age less than 30yrs are the maximum holder of life insurance and both health and life policies. It is also found that there are no customers with health insurance policy alone in all age group.

Tabl-3 : Media as Source of Information

Media	< 30	30-40	>40	Total
TV	26	5	11	42
Internet	52	16	0	68
Magazine	5	10	0	15
Newspaper	0	0	5	5
Total	83	31	16	130

(Source: Primary Data)

From Table 3, it is clear that internet has the highest respondents (52) under the age group less than 30 yrs followed by 16 respondents in the age group 30 – 40. TV is second top respondents with 26 under the age group less than 30, 5 respondents between 30-40 yrs of age and 11 respondents under the age group more than 40. Magazine has 5 respondents in the age group <30yrs, 10 respondents between the age 30-40yrs. Only 5 respondents have chosen newspaper as source of information for insurance products.

Table-4 : Factor for Buying Insurance Policy

Factor for Buying Insurance Policy	<30	30-40	>40	Total
Brand	16	0	0	16
Tax Benefit	52	21	5	78
Risk Coverage	15	10	11	36
Total	83	31	16	130

(Source: Primary Data)

Table 4 shows that Tax Benefit is the most important factor for buying insurance policy with 52 respondents under the age group less than 30, 21 respondents between the age group 30-40 and 5 respondents under the age group more than 40. Next is the risk coverage with a total of 36 respondents – 15 respondents under 30yrs, 10 respondents between 30-40yrs and 11 respondents above 40yrs. Brand comes the least respondents with 16 under 30 yrs.

Conclusion & Suggestions

The study concludes that all the respondents are aware of insurance policies both life and health insurance. Less than 30 years are the maximum respondents and they have taken both life and health insurance policies. Maximum customers go for public insurance company for the insurance policies. Internet plays the most important factor for source of information with regard to insurance products, Tax benefit ranks the top factor which influences the customers to

purchase the insurance policy and family members are considered the most important factor for influencing them to purchase the policy.

The Indian Insurance industry has been growing very fast in the current competitive world with private and public companies both life and non-life insurance sectors. It is the responsibility of the insurance companies to come out with new innovative products which satisfy the public and their financial needs and to see that it provides a worry free future to the public. While comparing the life and health insurance, penetration of life insurance is more than health insurance. So with the increasing medical expenses and increasing unknown diseases have given more responsibility to the health insurance providers to come out with new products and increase awareness on health insurance among the public.

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ACCOUNTING SYSTEM IN SMALL SCALE ENTERPRISES: A CASE STUDY

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Vijayarani . K **

ABSTRACT

The Small Scale Enterprises are the backbone of the economy in Sri Lanka. This study investigates the accounting system in Small Scale Enterprises in Vavuniya District. The law has not insisted the Small Scale Enterprises to keep the ledgers and financial reports. Therefore, the purpose of the study is to find out the accounting system followed by the Small Scale Enterprises. 42 enterprises are selected as sample. Questionnaires are used to collect the information about accounting system. The data is analyzed using the Micro Soft Excel work sheet. The data analysis has five steps. Primary book keeping according to the underlying assumptions, following double entry system to record the primary data and according to that preparation of profit and loss account and balance sheet, preparation of profit and loss account after making the adjustments, preparation of the balance sheet according to the SLAS 3 and the preparation of cash flow statement. The study concluded that accounting system in the small scale enterprises is not good, but they have prime books to enter the transactions. Therefore, the study concludes that most of the Small Scale Enterprises have single entry accounting system.

Key Words: Small Scale Enterprises, Accounting System, Financial Reports.

Introduction

Small Scale Enterprises are defined as non – subsidiary, independent firms which employ fewer than a given number of employees. Appropriate accounting system is obligatory to Small Scale Enterprises also. Accountants themselves think of five reasons why accounting is important to a small business: It proves what business did financially, it shows how business is worth, bank, creditors, development agencies and investors (those are called users of accounting records) required it, it provides easy – to – understand plan for business operations and owners can not know how the business doing without it.

The greatest value of financial accounting for Small Business owners and managers is reporting the results of operations and the financial conditions of the business to entities outside the business. Outsiders can include absentee owners, creditors and lenders, unions, and tax and regulatory agencies. Each of these groups has some interest

in the conduct of business. Each has either or both legal rights and political power to enforce honest disclosures of the business's finances. There are less likely to be accused of misrepresentation if the disclosures comply with accepted accounting principles.

The accounting records contain information that can be easily used for analysis of the results and state of the business. Experience in a business provides a bench – mark to which all items may be compared. Those items that appear unrealistic – either too high or too low – should be carefully examined. The examination should attempt to answer the followings; what are the appropriate levels of sales and expenses? Why do certain expenses appear too high or too low? Can any expenses be reduced or eliminated? Are profits appropriate for the investment, risk, and effort of owners?

Therefore the bookkeeping and preparation of records facilitate to provide information to the users; to make the control on scarcity resources; to take

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the suitable and to make the comparison. The present study will help all Small Scale Enterprises to develop their business through accounting system.

Accounting System in Sri Lanka

In many countries, accounting has evolved as a profession over the past hundred years. In Sri Lanka also adopted the accounting system until 1950s from United Kingdom. After establishing the Institute of Chartered Accountants of Sri Lanka (ICASL) in 1959, it becomes the only local professional body of accountants in the country. However, to provide richness of accounting discipline three environments such as business environment, regulatory environment and international environment are important.

The regulations must be followed by professional accountants or they risk punitive measures which can be imposed by the law and/ or by the disciplinary processes of the accounting profession. In Sri Lanka, there are essentially three main sources of accounting regulations: the requirement of company legislations, the Colombo Stock Exchange listing requirements for public companies, and Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka

The company legislations governing accounting regulations in Sri Lanka are commonly referred to as the Company Law. The current company law is embodied in the Companies Act, of No. 7 of 2007. This Act is heights level of regulatory authority over all companies in Sri Lanka because it is a statute passed by the Parliament. It is a lengthy statute covering a great number of issues relating to the formation; conduct, administration and winding – up of companies in Sri Lanka. However, accountants are generally more concerned with the accounting requirements of the Companies Act. The law requires that company directors presents a shareholders at a annual general meeting an audited profit and loss statement, a balance sheet, group account (if any) and other necessary reports in accordance with the provisions under Sections 148 and 149.

The Colombo Stock Exchange (CSE) operates as a self – regulatory body with its own listing requirements. The CSE is primarily concerned with the protection of investors as well as the promotion of an efficient and ethical share market. This orientation is reflected in the CSE's concerned with timely disclosures by companies. The CSE regulates corporate disclosures through its listing requirements. That is, if a public company wishes to list its shares on the stock exchange, it must comply with the financial disclosure and listing requirements of the CSE. As a guiding principle, the CSE holds the view that the conduct of a fair and orderly market requires every listed company to make available to the public the information necessary for making informed investment decision. If a company listed on the exchange violates listing requirements, it will be subjected to various sanction imposed by the CSE. An extreme or continuing violation of these requirements by a company may result in a de-listing of its name on the exchange.

The stock exchange listing requirements, like those of the Companies Act, are basically concerned with disclosure rather than with technical accounting issues such as the different ways to measure and classify transactions in the financial statements. SLASs provide the detailed rules for measuring and classifying accounting transactions.

Accounting standards provide detailed rules on how particular types of financial transactions and other events be dealt with in an entity's accounting records. Accounting standards help to ensure that an entity's profit and loss statements and balance sheet present a 'true and fair' view of its operating performance and financial position. Accounting standards are also set at the international level by the International Accounting Standard Committee (IASC)

Accounting standards in Sri Lanka, which are known as Sri Lanka Accounting Standards (SLASs), have been issued by the Institute of Chartered Accountants of Sri Lanka as recommended by the Sri Lanka Accounting Standards Committee. These accounting standards are based on the International Accounting Standards published by the IASC, with

slight modifications to meet local conditions and needs. The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 empowers the Institute of Chartered Accountants of Sri Lanka, from time to time, to adopt and publish in the Government Gazette, accounting standards as may be necessary for the purpose of maintaining a uniform and high standard in the financial reporting of business enterprises. Under the Act, compliance with SLASs is mandatory in the preparation and presentation of accounts of all business enterprises specified in the Act. This Act has placed equal responsibility for ensuring compliance with the standards on both the management of enterprise as well as its auditors, who have to specifically report on whether the entity has complied with SLASs.

In preparation of the financial reports, the enterprises should follow the Sri Lanka Accounting Standard – 3 (SLAS 3). This standard indicates the preparation of financial statements. However, the small scale enterprises also follow the Sri Lanka Accounting Standard for Smaller Enterprises (SLASSE).

Methodology

Vavuniya District was selected to find out the accounting system in Small Scale Enterprises. “Chamber of Commerce Industry and Agriculture” has many Small Scale Entrepreneurs as their members. These members are recognized as population in this study.

The “Chamber” has one hundred and twenty four (124) enterprises as their members. Among them, using the convenient sample selection method sixty (60) sample enterprises were decided on carry out the study. But only forty two (42) business activities responded. Using the questionnaire accounting system is identified.

The process of testing accounting system in small scale enterprises has many steps. The process of accounting has three steps to provide the information to users of accounting. The first step is the recording of data. This step is known as the bookkeeping. Hereafter, entities should store and prepare the data. This is known as processing the data. Then, finally, the reports are communicated to the users. Using these information businesses

will take the economic decisions. According to the above steps the data analyzed as follows;

In the first step the recording of data was analyzed. The accounting method (Cash or accrual), financial year, going concern, and keeping the day books (Cash book, Purchases journal and Sales journal) are identified.

In the second step, following the double entry system, preparing the profit and loss account and balance sheet preparation is identified. This second step analysis was done on the enterprises which were selected in the step one.

The third step analyzes whether the entities are following accurate method to prepare the reports or not. According to that the entering the returns properly, preparation of the trial balance, making the correction of errors, allocating for provision for bad and doubtful debts and entering the withdrawals as personal expenses are identified. This step analysis was done on the enterprises which were selected in the step two.

The fourth step analyzed on the enterprises selected in the step three. This step analyses how many enterprises prepare reports according to the SLAS 3. According to the SLAS 3 in the face of the balance sheet entities should show non – current and current assets separately and non – current and current liabilities separately.

In the fifth step identified the selected enterprises in the step four preparing or not the cash flow statements. Microsoft Excel work sheet is used to make the analysis.

Results and Discussions

According to the data analysis, there are ten (10) entities that pursue underlying assumptions and basic bookkeeping system. Five (5) enterprises prepare their financial reports regularly. This indicated in the second step. But very accurate accounting reports after making all adjustments prepared by only two (2) enterprises. In accordance with the SLAS 3’s requirement the fourth step identifies whether the enterprises point out assets and liabilities according to their nature as current and non – current assets and current and non –

current liabilities separately. In this step only one (1) enterprise is identified. The final and fifth step identifies the preparation of the cash flow statements. But none of the enterprise prepares the cash flow statement.

The data analysis provides the results of the study. The accounting system followed by the small scale enterprises is identified in the analysis. There is no legal requirement to prepare and present the accounting reports to the users. However as investors they should know their performance for the decision making purpose.

Among the sample enterprises there are twenty seven (27) enterprises follow the both underlying assumptions. This is 64.29% of the sample enterprises. This is a good sign to make the further entries properly. The twenty nine (29) enterprises say they follow the SLASSE to record the transactions. This is 69.05% of the sample firms. But, in the analysis this is not proved. To record the data the double entry system is generally accepted one. Among the sample enterprises sixteen (16) entities, 38.10%, are following the double entry system. However, only eleven (11) enterprises practice to find out the accuracy of the double entry system. For this purpose they prepare trial balance. This is only 26.19%. Underlying assumptions and prime entries are considered for the recording purpose only 23.81% of the sample enterprises. After entering in the primary books only five (5) enterprises are preparing accounting reports to indicate the performance and financial position. This is only 11.90% of the sample enterprises. But only two (2) enterprises prepare these reports systematically. This is no more than 5%. According to the SLAS 3 only the balance sheet is prepared by only one (1) entity. This is a very poor situation. Nineteen (19) entities say that they prepare the cash flow statement using direct method. But, according to the proper way this is not prepared. Because in the fifth step of the analysis consider the cash flow statement preparation. In this stage none of the enterprises was selected.

Findings and Recommendations

The accounting system in small scale enterprises is analyzed by using forty two (42) sample enterprises

in Vavuniya district. Unfortunately there is no legal requirement to prepare the accounting records regularly by the small scale enterprises. According to the analysis made on the small scale enterprises, basically they have some records to enter the transactions. Basically 69% of the entities have the cash book to record the cash transactions. However, cash related transactions are not only the transactions in an entity. They have to maintain records for non – cash transactions and these transactions should be properly recorded using double entry system and then have to prepare the reports of profit and loss account, balance sheet and cash flow statement. There are 64.29% of the enterprises follow the both underlying assumptions. 38.10% of the enterprises are following the double entry system and 26.19% of the enterprises prepare trial balance. Underlying assumptions and prime entries are considered for the recording purpose only 23.81% of the sample enterprises. After entering in the primary books only 11.90% of the enterprises are preparing accounting reports to indicate the performance and financial position. But only two (2) enterprises prepare these reports systematically. This is no more than 5%. According to the SLAS 3 the balance sheet is prepared by only one (1) entity. Nineteen (19) entities say that they prepare the cash flow statement using direct method. But, according to the proper way this is not prepared. Because in the fifth step of the analysis consider the cash flow statement preparation. In this stage none of the enterprises was selected.

Up to the final step none of the enterprises prepare the reports. This is a bad condition in accounting system. Fortunately they have basic records to prepare the reports. Using this single entry an accountant can prepare the reports. Regarding to maintain the proper accounting system in the Small Scale Enterprises the Government/ Chamber of Commerce/ other related agencies should have a law or other regulations. Without having proper government regulations it is very difficult to implement proper accounting system in Small Scale Enterprises.

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STATUS OF WOMEN ENTREPRENEURS IN PUDUKKOTTAI DISTRICT IN TAMILNADU

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ABSTRACT

This study analysed to Status of women in pudukkottai district. Women in India now participate in all activities such as education, sports, politics, media, art and culture, service sectors, science and technology, etc. This study focused on Reasons for women becoming entrepreneurs.

The educated Indian women have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society where the sociological set up has been a male dominated one. Despite all the social hurdles, Indian women stand tall from the rest of the crowd and are applauded for their achievements in their respective field. The transformation of social fabric of the Indian society, in terms of increased educational status of women and varied aspirations for better living, necessitated a change in the life style of Indian women. She has competed with man and successfully stood up with him in every walk of life and business is no exception for this.

The Constitution of India guarantees to all Indian women equality, no discrimination by the State, equality of opportunity, equal pay for equal work In addition, it allows special provisions to be made by the State in favour of women and children, renounces practices derogatory to the dignity of women, and also allows for provisions to be made by the State for securing just and humane conditions of work and for maternity relief. It is clearly defined in prospective industries to started in Pudukkottai District and successful entrepreneurs in this study area. The role of business Women in economic development is inevitable. Now-a-days women enter not only in selected professions but also in professions like trade, industry and engineering.

Key words: Women, Constitution, economic development

Introduction

Globalisation is praised for bringing new opportunities for expanded markets and the spread of technology and management expertise, which in turn hold out the promise of greater productivity and a higher standard of living. Conversely, globalisation is feared and condemned because of the instability and undesired changes it can bring; to workers who fear losing jobs to competition from imports; to banks and financial systems and even the entire economics that can be overwhelmed and driven into recession by flows of foreign capital. Globalization has been a two way process and in the context, globally competitive players have been actively seeking opportunities for wealth creation. The shift from the industrial revolution to the information revolution and now the knowledge revolution has ensured that

knowledge intensive industries are poised for tremendous growth.

The information technology and pharmaceutical industries are two clear examples. Companies in these sunrise industries has created a sustainable and difficult-to-replicate “intangible” advantage based on their human capital. As Indian industry mature, many of these companies will act as path breakers and trendsetters. As business becomes more global and competition for capital increases, greater emphasis is being laid on corporate governance as a mechanism for effective control and enhancement of stakeholder value.

In traditional societies women had been confined to the four-walls of home, children, household affairs and family rituals and customs. Very few had the

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opportunity to come out the four walls and shine in different spheres. In Hindu scriptures women are described as the embodiment of shakti, the supreme power, but in practice they have been treated as Abla, the weak and dependent. In an age of equality women are still far from being treated as equal partners in society which is dominated by men. In recent years women have come in forefront in different walks of life and are competing successfully with men despite the social psychological and economic barriers. This has been possible because of education, political awakening, legal safeguards, urbanization, social reforms etc.

Today in India, some of the women have distinguished themselves in many unconventional fields. They are leading consultants, eminent scientists and mathematicians, distinguished doctors, interior decorators, artists, educationists, managers and administrators and business entrepreneurs. They have disproved the old theories and assumptions about the women. The very fact that the world's largest democracy is headed by a woman is a big complement to the capacity and quality of women.

Objectives of this Study

- This study aims to systematically analyse the present scenario and performance of women entrepreneurs.
- To identify the reasons for women for involving themselves in entrepreneurial activities.

Women Entrepreneurs

Women entrepreneurs may be defined as the woman or group of women who take initiative to set up a business enterprise and to run it smoothly.

Technically, a "women entrepreneur" is any women who organizes and manages any enterprise, especially, a business, usually with considerable initiative and risk.

However, quite often the term "women-owned business" is used relative to government contracting. In this instance, the entrepreneur (a woman) owns (more than 50%), controls and runs the enterprise

Woman entrepreneurs, as a group, came into prominence in the late 1970s. The information contained in the Second All India SSI Census 1987 – 1988 shows that about 7.7 per cent of the small enterprises were owned by women. Industry group – wise, the most popular activity of women entrepreneurs was food processing followed by garment making. Realising the great untapped potential, the Government has been making concerted efforts to channelise the skills and talent of women towards economic and business generating activities.

Women enter entrepreneurship due to economic factors which push them to be on their own and urge them to do something independently. Women prefer to work from their own resident, difficulty in getting suitable jobs and the desire for social recognition motivate them towards self – employment. We see a lot of women professionals in engineering, medicine, law and also as chartered Accountants, etc. they are also setting up hospitals, training centers, etc.

Definition of Women Entrepreneurs

“Women who innovate, imitate or adopt a business activity are known as women entrepreneurs”
: J.A. Schumpeter

“The stage is set for social take-off for women from a low development path to an accelerated pace in achieving higher level of self-sustaining economic growth”. -
Dr. Vasanth Desai

Brief Profile of the District and Study Area

On 14th of January 1974, Pudukkottai became one of the districts of Tamilnadu. At the time many small town like Gandharvakottai, Aranthangi, Keeramangalam were merged with Pudukkottai to form a District. Pudukkottai measures about 4663 square kilometer with its population of 14, 52, 269. The agriculture here depends only on the seasonal rains. The districts has nearly about 600 lakes, which irrigates the farm land. The rivers flowing across Pudukkottai were Vellaru, Pambaru, Perungalur, Gundaru, Koraiaru, Ambuliaru and Kolavanaru. But even then there rivers get dried in

whole summer season. Pudukkottai has many small mountains around. The Pudukkottai district lies in the East coast of Tamilnadu. Thanjavur District surrounds the district in the North, South by Pasumpon District, West by Trichy District and East by Bay of Bengal. Pudukkottai district is bound on the North and North West by Trichirapalli district, Sivagangai district on the West and South West, on the East and North East by Thanjavur district and on the South East by Bay of Bengal. The district is formed in January 1974 out of certain pockets of the then Trichy and Thanjavur districts, has an area of 4663 sq.km with a coastal line of 39 km.

Administrative structure

Department	No.
Revenue Divisions	02
Taluks	11
Blocks	13
Corporation & Municipalities	02
Town Panchayats	08
Revenue villages	757
Panchayat villages	498

(Source: Secondary data)

At present, this district is composed of two Revenue Divisions, namely, Pudukkottai and Aranthangi and nine Taluks, namely, Kulathur, Illuppur, Alangudi, Pudukkottai, Gandarvakottai, Thirumayam, Aranthangi, Avudaiyrakoil and Manamelkudi. There are 765 Revenue Villages. The area of the district is 4663 Sq.Kms. The population of the district is 14,52,269 (as per Census 2001 Provisional figures). The district depends a great deal on the monsoon for its water supply.

Many of the villages are of ancient foundation. The district was one of the homes of pre-historic man. A very large number of burial sites found in the northern and western parts of the district attest this fact. A very brief sketch of political history is given here in order to appreciate and understand the

mixed legacy of antiquities, monuments, epigraphs and the like.

The history of Pudukkottai is an epitome of the history of South India. In and around Pudukkottai, there are many vestiges of the oldest habitations of man and some of the lithic records known in the south. The Pandyas, Cholas, Pallavas, Haysalas, Vijaynagar and Madurai Nayaks ruled over this part of the country and fostered its communal organisations, trade and industries and embellished it with temples and monuments of outstanding merit.

The total population in Pudukkottai District is 14, 52, 269. Out of this 7, 20, 847 were males and 7, 31, 422 were females. The district sex ratio is 1015. They density of population is 312 person per Sq. kms.

Demographic details in Pudukkottai

Sl.No	Particulars	(in number)
1.	Population	
	a. Total	1459601
	b. Rural	1211217
	c. Urban	248384
	d. Male	724300
	e. Female	735301
	f. SC Total	240013
	g. ST Total	877
2.	Intensity of population per Sq.Km	313
3.	Percentage of S.C. Population	16.4
4.	Percentage of S.T.Population	0.06
5.	Percentage of literacy	50
6.	Percentage of Agricultural labourers	15.7
7.	Total Cultivators	370179
8.	Agricultural labourers	229846
9.	BPL families	91574

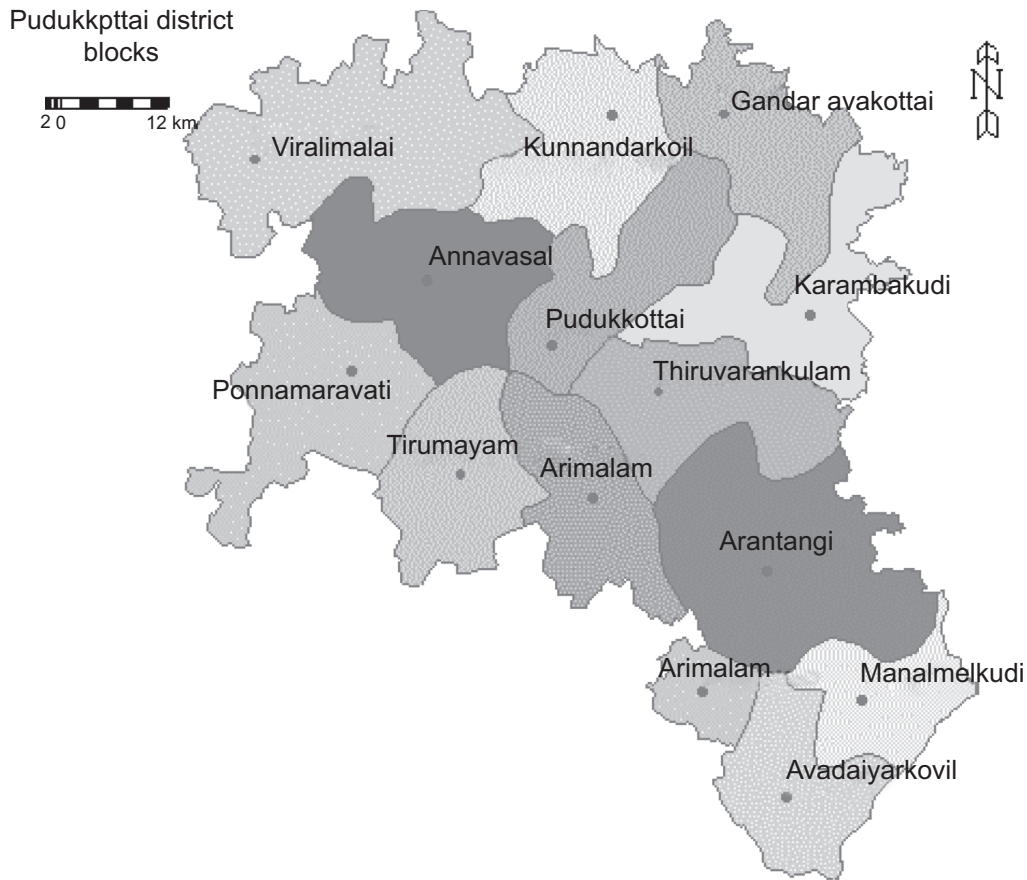
Literacy Rates in Pudukkottai

State	District	Persons	Males	Females	% of Total Literacy Rate	% of Male Literacy Rate	% of Female Literacy Rate
Tamil Nadu	Pudukkottai	1126580	617621	508959	77.76%	86.19%	69.51%

Registered Women Entrepreneurs in District Industries Center, Pudukkottai District

Year	Total No. of Registered Entrepreneurs	Total No. of Registered Women Entrepreneurs
2008-2009	336	51
2009-2010	219	47
2010-2011	239	90
2011-2012	436	200

Taluk Map



Prospective Industries to be started in Pudukkottai District :

In the coastal areas of this district, there appears to be good scope for fisheries like, fish processing, manufacturing of fish meal, fabrication, servicing and repairing of mechanized boats, ice plants, cold storage and articles from conch. As there are about 250 acres of salt pans in Manamelgudi, people may come forward to start salt based industries. A big boat building yard may also be planned for fabrication of motorized boat.

Mineral based industries like mechanized bricks, Mangalore tiles, Ceramic and mosaic tiles, Attangudi tiles, granite cutting and polishing, blue metal jelly, 83 quicklime, white cement. etc, can also be started in this district. A big project for granite cutting and polishing may also be considered. Cement plant with higher capacity may also be considered.

In Pudukkottai district, forest based industries like manufacturing of paper, gums, sawmill, agro based

industries, polymer and chemical based industries, textiles industries, automobile ancillaries, cashew based units, bone meal, solar equipments, poultry and poultry feed, cattle feed and leather products may be successful ventures for new entrepreneurs. With the plenty of eucalyptus trees here, a modern paper plant may be started. In the hardware sector, assembling of computers, hardware maintenance, manufacture and supply of stationeries, furniture and consumables have good scope in future.

Status of Women

Women in India feel proud to display that they are well protected and pampered by their husbands without realizing that they are making themselves helpless. Such women's economic literacy is so low that they cannot play any role in family's decision regarding family's budget, savings and investments. To such women, the national budget discussion is for men only and soap operas are for them. Such women suffer a lot if something untoward happens

to their husbands. This type of extreme dependency is not good for the development of women.

Women should remember that they are also rational, intelligent and thinking human beings. Dependent women are not empowered women. If modern women think that they are empowered, it's a myth for them. Empowerment means to inspire women with the courage to break free from the chains of limiting beliefs, patterns and societal or religious conditions that have traditionally kept women suppressed and unable to realize their true beauty and power.

Some qualities to be acquired by women to become truly empowered are awareness about risk prevailing at home, in work place, in traveling and staying outside home. They should have political, legal, economic and health awareness. They should have knowledge about support groups and positive attitudes towards life.

Reason for Women becoming An Entrepreneurs

The glass ceilings are shattered and women are found indulged in every line of business. The entry of women into business in India is traced out as an extension of their kitchen activities, mainly 3P's, Pickle, Powder and Pappad. But with the spread of education and passage of time women started shifting from 3P's to modern 3E's i.e., Energy, Electronics and Engineering. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures.

Women Entrepreneur' is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the advent of media, women are aware of their own traits, rights and also the work situations. The challenges and opportunities provided to the women of digital era are growing rapidly that the job seekers are turning into job creators.

The followings shows the reasons for women becoming entrepreneurs :

Innovative thinking, New challenges and opportunities for self fulfillment, Employment

generation, Freedom to take own decision and be independent, Government policies and procedures, Family occupation, Need for additional income, Bright future of their wards, Success stories of friends and relatives, Role model to others, Support of family members, Education and qualification, self identity and social status.

Women Entrepreneurs in Several Industries:

The participation of women in SSI sector has been identified in three different roles. Some women were owners of enterprises, some were managers of enterprises and some were employees. With regard to ownership, an SSI or a SSSBE managed by one or more women entrepreneurs in proprietary concerns, or in which she/ they individually or jointly have a share capital of not less than 51 % as partners/ share holders/ Directors of Private Limited Company/ Members of Co-operative Society is called a 'Woman enterprise'.

We find woman entrepreneurs engaged themselves in different type of activities such as: Engineering , Electronics, Readymade Garments, Textile Designing, Jewelers Designing. Handicrafts. Doll-making, Toy- making. Painting. Knitting. Plastics, Soap. Ceramics, Creches, Canning. Leaf Paper Products, Mushroom farming, Beekeeping, Duckery, Poultry, Dairy. Fishing and Drive-fishing. Livestock Management, Floriculture, etc.

Successful Stories of Entrepreneurs in Pudukkottai District

Mrs. R.Pragathambal completed her school turned to be a women entrepreneur, in Manjanviduthi village of Pudukkottai district. Her husband is a small farmer owning one acre land and was growing crops during north east monsoon season (October to December) as rain fed crops. Mrs. R. Pragathambal got the awareness of training on "Mushroom Production for Rural Entrepreneurship" through mass media news of KVK, Pudukkottai.

Mrs. R.Pragathambal was trained at Krishi Vigyan Kendra, Pudukkottai in "Hands on training for three days on Mushroom Production". She learned the art of business and skill, starting from erection of

growing shed, raw materials to be used, processing of raw material, preparation of beds, maintenance of beds, maintaining temperature and humidity, controlling pests and diseases and harvesting methods. She erected one new thatched shed near the house by availing loan facility of self help group fund facilitated by KVK, Vamban. She collected the information regarding the availability of spawn bottle, its price, etc.,

After six months she learned the skill of spawn production and purchased the laminar air flow chamber and autoclave. Later on she started producing spawn on her own and planned for cyclic production. She was trained to assess the market potential of the district headquarters through the intervention of KVK. It was found that the mushroom available in the district headquarters was supplied from hilly districts. The price of one kilo gram was Rs.150/- (Button mushroom).

She started the mushroom production (Oyster and button mushroom) in her shed with a capacity of 5kg per day. The marketing was done by the self help group stall located in the district head quarter. The mushroom was sold @ Rs. 80/kg and the total gross income touched to Rs.10000/- per month with 25 harvesting days. The expenditure on spawn and other production cost including depreciation and interest was Rs.5000/- per month and a net profit of Rs.5000/- per month was realized.

Her production unit provides employment to her husband and three women labourers regularly. Mrs. R. Pragathambal not only concentrates on her own production unit but is instrumental in motivating other young rural women to setup their own enterprises. She provides startup facilities for the budding entrepreneurs on the lines of support and motivation provided by Krishi Vigyan Kendra, Pudukottai.

Mrs R. Pragathambal strongly feels that entrepreneurship should be given sincere attention in marketing sector. The Krishi Vigyan Kendra, Pudukottai had a very pivotal play in inculcating the seeds of entrepreneurship she opines. Mrs.R.Pragathambal, a rural women who struggled in her family in the early years of her life is a "Role

Model for Lady Entrepreneur - Women Empowerment"

Thiru.S.Veerasingam son of Thiru.Subbaiah residing at Venkitakulam village, Thiruvannamalai block, Alangudi Taluk, Pudukottai district is a small farmer having garden land of four acres with a bore well for irrigation.

He is a contact farmer, convener and also scientific advisory committee member of the Krishi Vigyan Kendra, Vamban. He was involving in training programmes, method demonstrations and group discussion. As a knowledgeable, innovative farmer with forward thinking to adopt new technologies, he had training on "Alternative Agricultural Crops" with KVK, Vamban during March, 2008. CoHM5 hybrid was demonstrated in his field in an area of 1.25 acres during 2008 by KVK, Vamban adopting all modern technologies.

He convinced the fellow farmers for maize production in his village on Compact Block basis, facilitated KVK scientists in formation of "Maize Commodity Group" consisting of 16 likeminded farmers. The group approach is most beneficial, in accessing facilities available in the department of Agricultural Marketing. The Commodity Group has joint bank account in Canara bank, Venkitakulam for transaction. Monthly Rs.50/member is being collected and deposited in the bank account as similar to save capital. After sometime the members were assured on getting credit from the bank.

Shri. B.Thamilsekaran (41 years), dwelling at Chinnasunaiyakadu, is owning 5 acres of garden land and 3 acres of dry land. With a strong desire for learning the latest propagation techniques in forestry and horticulture, he has attended one month vocational training programme on improved nursery technologies of forest and horticultural tree Species conducted at KVK, Pudukottai. With a view to translate the skill and knowledge gained during the training programme, he improved the nursery which he has already established in order to supply quality planting material.

In pursuit of this, he constructed a Polyhouse in his farm and started propagation of Eucalyptus and

Casuarinas through macro vegetative propagation using cuttings collected from the selected superior Plus Trees to cater the needs of current market demand situations. Meanwhile, he was also approached by farmers of nearby villages for seedling / grafts of forest as well as fruit trees.

Grafting and layering skill learnt through KVK intervention had sown the seeds of self confidence and he had started commercial sale of seedlings particularly Sapota, Guava, Cashew and Jack. He is also producing and distributing the premium cashew grafts (VRI 1, 2 & 3 varieties) to the farmers to fulfill the Government sponsored waste land development scheme at Pudukkottai district. Besides, he is also producing saplings of forest trees like Neem, Silk cotton, Red Sanders, Pungam, Teak etc through seeds obtained from the reputed Government agencies

Conclusion

To conclude, an integrated approach is necessary for making movement of women entrepreneurship a success. For this purpose both the Government and non-Governmental agencies have to play a vital role. In order to achieve the desired goal, there should be re-orientation of educational system for women.

Although the rate of interest now charged by banks on loans extended to women entrepreneurs is slightly lower than that charged on the normal, loans, effecting further reduction may be examined by the Reserve Bank of India. In order to ensure that there is adequate credit-flow to women entrepreneurs, a sub-goal may be fixed under the priority sector advances by the banks s is being done presently for advances to weaker sections and other special sectors.

In order to ensure that the development of women entrepreneurship takes place as fast as possible, there is a case for setting up apex bodies at the State capital level and organisations at District levels which could be affiliated to the apex body.

The role of business Women in economic development is inevitable. Now-a-days women enter not only in selected professions but also in

professions like trade, industry and engineering. Women are also willing to take up business and contribute to the Nation's growth. Their role is also being recognized and steps are being taken to promote women entrepreneurship. Resurgence of entrepreneurship is the need of the hour. Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena.

Women perform an important role in building the real backbone of a nation's economy. There is considerable entrepreneurial talent among women. Many women's domestic skills such as people and time management and household budgeting are directly transferable in the business context.

Women have the ability to balance different tasks and priorities and tend to find satisfaction and success in and from building relationship with customers and employees, in having control of their own destiny, and in doing something that they consider worthwhile.

They have the potential and he will to establish and management enterprises of their own. Those qualities and strengths of women are to be tapped for productive channels. But simultaneous creation and development of small business among women is a difficult task. Women suffer the most in India. Their involvement in economic activities is marked by low work participation rates, excessive concentration in the unorganized sector of the economy

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A STUDY ON IMPACT OF SALES PROMOTION ON THE BEHAVIOUR OF COOKING OIL CONSUMERS WITH SPECIAL REFERENCE TO THE COIMBATORE DISTRICT

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ABSTRACT

Marketing starts with the needs of the customer and ends with his satisfaction. In order to satisfy and attract the consumer, it is essential for the producer to offer them cash discount, freebies, extra quantity, etc. In Tamilnadu cooking oil is an indispensable item in people's diet. So the study on impact of sales promotion on the behaviour of cooking oil consumers is worth for the marketers. Consumption of cooking oil is an integral part of human life. Hence, everybody engaged in buying different kinds of cooking oil. Every consumer tries to obtain maximum satisfaction from the oil purchased by him. In the market different types of oils are available for cooking manufactured by small manufacturers (unbranded; loose oil), as well as big companies like Hindustan lever, Kaleeshwari (branded) etc. Consumers are influenced by the factors like price of the oil, quality of the oil, health aspects, brand name, Consumer's income, Consumer's attraction towards the oil, advertisement influence, Discounts and free gifts, any other attractions etc. This study tries to find out the sales promotion factor which is most influential in selecting the cooking oil.

Key words: Consumer behaviour, sales promotion, cooking oil, etc.

Introduction

Every producer produces cooking oil for sale. In order to capture the market for their product, producers have to take efforts to attract the consumers. The methods followed by the producers to attract the consumers are advertisement and sales promotion. Marketing starts with the needs of the customer and ends with his satisfaction. In order to satisfy and attract the consumer, it is essential for the producer to understand the most preferred promotion method by the consumers among the sales promotion offered by cooking oil manufacturers and help them to attract consumers by offering the sales promotion most liked by them. In the competitive world, sales promotion is unavoidable by the marketers.

Sales promotion has a very rich and interesting history. Marketers have developed and used a

variety of techniques over the past century to give consumers an extra incentive to make their products and services sought after. Quite few of the sale premium offers is its promotion offers that motivates consumers have been in vogue for nearly a century and more.

The earliest and quite effective sales promotion tool is the cent-off coupon. Coupons have been around since 1895 when the C.W.Post.co first began using the penny-off coupon to

help sell its grape nuts cereal. Procter and Gamble began using the coupons in 1920 and its first ones were in the form of metal coins that were good for discounts or buy-one and get-one free deals. These were soon replaced by cheaper and more convenient paper versions that are around even today. Another classical promotional tool is the premium offer which dates back to 195 when

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Cracker Jack began offering "a piece in every box." Pepsi is another company that took its promotional programs to the streets with its launch of the famous "Pepsi challenge" in 1975. It was one of the most successful promotion techniques ever used to attract habitual users of a competing brand. Pepsi took on its arch rival and leading industry Coca-Cola in a hard hitting promotion campaign that challenged consumers to taste the two brands in blind taste tests. Pepsi ran the challenge promotion for nearly a decade and re-launched it again in the year 2000.

Meaning of Sales promotion

Sales promotion as a technique of promotion has been developed to supplement and coordinate advertising and personal selling efforts of a firm. It is any short-term incentive used by a firm to increase the sales of its product. It consists of all those promotional activities that help in enhancing sales through non-repetitive and one-time communication. It is aimed at stimulating market demand and consumer purchasing. It focuses the selling efforts on a selected small group of people.

Sales promotion is one of the seven aspects of the promotional mix. The other six parts of the promotional mix are advertising, personal selling, direct marketing, publicity or public relations, corporate image and exhibitions.

Sales promotions can be directed either at the customer, sales staff, or distribution channel members (such as retailers). Sales promotions targeted at the consumer are called consumer sales promotions. Sales promotions targeted at retailers and wholesaler are called trade sales promotions. Some sale promotions, particularly ones with unusual methods, are considered gimmicks by many.

Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial, or purchase. Examples of devices used in sales promotion

include coupons, samples, premiums, point-of-purchase (POP) displays, contests, rebates, and sweepstakes.

Review of Literature

Only nine literatures have been reviewed for this study. They are as follows:

According to Philip Kotler (1967), there are three types of sales promotion strategies: Push, Pull, or a combination of the two.

A push strategy involves convincing trade intermediary channel members to "push" the product through the distribution channels to the ultimate consumer via promotions and personal selling efforts. The company promotes the product through a reseller who in turn promotes it to yet another reseller or the final consumer. Trade-promotion objectives are to persuade retailers or wholesalers to carry a brand, give a brand shelf space, promote a brand in advertising, and/or push a brand to final consumers. Typical tactics employed in push strategy are: allowances, buy-back guarantees, free trials, contests, specialty advertising items, discounts, displays, and premiums.

A pull strategy attempts to get consumers to "pull" the product from the manufacturer through the marketing channel. The company focuses its marketing communications efforts on consumers in the hope that it stimulates interest and demand for the product at the end-user level. This strategy is often employed if distributors are reluctant to carry a product because it gets as many consumers as possible to go to retail outlets and request the product, thus pulling it through the channel. Consumer-promotion objectives are to entice consumers to try a new product, lure customers away from competitors' products, get consumers to "load up" on a mature product, hold & reward loyal customers, and build consumer relationships. Typical tactics employed in pull strategy are: samples, coupons, cash refunds and rebates, premiums, advertising specialties, loyalty programs/patronage rewards, contests, sweepstakes, games, and point-of-purchase (POP) displays. (1)

A PIMS study of 1991 suggests that overuse of sales promotion brings low ROI, almost 15% less, in comparison to balanced and calculated promotional offers. It is advisable not to use sales promotion as a tool of brand imaging; advertising is always the best way as far as branding is concerned. So, marketers need to be careful and must understand the difference between the sales promotion and advertising. (2)

According to Pierre Chandon, Brain Wansink (2000), there are monetary and non monetary promotions provide consumers with different levels of three hedonic benefits (opportunities for value-expression, entertainment, and exploration), and three utilitarian benefits (savings, higher product quality, and improved shopping convenience). They have also described that for high-equity brands, monetary promotions are more effective for utilitarian products than for hedonic products. [3]

According to Buzzell, Quelch and Salmon (1990), marketers and academics often view the reliance on sales promotions, especially monetary promotions, as a sub-optimal consequence of price competition caused by myopic management. [4]

According to Abraham and Lodish (1990) and Kahn and McAlister (1997), in the short-run, the proliferation of monetary promotions erodes their capacity to rent market share, which explains why so many are unprofitable. [5]

According to Mela Gupta, and Lehman (1997), in the long run, it is feared that sales promotions increase price sensitivity and destroy brand equity - both with retailers and consumers. [6]

As a result, many industry experts are calling for more effective and cost-efficient promotions that rely less on price (Promotion Marketing Association of America 1994), [7]and some go so far as to recommend eliminating most promotions by switching to an everyday-low-price policy (Kahn and McAlister 1997; Lal and Rao 1997). [8]

Consumer promotions are now more pervasive than ever. Witness 215 billion manufacturer coupons distributed in 1986, up 500% in the last decade (Manufacturers Coupon Control Center 1988), and

manufacturer expenditures on trade incentives to feature or display brands totaling more than \$20 billion in the same year, up 800% in the last decade. [9]

Objectives of the study

1. To know the impact of sales promotion on the behaviour of cooking oil buyers.
2. To know the most preferred sales promotion by the consumers.
3. To know the effective media for communicating sales promotion offered by the cooking oil manufacturers.
4. To know the difference in purchase with sales promotion and without sales promotion.

Methodology

Survey method has been used for the study. Both primary and secondary source of data has been used. The primary data collected from the respondents. Secondary data collected from authenticated sources.

Sampling

The study area Periyanaickenpalayam and Karamadai having population more than fifty thousand was selected as a sample place. The area so selected has potential market for all types of cooking oil. The sample place population represents the combination of Urban and rural consumers. In this sample place there are 25 colleges, 75 banks, forest department, electricity maintenance and distribution office, two telephone exchanges and four software companies. The qualified, skilled, unskilled and technical staff is working in these organizations. Hence the population truly represents all classes of consumers (i.e.) literate, illiterate, varying degree of income earning etc.

Through convenience sampling technique, a sample of 500 buyers was selected from the sample place. The questions were asked from the persons in family who make the purchase decision of cooking oil. Interestingly in majority of the family, the purchase decision regarding cooking oil was made by

women's (76%). Only few of males are making purchase decision of cooking oil (24%).

The sample group was classified in to four groups according to the family income of the consumers (i.e.) consumers having family income up to Rs.10,000 per month (group I). Consumers having family income from Rs.10,001-15,000 per month (group II). Consumers having family income from Rs.15,001-25,000 per month (group III). Consumers having family income from Rs.25,001-50,000 per month (group IV). Consumers having family income from Rs.50,001-1,00,000 per month (group V). The pretested questionnaire was prepared with 32 questions. Impact of sales promotion on the purchasing behaviour was tested by asking questions through questionnaire. The questionnaire got filled from the consumers with the help of trained investigator.

The data relating to purchasing decision considering influencing factors were analysed using statistical techniques like-percentage and rank method.

Tools Used

1. Questionnaire on consumer behaviour.
2. Ranking scale on sale promotion factors influencing purchase decision.

Limitations of the study

- The time limit restricts the number of respondents selected as sample.
- The study area is confined only to the northern part of Coimbatore and not applicable to universe as whole.
- More than 24% of the respondents are returning the questionnaire half filled (i.e.) out of 620 respondents only 500 respondents completed the questionnaire.

Demographic Break-Up of the Respondents in the Study Area

Table-1 : Age Wise Classification

The following table shows the age wise classification of respondents.

Particulars	No. Respondents	Percentage
Up to 30	50	10%
31-40	160	32%
41-50	240	48%
Above 50	50	10%
Total	500	100

(Source: Primary data)

From the above table it is inferred that out of 500 respondents 50(10%) belong to the age group up to 30, 160(32%) belong to the age group of 31-40, 240(48%) belong to the age group of 41-50, and the remaining belong to the group of above 50. It could be seen that majority of the respondents belong to 41-50 years.

Table-2 : Education Level

The following table shows the educational level of the respondents.

Particulars	No. Respondents	Percentage
Below 8th standard	60	12%
Up to Hsc	80	16%
Graduation	300	60%
Post graduation	60	12%
Total	500	100

(Source: Primary data)

From the above table it is observed that the majority of the respondents 300(60%) have their educational level at graduation, 80(16%) at Higher secondary level, 60(12%) at post graduation level and 8th standard level.

Table-3 : Occupations

The following table shows the occupation of the respondents

Particulars	No. Respondents	Percentage
Professional	100	20%
Government	50	10%
Private	180	36%
Business	20	4%
House wife	130	26%
Retired	20	4%
Total	500	100

(Source: Primary data)

36% of the respondents are private employees.26% of the respondents are house wife and 20% are business men. 10% of the respondents are working in government, 4% are businessmen and retired.

Table- 4 : Family Sizes

The following table shows the family size of the respondents

Particulars	No. Respondents	Percentage
Only two members	199	39.8%
2-5 members	227	45.4%
Above 6 members	74	14.8%
Total	500	100

(Source: Primary data)

It is observed from the above table that 227 of the respondents having the family size of 2-5 members; 199 respondents have only two members in their family. 74 respondents have more than 6members in their family.

Table-5 : Monthly Family Incomes

The following table shows the monthly family income of the respondents

Particulars	No. Respondents	Percentage
Less than Rs.10,000	145	29%
Rs.10,001-Rs.15,000	229	45.8%
Rs.15,001-Rs.25,000	76	15.2%
Rs.25,001-Rs.50,000	40	8%
Rs.50,001-Rs.1,00,000	10	2%
Total	500	100

(Source: Primary data)

29% of the respondents are in the income level less than Rs.10, 000(group I). 45.8% of the respondents are in the income level from Rs.10, 001-15,000(group II). 15.2 % of the respondents are in the income level from Rs.15, 001- Rs.25, 000(Group III). 8% of the respondents are in the income level from Rs.25, 001- Rs.50, 000(Group IV). 2% of the respondents are in the income level from Rs.50, 001- Rs.1, 00, 000(Group V).

Table: 6 Sales promotion factors influencing buying decision of the respondents

Factors	Number of respondents					Total score	percentage	Rank
	1st Rank	2nd Rank	3rd Rank	4th Rank	5th Rank			
Cash discount	300	90	10	40	60	2030	27.07%	I
Extra quantity	77	200	33	120	70	1594	21.25%	III
Trade discount	100	75	275	10	40	1685	22.47%	II
Free offer	23	88	114	200	75	1284	17.12%	IV
Contests	0	47	68	130	255	907	12.09%	V
Total	500					7500	100	

(Source: Primary data)

Notes: Ranking is done on the basis of weighted scores. Scoring is done as per the following scale. Rank I= 5; Rank II= 4; Rank III= 3; Rank IV= 2; Rank V= 1.

Maximum possible score=N*5

As per table number: 6, cash discount is the main criteria in changing the purchase of cooking oil as it is ranked first. Trade discount ranks second. Extra quantity was ranked third. Free offer goes to fourth place. Contests and coupons occupies the last place.

Table: 7 Most preferred sales promotion offers for cooking oil by the respondents

Most preferred sales promotion	Number of respondents	Percentage
Cash discount	400	80%
Extra quantity	40	8%
Trade discount	20	4%
Free offer	15	3%
Contests and coupons	25	5%
Total	500	100

(Source: Primary data)

Table No.7 reveals that 80% of the respondents preferred cash discount. Extra quantity was preferred by 8% of the respondents. Trade discount was preferred by 4% of the respondents. Free offer was preferred by 3% of the respondents. Contests and coupons was preferred by 5% of the respondents.

Table: 8 Number of respondents purchasing oil with sales promotion and oil without sales promotion

Type	Number of respondents	Percentage
With Sales promotion	400	80
Without sales promotion	100	20
Total	500	500

(Source: Primary data)

Majority of the respondents (80%) are purchasing cooking oil with sales promotion. Only 20% of the respondents are purchasing cooking oil without sales promotion.

Table: 9 Opinion of respondents about the different types of sales promotion

Sales promotional offers	Opinion			
	(a)Excellent	(b)Good	(c)Satisfactory	(d) Illusory
(i) Free samples	75	175	100	150
(ii) Coupons	10	05	150	335
(iii) Trading or bonus stamps	05	10	50	05
(iv) Price contests	10	20	10	05
(v) Cash discount	375	70	50	05
(vi) Extra quantity	25	220	140	00
Total	500	500	500	500

(Note: Illusory means not real (raising the price and then sales promotion is offered))

From table 9 Majority of the respondents (375 out of 500) (75%) opined that cash discount is an excellent form of sales promotion.

Major Findings:

1. It is found that 100% of the respondents are using oil of any kind daily for cooking.
2. Out of 500 respondents 450 respondents are women since the questions were asked from the decision maker. 36% of the respondents are working in private concerns and 26% of the respondents are home makers.
3. 48% of the respondents fall under the age category of 41-50 years and 32% of respondents fall under the age category of 31-40 years.
4. All the respondents are married since the cooking oil is used in the house only by the married persons.
5. More than 70% of the respondents did their graduation and post graduation.
6. More than 45% of the respondents are having 2-5 members in their family and 39.8% having only two members in their family.
7. More than 80% of the respondents are purchasing cooking oil with sales promotion offers.
8. Cash discount is liked by the majority of the respondents (80%) among the different sales promotional methods
9. Among the sales promotions contests is hated by majority (75%) of the respondents. Instead of contests the manufacturers have to spend more on the cash discount.
10. Cash Discount ranked first among the five sales promotion methods taken for the study followed

by trade discount (rank 2), Extra quantity (rank 3), Free offer (rank 4) and contests (last rank).

11. Majority of the respondents (80%) opined that cash discount is an excellent sales promotion offer and coupons are illusory.

Conclusion

With the changing scenario in the sales promotion offer from time to time, more emphasis should be given on sales promotion method which has high consumer preference. Among the various sales promotional methods, cash discount has the high consumer preference. So the manufacturers should try to spend more on providing cash discount to the consumers instead of offering other sales promotions. Coupons is hated by majority of the respondents as they believe, it is an illusory. So the manufacturers must take effort to win the confidence of the consumers in their sales promotion offers.

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RURAL CONSUMER PREFERENCE TOWARDS NON-DURABLE GOODS

S.Rama*

ABSTRACT

The Rural sector, which encompasses about 70% of the total population, has an important role to play in the overall development of the country. Rural market is the key to survival in India. It is a fact that rural market in India is the largest potential market. The opportunities in rural marketing have tremendously increased these days as the aspirations of Rural people in consumption Patterns have increased and their Life styles and attitudes have changed. Analysis the awareness of the Rural consumer Regarding non-durable goods, and offer suitable suggestion to the manufacture of non-durable goods to influence Rural consumers. The marketing programmes and policies depends upon the consumer behaviour will facilitates he marketer in determining the size, form, style, colour, package brand etc. The consumers very tremendously in their age, income educational levels, mobility patterns and taste consumer behavior. All psychological, Social and physical behaviour of potential consumers as they become aware of evaluate, purchase, consumer and tell others about product and services.

Keywords: Loyalty, Branded, Awareness, Media, Technology, Preferences, Quality.

Introduction

As a Result of the "Green Revolution", there is a Socio-economic Revolution taking place in Indian villages since Last three decades, Increasing Knowledge of fertilizers, water Resources, Pesticides, better quality seeds, modern farm equipment and Methods of farming have changed the villages for better. After 1990 the marketing battle field has shifted from the cities to villages "Go Rural" seems to be the present slogan.

According to the 2001 census, there were around 6,27,000 Villages and more than 72% population of the country Lives in these Villages. In terms of Size, Rural market is a vast ocean of Opportunities comprising of 741 million Consumers. The Villages have accepted the modern way of Agriculture as a business but have also accepted modern Living.

Rural Markets the following goods are available, bathing soap and detergent, Tooth paste, Talcum powder, Shampoo, Medicines, Cooking gas, pump sets and pipe fitting etc. Rural consumer buys only

inexpensive products. There is mass consumption among them regarding a particular product or brand since they are homogeneous of villages or Regional Level.

The Rural consumer behaviour is also bound to differ and that has important implication, for the marketers, with the increasing consumption and discretionary income in rural India, there has been upward thrust on measures to develop a marketing framework to exploit opportunities in widely scattered rural markets of the country for effective implementation of market segmentation and targeting.

Rural Marketing Strategy

Marketers can make consistent attempts to innovations are broadly under two heads,

- Product / Service innovation.
- Process Innovation.

Today, the Rural markets have become more focused on consumer choice and Requirements.

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This calls for segmenting, Targeting and positioning (STP). Since the Rural market in India began to grow rapidly in the past 1990s, marketers needed to evolve different strategies for different customer groups to tap the rural markets effectively. Creative segmentation can help a company get closer to its customer by developing the appropriate differential marketing mix for each segment through changes in one or more of the four p's of the marketing mix, i.e product, price place and promotion.

Statement of the problem

In the Recent past Rural India has been witnessing a sea change, particularly in the standard of Living and life styles. At present the consumer are more dynamic. The consumer now looks for product differentiation and the convenience offered. The consumer has certain expectation from branded items in terms of its quality, price and packaging.

In the competitive world, there are many problems in marketing of goods. Some problem may be solved but so many problems may not be solved. In India most of the people are living in rural area. So, manufactures face many problems, to market their production in rural area because most of the rural consumer earn low income, Low level of Literacy, Low Level of brand awareness, Communication and transaction facilities in rural areas.

The Rural consumer has a very wide choice of various brand of these goods available those rural consumers are finding various problems to select their non-durable goods.

Objectives

- To Analysis the awareness of the rural consumer regarding non-durable goods.
- To Examine the satisfactory Level and problems of rural consumers.
- To offer suitable suggestion to the manufacture of non-durable goods to influence rural consumers.

Methodology

This descriptive Research design depends on the primary data and its collected from the Respondents using interview schedule. The study area of the researcher is Salem. The Researcher has adopted Random Sampling techniques. A total of 30 samples were collected from each area and sample size was 150 taken for the study.

Limitations

The study was taken in general point of view of the consumer behaviour. Different non-durable goods of brand and not a specific company. The findings are based on the information given by the respondents. Time period Assigned for the study was Limited and Extensive investigation could not be carried out.

Data Analysis:

Data Analysing the Rural consumer preference of the non-durable goods. It is totally collected the primary data. The statistical application of this study consisted of percentage analysis and hypothesis of chi-square test.

Table-1 : Personal Factor of the Respondents

Sl.No.	Category	Particular	No. of Respondents	Percentage
1	Gender	Male	45	30
		Female	105	70
2	Age	21-30 yrs	52	35
		31-40 yrs	45	30
		41-50 yrs	24	16
		Above 50 yrs	14	9

3	Marital Status	Married	115	77
		Unmarried	35	23
4	Educational qualification	Illiterate	18	12
		Higher Secondary	29	19
		High School	36	24
		Graduation	19	13
		Post graduation	48	32
5	Occupation	Government employee	34	32
		Private employee	48	23
		Farmer	50	40
		Housewife	18	12
6	Monthly Income	Below Rs.10,000	30	20
		Rs. 10,000-Rs.15,000	43	29
		Rs.15,000-Rs.20,000	56	37
		Above Rs.20,000	21	14
7	Family	Nuclear	95	63
		Joint	55	37

(Source: Primary data)

Inference

Table indicates that 70% of the respondents are female 35% of the respondents belong to the age group of 21-30 years, 77% of the respondents are married population, 32% of the respondents are income between Rs.15,000-20,000 and 63% of the respondents have nuclear family.

Table-2 : Through the Media

Product Name \ Information Source	TV Advertisement	Radio	Friends & Relative	Others
Soap	40	10	20	7
Shampoo	60	10	25	20
Talcum powder	50	5	30	15
Detergent cake	45	7	33	5
Tooth Paste	49	12	23	13

(Source: Primary data)

It reveals that, 60% Majority of the Respondents are choice of the product with, through the Media of T.V Advertisement, 33% of the respondents are through the friends & Relatives and 20% of the Respondents are through the other media.

Table-3 : Brand Preference of the Respondents

Brand Name	No.of Respondents	Percentage
Hamam	25	17
Cinthol	10	7
Clinic Plus	24	16
Head & Shoulders	8	5
Colgate	15	10
Pepsodent	3	2
Rin	23	15
Surf Excel	2	1
Gokul Santol	10	7
Pond's	30	20
Total	150	100

(Source: Primary data)

It indicates that,20% majority of the Respondents are brand preferred pond's, 17% of the Respondents are preferred hamam,16% of the Respondents are preferred clinic plus, of the Respondents are preferred Rin and 10% of the Respondents are preferred Colgate.

Hypothesis:

Table-4 : Relationship between Income and Tooth Paste

Family Income	Colgate	Close up	Pepsodent	Dabour	Total
Below Rs.10,000	40	14	6	-	60
Rs.10,000-15,000	8	18	10	4	40
Rs.15,000-20,000	16	4	8	2	30
Above Rs.20,000	8	2	6	4	20
Total	72	38	30	10	150

$$\begin{aligned}
 \text{Degree of Freedom} &= (R-1) (C -1) \\
 &= (4-1) (4-1) \\
 &= 3 \times 3 \\
 &= 9
 \end{aligned}$$

$$\text{Calculated Value} = 18.0933$$

$$\text{Table value 5\% level} = 16.919$$

The Calculated Value is more then the table value. Hence hypothesis is rejected and it is concluded there is relationship between family income and Toothpaste.

Findings:-

Data analysis and Interpretation reveals that various finding are, Majority of the Respondents 70% were female, more than Respondents 35% are in the age group between 21-30 years. Most of the Respondents

are in nuclear family, Majority of the Respondents are earn a monthly income of Rs15000-20000. Most of the Respondents are spend below Rs 50 to purchase of non-durable goods. People have come to know the different brands of non-durable goods through advertisement. Advertisement through television is more reachable than the other media.

Suggestions

“Marketing starts and ends with customers” hence manufactures have to identify the trends and try to anticipate the desire of Rural consumer. The Advertisement in Television should be increased to a greater extent. This will help to bring in new customers and better awareness will be created about the health & hygiene. The company should provides attracted special offers to the customers. So the customers are no change the brand. It s necessary, that Rural consumers have to be thoroughly studies so as to have better knowledge on Rural Marketing and workout appropriate marketing strategies for the success not only in the short run but also in the Long run.

Conclusion

In Rural areas of the district, the standard of Living of the households has not much changed on account of their low level of earnings and raising trend of prices. However, some of the families aware of the products that they purchased from the neighbouring urban markets. It is beyond doubt that advertisement is a very powerful means of mass communication

these days. The tracers of producers have not spread even the remote areas of the district to create demand for their products through advertisement in various ways. Thus the impact of mass communication media on the consumers – Rural / Urban has been very effective.

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