RESEARCH PAPERS

Shobhit University

EDUCATION EMPOWERS

CONTENTS

SHOBHIT UNIVERSITY, MEERUT

Shobhit University, notified by the Government of India as a Deemed to be University, under Section 3 of the University Grants Commission Act, 1956, was envisaged and inspired by Babu Vijendra Kumar ji, an eminent agriculturist and social worker from Gangoh (Saharanpur) of U.P. Shobhit University is a NAAC-accredited research-intensive University, that shares the values of high-quality teaching within an internationally-competitive environment. The University seeks to go beyond the established standards to nurture technocrats and prospective managers that have a global vision and insight in their chosen field.

SCHOOL OF BUSINESS STUDIES

School of Business Studies (SBS) is an integral part of Shobhit University, Meerut. It has inherited the academic legacy of the NICE Management College (established in 1995), together with autonomy in curriculum-designing and flexibility for foreign collaborations, through academic exchange, credit-transfer mechanism, and increased institution-industry interface. The SBS offers BBA and MBA programmes with several specialisations, including marketing, finance, human resource management, production and operations management, pharmaceuticals marketing, and insurance and risk management. It also offers M.Phil. and Ph.D. programmes in management.

NICE JOURNAL OF BUSINESS

NICE Journal of Business is a half-yearly journal, earlier published by NICE ManagementCollege, Meerut, and now brought out by the School of Business Studies, Shobhit University, Meerut. It provides a platform to research scholars, practising managers, and academicians in business management, commerce, economics, and allied fields, to present their research findings and share their views and experiences.

The Journal aims at disseminating research output and providing information about recent developments in the relevant fields, by way of research articles, book reviews, Ph.D. thesis abstracts, case studies, and bibliographies, on topics related to business and allied areas. It is listed in Cabell's *Management Directory* (USA), and is included in EBSCO's Database and Ulrich's *Directory of Periodicals.*

Original contributions received for publication in the Journal are subjected to a blind review, by experts in the relevant fields.

From the Editor's Desk

Welcome to the new issue (Volume 10, Numbers 1 and 2: January–December 2015) of *NICE Journal of Business*. The response from the contributors and readers to the earlier issues of the journal has been very encouraging.

With each issue of the journal, we bring to you the latest and authoritative insights into the fascinating world of business. This combined issue contains a panorama of research papers on topics of current interest in business and management.

In this issue of the journal, we have put together eight research papers, reflecting diverse interests in the field of business. These pertain to the customer experiences in services; firm's attributes, financial performance and corporate governance in banks; influence of consumer satisfaction on their loyalty and firm's performance in on-line retailing; measuring husband-wife influence in car-purchase decisions; impact of select exogenous factors on energy, spot and future market; assessing complainant's perception of consumer grievances-redress mechanism under the CPA; influence of children on family purchase decisions; and impact of the MNREGS on income and wage rates.

Service organisations need to understand the uniqueness of their customers and their favourable experience. Since the literature on customer experience lacks empirical support, dimensions of customer experience are yet to be ascertained. Prof. Hardeep Chahal and Kamani Dutta seek to explore the role of five dimensions of customer experience, namely, sensory experience ('sense'), affective experience ('feel'), cognitive experience ('think'), physical experience ('act'), and social identity ('relate') in creating a favourable customer experience, inrespect of the four selected services--retailing, theatres, banks, and healthcare. The study has revealed that barring the 'relate', all other dimensions—'sense', 'feel', 'think' and 'act' are significant in creating favourable customer reaction in the four services.

Prof. R. C. Dangwal and Shivangee Tiwari examine the level of corporate governance disclosure practices (CGDP) of selected banks and assess the influence of the firm's attributes and financial performance on their CGDPI. By using the t-test and multi-variate analysis, the authors have found a significant difference in the extent of the CGDP. Their study has also revealed that the firm attributes are positively associated with the CGDI, except in the case of MBV and EPS.

The advancement of technology helps the people towards the Internet access and easy mobile apps create a strong pull for non-buyers to on-line shopping and boosting enormous growth in the *e*-tailing sector. Dr. H. C. Purohit seeks to assess the influence of consumer satisfaction on their loyalty in on-line retailing. Providing empirical evidence, he seeks to bridge the gap of consumer satisfaction and *e*-tailing service quality to win the globally-competitive market.

Car buying is a major decision in most of the middle-class families in India. Dr. Atul Dhyani and Shivendra Singh examine the involvement of husband and wife in the car purchase decision, with a sample of 600 spouses. Their study substantially support the view that, in India, there is less reliance on joint or shared decision-making and more reliance on husband-dominated decision-making.

Dr. Saif Siddiqui and Arushi Gaur discuss the change in the crude oil prices caused by foreign exchange variations which would make the Indian economy volatile.

Such changes affect the investment pattern of companies, which tends to affect the stock market. It also leads to a decline in the corporate margins and influence the investment in stock market. The study reveals a long-term association among these factors, which are correlated with each other. Moreover, the exchange rate does matter in forecasting commodity prices and there is a continuous persistence of volatility.

Through a survey of complainants of consumer dispute-redress forums in selected districts of Haryana, Prof. S. K. Sinha, Prof. Ravi Kumar Gupta, and Dr. Ishwar Mittal assess the perception of complainants towards the consumer-grievance-redress mechanism, provided under the Consumer Protection Act. The complainants stressed the positive and negative aspects of consumer-dispute-redress procedure. The study has implications for policy-makers to enhance the effectiveness of the CPA and suggest amendments to improve the quality of justice.

Children play an important role in the family purchase decisions. In a descriptive study, based on a survey of parents having children in the age-group of 5-15 years, Dr. Ashutosh Kumar Singh assesses the influence of children on their parents' decision to purchase certain personal and household products. He finds that the children in joint and nuclear families exert the same influence in the purchase decision. He has made several other interesting findings.

Mr. Rajesh Kumar and Dr. S. K. Goyal assess the impact of the MGNREGS on income and wage-rates in the Mahendragarh district of Haryana. They have found that although the MGNREGS has led to the hike in wage rates for various activities, inflation of food and non-food articles purchased by rural labour have also been responsible for such hike. They suggest that the norm of the 100-day employment guarantee should be confined strictly to those months when there is no harvesting and threshing activity, so that it does not lead to any increase in the open-market wage rate.

I express my gratitude to the eminent authors for their valuable contribution to the journal. Several experts made available their time and expertise in assessing the articles and making critical comments and suggestions for improving their quality. I owe a word of thanks to each one of them.

Dr. Shobhit Kumar, Chairman, NICE Society; Kunwar Shekhar Vijendra, Chancellor; and Prof. Ranjit Singh, Pro-Vice Chancellor, Shobhit University, Meerut, have taken keen interest in this venture intended to promote and disseminate research in the vibrant field of business. I express my gratitude to all of them.

D.P.S. Verma
Editor

UNDERSTANDING THE CUSTOMER EXPERIENCE IN SERVICES
An Exploratory Study

Hardeep Chahal* and Kamani Dutta**

Abstract

Purpose: The study seeks to comprehend the customer experience framework with respect to its five dimensions - 'sensory' module, 'feel' module, 'think' module, 'act' module and 'relational' module and to assess its impact on his satisfaction, loyalty, and brand equity in four chosen services - retailing, theatres/entertainment, banking and health-care.

Methodology: The study is based on qualitative as well as quantitative research methods for designing research propositions. The qualitative design included an in-depth individual interview with the subject expert and four focus-group interviews, with 8 to 12 customers, for each of the four selected services. Thereafter, a revised research instrument was developed which was subjected to pilot testing on 30 customers, for each of the four services. The faculty members, one each from four departments of the University of Jammu, in Northern India, who had experience in one of the four service, were selected on the convenience basis.

Findings: The study has revealed that among the five dimensions of customer experience- Sense, Feel, Think, Act, and Relational modules, the first four pay more attention in creating favourable customer reactions, i.e., satisfaction, loyalty and brand equity in different sectors. It is surprising to note that the Relate module, which is one of the most important variables, shows insignificant results in the four sectors. So, there is a need to know the impact of relational module in creating favourable reactions of customers.

Limitations/ Future Research: The research propositions need to be tested across the same set of four services, on different services to generalise the dimensions of customer experience.

Originality/ Value: This is probably the first study which contributes to the development of dimensions of customer experience in the fields of retailing, healthcare, banking, and entertainment.

Key words: *Customer experience, Service quality, Brand awareness, Brand association, Brand loyalty.*

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INTRODUCTION

The term 'customer experience' was first used in the marketing literature by Holbrook and Hirschman (1982). It was popularised in the literature by Pine II and Gilmore (1998) and Carbone and Haeckel (1994). Since then, limited contribution from scholars on customer experience was made (Schmitt, 1999; Schmitt, 2003). The concept has gained increasing interest among academicians and practitioners, mainly because of the shift from the service-based economy to the experience-based economy (Kim et al, 2008; Verhoef et al, 2009; Pine II and Gilmore, 1999). The area of customer experience as an emerging area of competitive advantage is now clearly documented (Johnston and Kong, 2011; Pine II and Gilmore, 1998). In this context, Pine II and Gilmore (1999) stated that the competitive advantage cannot be achieved only by looking at the traditional elements of price, quality and service, but by focusing on customer experience. (Johnston and Kong, 2011; Pine II and Gilmore, 1998)

In order to be competitive, service companies need to understand the uniqueness of their customer and as to what contributes to their value (Walter, Edvardsson and Ostrom, 2010). A large number of organisations are centered on the holistic design and delivery of total customer experience which consequently creates superior customer value (Haeckal, Carbone and Berry, 2003). Further, Sirapracha and Tocquer (2012), stated that in order to differentiate their brand in these service-dominated economy, service firms should deliver a compelling customer experience which is the key driver of customer loyalty. Thus, it is important for companies to make memories and create the stage for greater economic value, rather than merely making goods and delivering services (Kim et al. 2008).

The relevant literature reviewed portrays the growing significance of customer experience in the marketing literature from the late 1990s. Johnston and Kong (2011); Verhoef et al. (2009); and Frow and Payne (2007) have noted the thin research on customer's experience, which is being integrated with service quality, satisfaction and loyalty. Pine and Gilmore, (1999) also contemplate that the concept of customer experience has gone largely unmeasured and there is a need for grounding the concept in terms of its distinct economic offering. Thus, there is a need for the progression of economic value, where customising a product turns it into a service, customising a service turns it into an experience, and customising an experience turns it into a transformation. Verhoef et al. (2009) have published a detailed future research agenda on the creation of customer experience with a focus on determinants, dynamics, and management strategies. They noted that customer experience has not been treated as a separate construct and need to be explored for the theoretical underpinning. The authors' further stress that it is imperative for researchers and practitioners to understand the dimensions of the customer experience as a construct vis-à-vis their measurement and verification.

In this context, Frow and Payne (2007) reflected on the need to undertake the relationship between co-creation of value and customer experience. They argue that there is a need for appropriate measurement tool that can help to manage the delivery of the customer experience. Recently, Helkkula (2010) took a systematic review and analysis of how the concept of service experience has been characterised in the services marketing literature. Further, she stressed that the challenge for future studies is to develop a typology of the concept of service experience that is more multi-dimensional and which links the concept more closely with other important concepts in service marketing and management.

In order to bridge the research gap in the existing literature, the present study was undertaken to

identify significant dimensions of customer experience in the services sector and to develop propositions to understand the linkage between the dimensions and the construct. In particular, the study seeks to develop the customer experience scale-items in four services, namely, health-care, banking, theatre/entertainment, and retailing.

REVIEW OF LITERATURE

This section seeks to review the major studies on customer experience pertaining to various service industries, including the concept, dimensions and the outcome of customer experience.

Studies on Concept of Customer Experience

From the last three decades, customer experience has been talked about and theorised by marketing scholars and practitioners. They have introduced the term 'experience' in a general framework and described experience as playful leisure activities, sensory pleasures, aesthetic enjoyment, and emotional response. However, customer experience as one of the significant streams of research got attention by marketing scholars from the late 1990s. The work was primarily initiated by Pine II and Gilmore who wrote on Experience economy (1998, 1999) and Schmitt who wrote Experiential Marketing: How to get customers to sense, feel, think, act and relate to company and brands (1999).

Pine II and Gilmore (1999) argue that it is important to realise that actual experiences are distinct from services: "when a person buys a service, he purchases a set of intangible activities carried out on his behalf. But when he buys an experience, he pays to spend time enjoying a series of memorable events that a company stages- as a theatrical play to engage him in a personal way" (p.2). Carbone and Haeckel (1994) define experience as taking away of impression formed by peoples' encounters with products, services and businesses, a perception produced when the humans consolidate sensory

information" (p.9). In a subsequent study, Haeckel et al. (2003) considered experience as feelings that customers take away from the interaction with a firm's goods, services, and atmospheric stimuli. They argued that interaction at various stages of service delivery process produce clues in the form of emotional and rational impressions, which ultimately result into experience. They discussed three categories of experience clues-functional, mechanic and humanics. The functional refers to the actual functioning of the good or service, mechanic clue stimulates the brains emotional circuitry and evokes affective responses, the humanic clues is emitted by a person, like a sales persons choice of words, tone and body language. The literal meaning of customer experience is related with aggregate and cumulated customer experience, created during learning, acquiring and using of a product or service (Carbone and Haeckel, 1994). This definition can be extended to give clearer meaning of customer experience by including the customer response towards the five components of experience which include sensory, affective, cognitive, behavioural and relational. All these five dimensions play different roles in different service sectors. Athough sensory experience is very important component but its relative importance may vary according to the nature of service and the situational factors. For instance, while the sensory experience may command low attention during a customer visit to a doctor for a certain health problem the cognitive dimension may have the highest attention. Similarly, the sensory experience may be considered to be relatively more important than any other dimension in the retailing context.

The existing literature on the role of sensory, affective, cognitive, behavioural and relational modules is quite thin from the conceptual as well as the empirical perspective. Since these dimensions form the core elements that build customer experience, there is a strong need to understand and comprehend the concept of customer experience.

Moreover, how experience has a positive or negative impact on customer satisfaction, loyalty, and brand equity needs to be explored.

Studies on Relationship between Customer Experience and Outcome

The literature on service marketing on the performance-outcome measures, such as consumer satisfaction, loyalty, and brand equity, is well established. Although the existing literature indicates a strong connection between the customer experience and his satisfaction, the empirical linkages between experience and performance measures are yet to be established.

Despite the scarce empirical evidence, scholars seem to be in agreement with the conceptual distinction between the customer experience and his satisfaction. According to Schmitt (2003), satisfaction can be described as an outcome-oriented attitude that occurs when the customer evaluates the performance of a product according to his expectations of it. Meyer and Schwager suggest that the customer satisfaction is the cumulation of a series of customer experience, where the degree of satisfaction is the net result of good experience minus the bad experience. Kumar et al., (2007) use the term 'customer satisfaction' with an experience, thereby supporting Schmitt (2003) who takes on satisfaction as outcome-oriented, and experience as process-oriented.

Rowley (1999), in her work, considers the total experience as an absolute concept, which is a function of customer satisfaction derived at different points of the transaction. However, Chen, Chang, and Fan (2008), in their research, portray the actual experience and expectation as a significant predictor of satisfaction. They observe that the gap between expectation and actual experience leads to satisfaction/dissatisfaction. The customer who has positive perception would evaluate the satisfaction positively and those who

have the negative perception would evaluate satisfaction negatively. In this context, Mittal, Ross, and Baldasare (1998) argue that a consumer can be both satisfied and dissatisfied with different aspects of the same product. For example, in a restaurant, a customer may be highly satisfied with the food but highly dissatisfied with the service at the same time. In order to further extend the relationship outcomes, Oliva, Oliver, and Millan (1992) note the non-linear linkage between satisfaction and loyalty. They further observe that the customer loyalty i.e. value attainment and positive mood` have a complimentary impact on the customer loyalty.

Shankar, Smith, and Rangaswamy (2003) assert that a loyal customer is more likely to find the service encounter and the overall experience (with the service provider), more satisfying in comparison to non-loyal customer. They identify the relationship between loyalty and satisfaction, and suggest that if a loyal customer has a negative experience and is dissatisfied with a service-provider, then he will switch to a new service-provider. However, by switching he may incur loss in the form of loyalty benefits (emotional loss, reward programme) or face a potentially unfamiliar service encounter. Compared to the non-loyal customers, the loyal customers may perceive the loss to be larger than the short-term gain of moving to a new service- provider.

Yi and Gong (2009) observe that in an effort to improve customer satisfaction and loyalty, it is critical to monitor and pay more attention to the customer experience. Further, Berry (2000) considers customer-service experience to play a major role in the brand formation. Berry and Seltman (2007), in their paper note that "a services brand is essentially a promise about the nature of a future experience with an organisation or individual service provider" (p.200). They examine the role of experience in the creation of brand equity. External brand communication, which is

organisation-influenced communication about the brand and includes publicity and word-of-mouth communication, is influenced by customer experience. Moreover, external brand communication through brand awareness and brand meaning ultimately influence the brand equity.

To bridge the existing research gap in the literature, the present study was conducted to explore significant dimensions of customer experience in services sector and to understand the linkage between the customer experience dimensions and the customer outcomes. The, study makes an attempt to develop the Customer experience scale in the all the four service sectors.

OBJECTIVES OF THE STUDY

The objectives of the study are:

1. To develop and establish a customer-experience framework for services; and

2. To identify significant dimensions of customer experience in the selected services and to explore the linkage between the customer-experience dimensions and their outcomes.

Hypotheses Development

The hypotheses framed with respect to the dimensions and outcome of customer experience are discussed below.

Customer Experience Dimensions

Since, the literature on customer experience lacks empirical support; standardised dimensions of customer experience are yet to be established. However, some researchers have attempted to explore the dimensions of customer experience.

Schmitt (2000 and 1999) identifies five types of experiences that marketers can create for customers including sensory experience ('sense'), affective experience ('feel'), cognitive experience ('think'), physical experience ('act') and social identity experience that result in relating to a reference group or culture ('relate'). He believes that the ultimate goal of experiential marketing is to create holistic experiences that integrate all the individual types of experience into a holistic experience, (total customer experience). In this context, Nigam (2012) suggested that experiential marketing (sense, feel, think, act and relate) of the consumers would affect the purchasing intention of the consumers. He argued that if the customer had a memorable experience, his purchasing intention would be higher. On the other hand, if the customer has no good experience, his purchasing intention would decrease. Pine II and Gilmore (1998) argued that the more senses an experience engages the more effective and memorable it would be. He believes that the ultimate goal of experiential marketing is to create holistic experiences that integrate all these individual types of experiences into a holistic experience (total customer experience) and enhances the level of satisfaction. Haeckel, Carbone and Berry (2003) distinguished three types of clues - functional, humanics and mechanics that lead to customer experience. These clues can be considered as three dimensions of customer experience. Functional clues are linked to the reliability of services. Berry, Wall, and Carbone (2006) linked functional clue with technical quality. They suggested that it is important for the service providers to manage functional clue to meet their expectations. The mechanics refers to service encounters, service environment, servicescape, atmospherics, physical environment, and mechanic clue. It involves place where service is assembled, service provider- customer interactions, combined with tangibles that facilitate performance or communication of the service. Mechanic clues are physical representation of services, and include building, design, equipment, sound, smell or any other stimuli that communicate about the service without any word and action. Berry and Seltman (2007) noted mechanic clue in certain situations

have the ability to influence customers before humanics and functional clues and hence contribute to creating the first-hand experience. Employee's behaviour and performance represents the third category of clues that is humanics. The humanic clues are concerned with the action and the appearance of employees and service-providers, such as tone of voice, body language, appearance, level of enthusiasm, etc. The customer-provider interactions are very significant and may contribute to high performance than their expectations, create an emotional involvement add service experience. Humanic clue behaviours include behaviour and performance of employee, perceived efforts of employee, credibility, competence. All the three clues play synergistic role in creating customer experience. Backstorm and Johansson (2006) postulated that positive experiences were created when the personnel made extra efforts and stretched beyond the necessary service level. Consumer's experiences, positive and negative, also related to the competence of the personnel: their ability to provide helpful advices, to give suggestions on what might suit the customer, or to handle the complaints well.

Among the varied experiences discussed in the literature, the present paper support Schmitt's (2000) classifications which are quite formative in nature. Based on the significance of these dimensions as established in the pilot testing stage, the present paper conceptualises customer experience to include five experiences - sensory experiences (sense), affective experience (feel), creative cognitive experiences (think), behavioural experiences (act) and relational experiences that result in relating to a reference group or culture (relate). Hence, we have hypothesised as follows:

Sense

Schmitt (2000) and Backstorm and Johansson, (2006) noted that 'sense' marketing may be used to motivate customers, and to add value to products and to provide an exciting stimulus by appealing

directly to the five senses of the consumer such as the visual sense, auditory sense, sense of touch and taste and sense of smell. For example, Nokia has chosen to design phones with soft values in mind, in order to appeal to human senses. The main rationale has been to move away from the hard values that technology conventionally stands for. This has been a way to make the mobile phones more users-friendly by giving each product an identity and soul. Nokia's big screen and soft buttons have been designed for this purpose and the ability to change the colour of a phone suggests increased individualisation. Hence, the following hypothesis has been formulated.

H_1: The Sense module has significant and positive effect on customer satisfaction, loyalty and brand equity.

Feel

Schmitt's (2000) classification includes the 'feel' experience (affective customer experience) which appeals to customer's inner feelings and emotions. Feel is about emotional experience values that appeal to the inner feelings and moods of the customer's. For e.g. the enthusiasm we experience in enjoying a ride at Disney land, and so on are emotional experience values. Hence following hypothesis is proposed:

H_2: The Feel module has significant and positive effect on customer satisfaction, loyalty, and brand equity.

Think

Schmitt's (2000) classification includes the think experience (creative/cognitive customer experience) which appeals to the intellect with the objective of creating cognitive, problem-solving experiences that engage customers creativity. He opined that think is about intellect experience values that appeal to the intellect of the customers through cognitive and problem solving experiences. For example, edible oils "healthy

acona or the drinking tea "healthy green tea with the efficacy to help contain the accumulation of body fat give intellectual experience values to customers by appealing to a health oriented life style.

H$_3$: The Think module has significant and positive effect on satisfaction, loyalty and brand equity.

Act

Schmitt's (2000) classification includes act (physical customer experience) which aims to effect bodily experiences, lifestyles, and interactions. Act marketing enriches customer's lives by enhancing their physical experiences showing them alternative lifestyles and the mutual relationships between people. For example BMW satisfy customers need for self identity due to the segmentation of lifestyles.

H$_4$: The Act module has significant and positive effect on satisfaction, loyalty, and brand equity.

Relate

Schmitt's (2000) classification includes 'relate' experience (social identity and customer experience) which extends beyond the individual personal, private feelings and thus adding to "individual experiences" and relating the individual to his or her ideal self, to other people or to cultures. 'Relate' is about relative experience values that appeals to individual's self realisation.

H$_5$: The Relate module has insignificant effect on customer satisfaction, loyalty, and brand equity.

Service sector

The service sector plays an important role in the Indian economy and contributes nearly 65% to the GDP of the country. The growth associated with the development caused by the service sector has the ability to transform a developing country to a developed one. The service sector has garnered the attention of service managers and academic researchers (Naik, Gantasala and Prabhakar, 2010).The significant role of different customer experience dimension is different in every service. For example, the ambient factors, such as visual, fragrances, temperature, and other environmental variables, may be considered to be relatively more important factors in retailing, whereas, the cognitive dimension will have the highest attention in the healthcare. Among the various classifications given by Lovelock (1983), four service categories providing all five types of experiences (sensory, cognitive, affective, physical and relational) were selected because of the physical presence of customers during the service delivery, time spent by them while the service is performed, and interaction they have with the service personnel.

RESEARCH METHODOLOGY

Selection of Services

The selection of services, in the proposed research work, is based on the methodology adopted by researchers such as Parasuraman, Zeithamal, and Berry (1985), Lovelock (1983), and Ng, David and Dagger (2011). Further, service categories based on the classification given by Lovelock (1983) were used for the selection of services. Accordingly four service categories, providing all five types of experiences (sensory, cognitive, affective, physical and relational) were selected. These services include health care units (nursing homes), that is the services directed at people's bodies, retail (services directed at goods and other physical possessions), entertainment services (cinema/theatres), i.e., services directed at peoples mind), and banking (services directed at intangible assets) to assess the customer experience model.

Procedure

To develop the relevant items, four step approach that is generation of scale items, preliminary interview, focus group and pilot-testing was

undertaken **(Table 1)**. These are explained as under:

Step 1: Generation of Scale Items

Generation of scale items was undertaken using extant literature review, preliminary discussion, focus group interviews and pilot testing). Studies such as Schmit (2000, 1999) and Nigam (2012) were used to measure five customer experience items. Woodruff, Cadott, and Jenkins,(1983) scale would be used measurement of satisfaction and loyalty. Dimensions suggested by Aaker (1991) which include price premium, brand loyalty, perceived quality, and brand associations would be used for measuring brand equity. Besides items developed by (Wang, Hsu, and Fang, 2009), and (Zhang and Bloemer, 2008) would also be included. This approach helped in identifying numbers of items in each selected sector as given in Table 3.

Step 2: Preliminary Interviews

Preliminary interviews were primarily conducted to assess the quality of items generated to measure the customer experience. To operationalise this first, research instrument was discussed with the two marketing scholars to point out any item that was either ambiguous or otherwise difficult to answer. In this phase, the experts commented on the clarity of the items like on lightning arrangement, music and customers complaints and accordingly minor refinements were undertaken.

Step 3: Focus group

In a focus group, 8-12 members are interviewed together by a trained moderator in a non-structured and natural manner .The moderator leads the discussion which may last from 1 to 3 hours, duration of 1.5 to 2 hours is typical. This period of time is needed to establish a rapport with the participants and explore their beliefs, feelings, attitudes, and insights regarding the topics of concern. Focus-group interviews were invariably recorded, often on video tapes, for subsequent replay and analysis. Video tapping has the advantage of recording facial expressions and body movements, but it is a costly affair. The main purpose of focus group interview is to gain insights by listening to a group of people to figure out the key issues, ideas and concerns are from multiple participants at once. Focus groups have a distinct advantage over other available research methods when the researcher does not know what all of the issues surrounding a topic are (Malhotra, 2006).

Hence, focus group interviews are also conducted to further generate and refine scale items for the varied dimensions of customer experience. After completing the initial pretest, first focus group interviews with 10 scholars of a Northern Indian University for retail and theatre are organized in the month of April 2012, which last for 1 hour and 15 minutes each. Similarly, the second focus group interview, with 12 senior members of the family for banks and health care are organised in the same month which last for 1 hour and 30 minutes, each to know about the customer experience construct.

On the basis of discussions some additional items are developed, such as samples design be appropriately displayed, products placement in an organized manner and shop window be arranged in interesting way in (retail sector), good ventilation and laboratory tests in (health care), environment of theatre, guidance for locating seats, and good reservation system in (theatres), parking space, error free services and problem handling in (banks).

Step 4: Pilot Testing

The items finalised in Step 3 were converted on 5-point scale. This revised expanded research instrument was then subjected to pilot testing on, 30 customers for each of the selected four services.Faculty of Northern Indian University who have experienced one of the four services

would be contacted from each department, selected on convenience basis. At this stage, very few concerns were noted and only minor refinements were made.

Table 1
Number of Customer Experience Scale items in Different Stages

Stages	Service	Sensory	Cognitive	Affective	Physical	Relational	Total
Generation of scale items	Health care	6	2	5	2	5	20
	Retail	6	5	5	4	5	25
	Banks	7	4	6	4	5	26
	Theatre	6	3	6	2	5	22
Interviews	Health care	6	3	4	2	6	22
	Retail	8	4	5	4	5	26
	Banks	7	5	5	3	5	25
	Theatre	6	3	5	2	5	23
Focus group	Health care	6	2	3	2	5	18
	Retail	9	5	5	4	5	28
	Banks	7	4	6	3	5	25
	Theatre	5	3	5	2	5	20
Pilot testing	Health care	7	2	4	2	6	21
	Retail	10	6	5	3	6	30
	Banks	7	4	6	4	5	26
	Theatre	6	3	6	2	5	22

Reliability

After data collection, measures were subjected to a purification process to assess their reliability. Majority of the alpha values are above the threshold criterion of 0.70 (**Table 2**) barring a few. The Cronbach alpha value was in the range of 0.662 to 0.890 for retail sector; 0.615 to 0.913 for health care sector, 0.652 to 0.833 for banks, and from 0.666 to 0.873 for theatre, across its five dimensions.

Table 2
Cronbach's Alpha Values for various Dimensions of Customer Experience

Variables	Retail	Healthcare	Banks	Theatre
Sensory	0.662	0.615	0.765	0.785
Cognitive	0.883	0.715	0.694	0.666
Affective	0.804	0.913	0.835	0.873
Physical	0.89	0.952	0.652	0.856
Relational	0.876	0.814	0.833	0.867

Descriptive Statistics

The descriptive statistics of CE Scales across various services are summarised in **Table 3**.

Table 3
Descriptive Statistics of CE Scale across various Services

Services	Dimensions	Mean		Standard deviation		Skewness		Kurtosis	
		Min	*Max*	*Min*	*Max*	*Min*	*Max*	*Min*	*Max*
Healthcare	Sensory	3.00	3.58	0.902	1.291	0.000	-0.517	-0.336	-1.362
	Cognitive/Think	3.32	3.47	0.964	1.057	-0.333	-0.402	-0.125	-0.825
	Affective/Feel	3.32	3.58	1.003	1.071	-0.628	-0.858	-0.020	0.540
	Physical/Act	3.26	3.58	0.964	1.071	-0.498	-0.836	0.540	-0.712
	Relational	2.21	3.21	0.976	1.100	0.318	-0.958	-0.053	-0.870
Retailing	Sensory	1.95	3.57	0.728	1.362	-0.140	1.333	0.253	1.784
	Cognitive/Think	3.30	3.74	0.728	0.891	0.067	-1.152	-0.024	1.146
	Affective/Feel	3.48	3.61	0.730	0.945	-1.017	-1.443	-0.094	0.805
	Physical/Act	3.39	3.52	0.783	1.082	-1.017	-1.443	0.481	1.508
	Relational	3.17	3.70	0.703	0.984	-0.165	-1.167	-0.249	1.497
Banks	Sensory	1.95	3.57	0.728	1.362	-0.295	1.333	0.221	1.784
	Cognitive/Think	3.39	3.52	0.783	1.028	-0.228	-1.027	0.221	0.805
	Affective/Feel	3.30	3.74	0.728	0.891	0.067	-1.152	-0.081	1.146
	Physical/Act	3.48	3.61	0.730	0.945	-1.017	-1.167	-0.168	1.497
	Relational	3.17	3.70	0.703	0.984	-0.165	0.527	-0.249	-1.163
Theatre	Sensory	3.59	3.89	0.641	1.059	-0.081	-0.483	-0.234	-0.889
	Cognitive/Think	3.69	3.81	0.834	0.962	-0.225	-1.000	0.052	1.601
	Affective/Feel	3.41	3.93	0.764	0.971	-0.116	-0.690	-0.321	0.975
	Physical/Act	3.30	3.62	0.804	0.953	-0.206	0.344	-0.542	-0.783
	Relational	3.04	3.60	0.844	1.038	-0.082	-0.930	-0.113	1.372

The highlights of the table are noted below:

Healthcare: The mean score of the five dimensions is found to be average and ranged between 3.00 to 3.58 with range of standard deviation from 0.902 to 1.071. All the items also showed skewness and kurtosis values within the range of 0.50 to -1.36.

Retail Sector: The mean score of the five dimensions is found to be average and ranged between 1.95 to 3.74, with a range of standard deviation as 0.703 to 1.362. All the items also showed skewness and kurtosis values within the range of 0.50 to 1.784.

Banks: The mean score of the five dimensions is found to be average and ranged between 1.95 to 3.74 with range of standard deviation as 0.728 to 1.362. All the items also showed skewness and kurtosis values within the range of 0.50 to 1.784.

Theatres: The mean score of the five dimensions is found to be average and ranged between 3.04 to 3.93 with range of standard deviation as 0.641 to 1.059. All the items also showed skewness and kurtosis values within the range of 0.50 to 1.601.

Final CE Scale Items

The final CE scale items for the four services include 21, 30, 26 and 22 for healthcare, retail, banks and theatres, respectively. Dimension-wise items for the four services are given in table 1. Among these the common items under sensory include aroma, light, volume, displayed and taste, feel items relate to comfortable, warm feeling and easy access, think items relate to knowledge, imagination, thinking and curiosity, act dimensions relate to caring attitude, behavior and prompt service, relate dimensions include items like undivided attention, friendly nature, relationship and belongings. While finalizing the items in this stage, few concerns were noted such as: cameras are installed at appropriate places, drinking water facility is provided in retail sector, sitting chairs are available at the waiting area, laboratory test are available in health care sector, Information about the services is displayed on LED screens in banking sector, Has appropriate sitting facility in theatres and which subsequently increased the number of items in the respective sectors.

Correlation

The face and content validity of the items were checked at different stages of the item development. The convergent validity of the constructs was examined through correlation values (**Table 4**).

Table 4
Correlation Values

Services	Dimensions	Correlation	Range
		Min.	Max.
Healthcare	Sensory	-0.107	0.785
	Cognitive/Think	-0.388	0.631
	Affective/Feel	-0.192	0.599
	Physical/Act	-0.534	0.612
	Relational	0.063	0.838
Retail sector	Sensory	0.036	0.609
	Cognitive/Think	-0.205	0.537
	Affective/Feel	-0.205	0.537
	Physical/Act	0.103	0.715
	Relational	-0.278	0.571
Banks	Sensory	0.028	0.637
	Cognitive/Think	0.023	0.621
	Affective/Feel	0.004	0.63
	Physical/Act	0.09	0.572
	Relational	0.058	0.67
Theatre	Sensory	-0.005	0.665
	Cognitive/Think	0.08	0.768
	Affective/Feel	0.021	0.746
	Physical/Act	0.206	0.827
	Relational	0.17	0.768

The highlights of the table are noted below:

Healthcare: The relationship among varied items in the five dimensions of CE ranged between -0.534 to 0.83.

Retail Sector: The relationship among varied items in the five dimensions of CE ranged between-0.205 to 0.715.

Banks: The relationship among varied items in the five dimensions of CE ranged between to 0.028 to 0.637.

Theatres: The relationship among varied items in the five dimensions of CE ranged between to-0.005 to 0.827

Multiple Regressions

Multiple regression analysis is a statistical technique that can be used to ascertain the relationship between a single dependent variable and several independent variables. The objective of multiple regression analysis is to use the independent variables whose values are known to predict the single dependent value selected by the researcher**.** It should be used only when both the dependent and independent variables are metric. (Hair *et al* 2006). It was applied in the study to assess the impact of customer experience dimensions on satisfaction, loyalty and brand equity in retail, theatre, banks and healthcare services

Table 5
Multiple Regression Values for CE Dimensions with Satisfaction as Dependent Variable

Customer experience dimensions	Bank		Theatre		Retail		Health care	
	β	P	β	P	β	P	β	P
Sensory	0.346	1.365	-0.008	-0.042	0.485	1.817	0.013	0.071
Cognitive	-0.475	-1.907	0.420	1.868	0.875	2.589	-0.180	-0.655
Affective/feel	0.167	0.561	0.657	3.583	-0.482	-1.184	0.330	1.418
Act/physical	0.703	2.058	-0.233	-0.752	-0.087	-0.282	0.708	3.511
Relational	-0.161	0-.501	0.046	0.204	-0.020	-0.093	0.126	0.733
R^2	**0.338**		**0.635**		**0.673**		**0.866**	

Table 6
Multiple Regression Values for CE Dimensions with Loyalty as Dependent Variable

Customer experience dimensions	Bank		Theatre		Retail		Health care	
	β	P	β	P	β	P	β	P
Sensory	0.872	3.782	-0.065	-0.309	0.119	0.391	0.513	1.286
Cognitive	0-.282	-1.242	0.359	1.505	0.215	0.186	-0.090	-0.148
Feel/affective	0.168	0 .619	0.172	0.886	0.618	-0.090	0.186	0.361
Act/physical	0.535	1.723	0.346	1.056	-0.142	0.165	0.165	0.369
Relational	-0.761	-2.611	0.043	0.182	-0.110	-0.193	-0.193	-0.507
R^2	**0.592**		**0.591**		**0.574**		**0.340**	

Table 7
Multiple Regression Values for CE Dimensions with Brand Equity as Dependent Variable

Customer experience dimensions	Bank		Theatre		Retail		Health care	
	β	P	β	P	β	P	β	P
Sensory	0.500	1.711	-0.295	-1.04	0.274	1.010	0.119	0.391
Cognitive	-0.340	-1.182	0.248	0.777	-0.308	-0.743	0.215	0.556
Feel/affective	0.450	1.310	0.325	1.251	0.947	2.752	0.618	1.329
Act/physical	0.394	1.000	-0.102	-0.232	-0.075	-0.239	-0.142	-0.402
Relational	-0.679	-1.835	0.364	1.144	-0.141	-0.637	-0.110	-0.445
R^2	**0.343**		**0.269**		**0.661**	**0.805**		

DISCUSSION

The analysis reveals that among the five variables used in the model, 'sensory' variable is statistically significant in predicting customer loyalty in banks, followed by retail which is marginally significant in predicting customer satisfaction, whereas the rest of the variables are insignificant and overall 59.2 per cent variance in the dependent variable is explained by the independent variables (**Table 7**). The results indicate that in the bank's experience of the customers gets very much affected by the condition of the service scape elements such as hygiene facilities, cleanliness, comfortable seats, aesthetics, accessibility, layout, displays and proper maintenance of the physical environment (Garg, Rahman and Kumar, 2012). The impact of these sensory variables enhances the experience of their customers which later leads to customer loyalty. Sensory dimension is found to be below average in (retail sector), average in health-care and above average in banks and theatre. Majority of the sensory items are similar in all the four sectors excluding items such as: tea is offered free of cost in (health care) and (theatre) , music is played at an appropriate volume in (banks) and health care and rest of the items are similar in all the four sectors. Majority of similar group of items under sensory include aroma, light, volume, displayed and taste.

The study has revealed that all the five variables used in the model are insignificant in theatres, retail and healthcare, accounting for 59.1 per cent variance in theatre, 57.4 per cent in retail, and 34 per cent variance in healthcare. The reason might be that the customers did not experience any of the five variables during their visit to the theatres, which in turn leads to disloyalty of customers. Considering the banking sector, the identification of sensory dimension seems sound as customers do not want only the core facilities provided by banks but they want to experience the sensory variables, such as cleanliness, aesthetics, comfortable seats, etc.

The second dimension, 'Cognitive' variable, is statistically significant in predicting customer satisfaction in retail, followed by theatres, which is marginally significant and rest of the variables is insignificant (**Table 5**). Overall, 67.3 per cent of variance in the dependent variable is explained by the independent variable. In the present competitive environment, the perception of most of the people is stimulated by retail product which reflects life style or environment protection issues. The cognitive variable in retail might be related because of the engagement of customer's creativity in product design which makes customers satisfied and in turn enhances their experience. In addition,

cognitive variable is about intellectual experience values that appeal to the intellect of the customers through cognitive and problem solving experiences. Moreover, in theatres, visitors usually react in a physical and emotional sense to the story thus creating their cognitive experience. The descriptive results on think dimension reveals above-average mean score in health care, retail sector, banks and theatre. Some of the 'think' items are similar in four sectors excluding items such as competitive interest rate on deposit and competitive interest rate on loans in banks and new product can stimulate me the thinking of other related thing, like lifestyle in retail sector and environment protection in theatre. Majority of the think items relate to knowledge, imagination, thinking and curiosity.

The third dimension, *viz.*, 'Feel' is found to be above average in all the four sectors that is health care, and retail sector, banks and theater. Majority of the 'feel' items relate to comfortable, warm feeling and easy access. The unique items in the four services include: colours used create a comfortable atmosphere in health care, non-brand meaning of retail make me stew retail sector and rest of the items are similar in all the four sectors. It is statistically significant in predicting brand equity in retail whereas rest of the variables are insignificant and overall 66% variance in the dependent variable explained by the independent variable. The significant role of "feel" variable in retail sector might be because of inner feelings and moods of customers while shopping which improves customer satisfaction and loyalty and which play a strong role in brand formation. Beside, promising customers about delivering quality service at reasonable price, quality and service, personnel behaviour also contribute to positive feeling for example include a smile, good wishes for the future, holding the door or being swiftly available for the customer.

The fourth dimension, i.e., 'act' shows similar results. The mean value is found to be above average in health care, retail sector, banks and theatre. Some of the items are similar in all the four sectors, excluding items such as: Bank provides error free bank services and Bank provides easy-to-read and understandable bank statements in health care, retail sector and theatres and Retail store holds special theme events attract me to participate, Retail store tries to make me think about my lifestyles. Retail does not make me think about actions and behaviours in health care, banks and theatre. The majorities of the act dimensions relate to caring attitude, behaviour and prompt service. The results show that among the five variables used in the model "Act" variable is statistically significant in predicting customer satisfaction whereas, the rest of the variables are insignificant in banks. Overall, 33.8 per cent variance in the dependent variable is explained by the five independent variables.

The significant role of 'Act' variable in the banking sector might be because of the significance of interaction that takes place between customers and frontline staff which enhances their customer experience. In theatres, the 'Act' variable was again found to be statistically significant in predicting customer satisfaction, followed by cognitive variable which is marginally significant and rest of the variables are insignificant. In healthcare, the 'Act' variable is statistically significant in predicting the customer satisfaction whereas, the affective variable is marginally significant and rest of the variables are insignificant and overall 86.6 per cent variance in the dependent variable is explained by the independent variable. The strong impact of "Act" variable in healthcare services might be because of the interpersonal experiences patients have with the doctors and nurses.

Regarding the fifth dimension, i.e., 'relate', it is found to be below average in health care and above average in banks, theater and retail sector. Majority of the items are similar in all the four sectors. 'Relate' dimensions include items like undivided

attention, friendly nature, relationship, and belongingness. Regression results revealed that the 'Act' variable is an important predictor accounting for 63.5 per cent variance. The reason might be because of the significance of physical behaviours, lifestyles and the mutual relation between employees and customers which, in turn, enhances their customer experience. Among the four services relational aspect does not found any place as generally customers have infrequent interaction with the employees in the banks and theatres and hence relational aspect can be ignored. However, the significance of relational feature is quite robust in frequently interacted services such as retailstore and healthcare.

IMPLICATIONS OF THE STUDY

Research Implications

The study is exploratory in nature and its major limitation is lack of generalisation of the scale items in the services sector in general and across the four services in particular, which needs to be studied in the future research. Thus efforts should focus on the development, validation and generalisation of customer experience scale in the service sector. The role of various antecedent, such as sensory, cognitive, affective, physical and relational need to be considered to comprehend their influence on creating favourable or unfavourable experiences. The future efforts should focus on identifying delightful and terrible factors from the employee's view-point as well. In addition there is need for defining the opposite of delight, or more specifically, the emotion or collection of Customer emotions during terrible experiences. Furthermore, the study could also examine the relationship between experience quality, service quality, and outcome variable such as satisfaction, loyalty and purchase intention. A study in which the impact of customers favourable and unfavourable service experiences on value perceptions, word-of-mouth and future behaviour

are to be studied. In addition, a study in which the point of departure is favourable and unfavourable experience, as defined by customers, and which explores the drivers of the respective experiences.

Managerial Implications

The study makes a number of managerial contributions. Firstly, the study discussed that a marketing manager wishing to enhance the total experience of its customers will have to focus its effort on all five dimensions of experience, that is, sensory, cognitive, feel, act and relational, which in turn enhance customer satisfaction, loyalty and brand equity. Second, marketing managers should pay attention on creating positive customer experience, which result in more favourable reactions of customers to a brand awareness, brand associations, perceived quality and brand loyalty. Third, the managers of all types of organisation need to consider the design of not only the services they delivered but also the experience they provide which increases customer satisfaction, loyalty, trust and emotional bonds.

Fourth, marketers must carefully develop an experiential plan in order to create a positive customer experience. Thus, brand managers ought to focus more on designing experiential plans to create the best experiences. Core services provided are considered among the important factors that affect customer experiences. It is important for brand marketers to manage those factors in order to provide a holistic experience.

Fifth, marketers must do adequate research to collect information on detailed customer profile to understand their characteristics and preferences. Music should be integrated with other ambient factors such as visual, fragrances, Temperature, and other environmental variables to produce synergic effect. Selection of wrong background music leads to negative response in terms of poor Image or quality perception, and early departure from the

store resulting into lower sales volumes. Choice of background music must be based on a careful analysis of customer preferences for the type of music. Sixth for marketing practice, managers should manage and design excellent experiences for customers. Creating elaborate physical surrounding to elicit positive customers emotional perceptions of experience quality is significant for experience design. Customers are generally more impressed by service settings with atmosphere, and they enjoy going along with companions for some service categories. Seventh, traditional marketing has provided a valuable set of strategies, implementation tools and methodologies for the industrial age. Now that we have entered a new era, it is necessary to shift attention from the features and benefits approach advocated by traditional marketing to customer experience.

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Words are things; and a small drop of ink
Falling like dew upon a thought produces
That which makes thousands, perhaps millions, think.

Lord Byron
(1788-1824)

♦♦♦♦♦

Most people are mirrors, reflecting the moods and emotions of the times; few are windows, bringing light to bear the dark corners where troubles fester. The whole purpose of Education is to turn mirrors into windows.

Sydney J. Harris,
Journalist and Author (1917-1986)

FIRM'S ATTRIBUTES, FINANCIAL PERFORMANCE AND CORPORATE GOVERNANCE
A Study of Selected Public, Private and Foreign Banks

Shivangee Tiwari* and R.C.Dangwal**

Abstract

This paper seeks to examine the disclosure practices of corporate governance of selected banks and to assess the influence of the firm's attributes and financial performance on the extent of their corporate governance disclosure. The annual reports of public, private and foreign banks (two banks from each sector: SBI, PNB, HDFC, ICICI, HSBC and SCB), for the years 2010-2015, were collected. A disclosure index was developed with the help of Clause 49 of the SEBI to examine the disclosure practices pertaining to corporate governance. We constructed two regression models by taking the Return on Assets (ROA) and the Return on Equity (ROE) as independent variables to measure the influence of each bank's financial performance. The study has revealed that public, private and foreign banks disclose to the maximum extent in their annual reports. However, there is a significant difference in their disclosure practices. Negative association was found between the financial performance and the corporate governance disclosure index (CGDI). A positive association was found between their CGDI and ROA, ROE, bank size and the EPS.

Key words: *Firm's attributes, Financial performance, Corporate governance, Public, private and foreign banks, Disclosure practices*

INTRODUCTION

Corporate governance is about fostering accountability, transparency, fairness, and corporate ethics in business operations. The range of corporate governance practices has fascinated the researchers and practitioners worldwide because of the high-profile scams and corporate disintegration. Despite the fact that 'good performance' relates to 'good governance', incontrovertible attestation on this association has been missing. A large number of studies have been conducted in different parts of the world to ascertain this association but the outcome has been inconclusive.

Accountability, transparency, fairness, and disclosure are the four pillars of the modern corporate regulatory system and involve the provision of information by corporations to the public in a variety of ways (Bhasin, 2011).

Governance issues raised the considerations of policy-makers and regulators in the era of undesired events of the global financial crisis. It sets the rules and regulations for a manager of an organisation who works ultimately for the rights of

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the current and potential stakeholders. However, the relationship of corporate governance and business performance has remained open for discussion and examination.

Corporate Governance and Banking Industry

The concept of corporate governance in India started in 1997, with the voluntary code of conduct of business, developed by the Confederation of Indian Industry (CII), with an objective to amend the listing agreement and enhance the worth of the stakeholders. The period brought many committees and recommendations on CG from various associations for the banking industry as corporate governance of banks seemed to be more important than other industries because the banking sector plays an important role of financial intermediary in the economy. Corporate governance standards and principles are extracted from local and international laws, rules and regulations, as well as from the organisation's bylaws, codes of conduct, and resolutions. Corporate governance focuses on the control systems and structures by which the managers are held accountable to the bank's stakeholders. Failures in the CG initiates liquidity crisis, sooner or later, results in economic instability and systemic hazard to the society at large. Corporate governance ensures transparency, accountability and professionalism in the management system of a corporate body that enhances the creditability and acceptability to the shareholders, employees, potential investors, customers, lenders, the government and other stakeholders. This is true in case of the banking industry. Since the banks deal in public money, public confidence is of utmost importance in this industry. From a banking industry perspective, corporate governance involves the process in which the business and affairs of banks are governed by their boards of directors and senior management, which affects how they formulate corporate objectives for banking operations, for

meeting the goals of accountability and designing the framework of ethics and culture. The banking industry corporate governance is not only distinct from other corporations but is critical too. Because of their activities, banks are highly leveraged. They accept the heavy sum of uncollateralized funds of the public as deposits in a fiducially content and also encourage leverage of those funds with credit creation.

Clause 49 Listing Agreement

The SEBI introduced Clause 49 in February 2000 on the recommendations of the Kumar Mangalam Birla Committee. The principles with the compulsory compliance and reporting by the corporations listed or getting listed with stock exchange must have separate sections for corporate governance in its annual reports. In the case of non-compliance, the corporation must ascertain the reason and the extent up to which these practices could be mentioned must be highlighted by the banks. The Clause has been amended from time to time to accelerate the growth of independence in the working of companies. Based on the recommendations of this Committee, the SEBI amended Clause 49 on 29 October, 2004 which came into force action on 1st January 2006. Clause 49 was further revised on 17th April, 2014 and 15th September, 2014. This revision truly enhanced the governance to protect the interest of the stakeholders, mandatory appointment of women director on the Board of the Directors, role and responsibilities of audit committee, provisions for whistle blower, related-party transactions, and accountability of the CEO and CFO. These practices can be divided into two heads:

(1) Mandatory requirements, like the Board of Directors, composition of the Board, Non - executive Director, compensation and disclosures, Other provision as to the board and committees, code of conduct, audit committee, qualified and

independent audit committee, meeting of audit committee, powers of audit committee, role of audit committee, review of information by audit committee, subsidiary companies disclosures, basis of related party transactions, disclosures of accounting treatment, board disclosures etc., CEO/CFO certification, report on corporate governance, compliance, and appointment of woman director (applicable from 1ˢᵗ April 2015), and

(2) Non-mandatory requirements, like the board where the non-executive chairman may be entitled to maintain a chairman's office at the company expenses, remuneration committee, shareholder rights where a half-yearly declaration of financial performance including the summary of the significant events during the last six-months, may be sent to each of shareholders, audit qualifications where the company may move towards a regime of non-qualified financial statements, training of board members, mechanism for evaluating non-executive board members, whistle-blower policy, the company may establish a mechanism for employees to report to the management their concerns about any unethical behaviour, actual or suspected fraud or the violation of the company's code of conduct or ethics policy. This mechanism could also provide for adequate safeguards against victimisation of employees and also to provide for direct access to the chairman of the audit committee in exceptional cases. Once established, the existence of the mechanism may be appropriately communicated within the organisation.

The present study pertains to the implementation of some attributes of corporate governance by bank in India. Though there are many corporate governance codes recommended by different committees, this study is based on some prominent governance codes in recommendations made under Clause 49. Also, to check the CG postulates with antecedents, i.e., transparency in decision-making, accountability, responsibility and disclosure of

important information, examination of the extent of corporate governance in their business operations to evaluate the financial performance. However, the earlier studies have revealed that there is a mixed association between governance disclosures mechanism and the banks performance and given the singularity of banking management, the present paper seeks to study the nature of relation between bank governance attributes and banks business performance in the Indian context. The study contributes to the existing literature by determining the mandatory features associated with the CGDI and financial indicators such as the ROA, market-to-book value, leverage, EPS, etc. and to determine how they affect the performance of bank after revised banking reforms and Clause 49 of the Listing Agreement.

REVIEW OF LITERATURE

Undoubtedly, transparency and fairness are essential parameters of a proficient system of corporate governance and corporate disclosure to stakeholders. In the literature review, only a few prior studies were found that looked at the CG disclosure practices and its impact on bank business performance of developed as well as developing countries. These studies were reviewed with a view to understand the objectives of the studies, research methodology, research findings, etc. and to identify the gap that exists in the literature in this area. These studies have been placed in a chronological order and category-wise.

In Nigeria, Okwchukwu, Ezeudu and Patience (2015) examined the effect of CG on the performance of commercial banks for the period 2006-2014. The authors selected 10 banks out of population of 21 by using stratified and proportion sampling technique and the data were analysed by using the ordinary least square method to assess the variables ROE, board independence, board size, director shareholding, and audit committee.

Former is the performance variable and later is proxies for CG. Results of the study shows that board independence, director shareholding and audit committee meeting had positive and significant effects on performance of the banks where as board size has a negative and significant effect on the banks performance in Nigeria.

In another study, conducted in Zimbabwe's banking sector, Chidoko and Mashavira (2014) made an assessment on the effect of corporate governance issues in the banking industry of Zimbabwe. The study consisted of 25 respondents, from compliance departments of selected banks with the help of disclosure index some mandatory variable selected. The study recommends that the corporate governance board should make sure that banks should practise a culture of effective corporate governance on regular basis and deal with those who fails to comply with excellence corporate governance.

Several recent studies sought to test the disclosure level in banks with firm financial performance, in various developing countries, including India. Amarneh (2014) compared the effect of corporate governance and ownership structure on performance of the Jordanian bank, with the help of panel regression technique, for the year 2010-11 to 2012-2013. The study revealed that large board-size increase banks performance. The study also revealed that the CEO duality is not necessary for Jordanian banks. Foreign ownership has positive relation with bank performance. The authors observed that good corporate governance standards were valuable to every bank and important to the investors and other stakeholders.

In India, Mishra and Mohanty (2014) investigated the corporate governance challenges to establish the relationship between corporate governance and financial performance by using a sample of 141 companies to the A group stocks, listed in the Bombay Stock Exchange. The multiple regression

performed step-wise using Return an assets (ROA) as a proxy for firm performance revealed that the board indicators (CEO-duality, board size, board composition, number of board meetings, frequency of attendance in the board meetings) and proactive indicators influence the firm performance significantly. The results concluded that composite corporate governance measure is a good predictor of firm performance.

On the other hand, Thomas and Singh (2014) sought to assess the impact of CG on performance of listed banks in India by using panel data analysis. The author implies the generalised linear model techniques on 10 listed banks for a period from 2010 to 2012. CG variables are constituted by board leadership structure, board composition, board size, promoter ownership and public ownership. Performance of bank is measured by ROA and operating expenses to total income ratio. The results shows that a smaller size, higher percentage of public ownership and higher ratio of independent director in a board steer to better performance of banks in India.

The negative contemporaneous association between corporate governance and financial performance was also documented by Omoniyi, Ajayi and Kekereowo (2013) for the Nigerian banks, where the authors explored the impact of corporate governance on financial performance of banks. The study used 15 banks for case study over a period from 2006-2010. Capital adequacy ratio and loan deposit ratio were used as proxies for corporate governance, whereas earning per share, return on capital employed and return on equity were used as proxies to measure bank performance. The study used the ordinary least square estimation techniques for analysis. Findings of empirical result revealed that high CAR has the tendency of improving bank performance while high LDR has the tendency to reduce the bank performance.

Although the ROE and the ROA are useful

performance indicators, they do not accurately reflect the real changes in firm's performance in the long run, especially when accounting measures are subjected to manipulation (Bauer 1998) Fanta, Kemal and Waka (2013) found that the board size and existence of audit committee had statistically significant negative effect on bank's performance, whereas the bank size had statistically significant positive effect on the bank's performance. For the purpose, authors empirically demonstrated the corporate governance mechanisms and their impact on performance of commercial banks in the absence of organised stock exchange. The authors assessed the relationship between selected internal and external corporate governance mechanisms, and bank performance was measured through the ROE and the ROA. The study used structured review of documents, and the financial data of commercial banks for the period from 2005 to 2011.

Using the data from 10 public and private sector Indian banks, Harmeet Kaur (2012) attempted to find the differences of corporate governance disclosure practices of these banks. A disclosure index of eight broad parameters was prepared according Clause 49 of the SEBI using content analysis. With the help of convenience sampling 5 public sector banks and 5 private sector banks were taken as sample. All banks have disclosed information regarding the board of director, their experience and directorship in other companies but Axis, ICICI and Bank of Baroda did not disclose the experience of their directors. All the banks disclosed the information related to audit committees except Axis, IndusInd and HDFC banks. From the combined disclosure score of all banks, the Central Bank of India has the highest percentage i.e. (60.26) and Oriental Bank of Commerce the least percentage for disclosure.

Some other authors extended their research to study multifarious aspects of the firm's attributes and governance disclosure practices, Hossain (2008) performed linear regression analysis to investigate the level of compliance of the mandatory disclosure in the corporate governance reporting under the suggested list provided by the SEBI and the assessed whether the corporate attributes affect the levels of corporate governance disclosure. The study covered all the 38 banks in India that are listed on the Bombay Stock Exchange and the National Stock Exchange and identified 46 items of information as mandatory and for inclusion in the disclosure index. The findings revealed that a high level of compliance existed in the Indian banks and that the variables of size, ownership, board composition, and profitability, have significant impact in the corporate governance disclosure.

Brown and Caylor (2006) noted that there is a positive and significant relationship between the firm's Operating Measures, ROA, and Individual Governance Measures. However, they did not provide a theoretical framework with sufficient background, reasons on CG factors that influences positive and significant association to firms operating performance.

Adjoud et al (2007) examined the relationship between performance of firm and the governance scores. The results revealed that the relationship was not significant between the scores and accounting-based performance measures i.e. ROI, ROE, EPS, and market-to-book value. Withal, the relationship between the scores and measures of value created are as market value added and economic value added was generally significant.

By using the ordinary least square regression technique, Gupta et al. (2003) examined the corporate governance practices of 30 Indian companies, listed on BSE. Corporate governance disclosure index has been formulated with the help of the annual reports for the years 2001-2013 by using content analysis. CGDI was used as a dependent variable and size of the company in terms of total assets, listing status and number of

ID's were taken as independent variables. The results of the study revealed variations in the reporting practices of the corporations. In some cases, breach of mandatory requirements as per Clause 49 has also been noted.

Klein (2002) assessed the relationship between earning management and audit committee and board characteristics. The result showed a negative relationship between the abnormal accruals and audit committee independence / board independence.

OBJECTIVES OF THE STUDY

The study was conceived with the following objectives:

1. To examine the disclosure practices relating to corporate governance of the selected banks; and

2. To ascertain the influence of firm attributes and financial performance on the extent of disclosure on corporate governance of the selected banks.

Hypotheses

The following hypotheses were formulated for testing:

H_{01}: There is no significant difference in CGD practices of public, private and foreign banks.

H_{02}: There is no positive and significant relationship of banks CGD practices with firm's attributes and financial performance of selected banks.

H_{03}: ROA has no positive and significant relationship with corporate governance disclosure score of selected banks.

H_{04}: ROE has no positive and significant relationship with corporate governance disclosure score of selected banks.

H_{05}: The bank size has no positive and significant relationship with corporate governance disclosure score of selected banks (for both models).

H_{06}: Market performance has no positive and significant relationship with corporate governance disclosure score for selected banks (for both models).

H_{07}: EPS has no positive and significant relationship with corporate governance disclosure score for selected banks (for both models).

RESEARCH METHODOLOGY

Sample Size

For the purpose of evaluation of corporate governance practices adopted by Indian banks, reports of 6 banks: two public-sector banks- SBI and PNB, two private-sector banks- HDFC and ICICI, and two foreign banks- HSBC and SCB, were collected for the study for the years 2010-11 to 2014-15.

Data Source

The study is empirical in nature and is based on the secondary data. Published annual reports of the selected banks were used as a main source of data. Beside this, publications of the Indian Banks Association (IBA) were used for the data.

Disclosure Index

A disclosure index has been developed with the help of Clause 49 of the SEBI to examine the disclosure practices of corporate governance by selected banks. This index include a total of 30 mandatory items of 6 broad parameters of corporate governance , summarised in **Table 10.** This study uses the un-weighted dichotomous procedure to score each of the disclosure items. A

score of 1 is awarded if an item had been reported; otherwise a score of 0 is awarded to examine the corporate governance disclosure practices of selected banks. Thus, total disclosure score (in per cent) for each bank has been calculated with the following formula:

$$\text{CGDI} = \frac{\text{Total number of items disclosed by bank}}{\text{Maximum no. of items of index (30)}} * 100$$

Dependent and Independent Variables

We proposed to examine the influence of firm attributes and performance of selected banks on its corporate governance disclosure practices, by

establishing a cause-and-effect relationship between them. We construct two regression models by taking the ROA and the ROE to measure the influence of bank financial performance.

Model Specification

Model 1:

CGDI= α + $\beta1$ ROA+ $\beta2$ LEV+ $\beta3$ B-SIZE+$\beta4$ B-AGE + $\beta5$ MBV+ $\beta6$ EPS+ E_i

Model 2:

CGDI= α + $\beta1$ ROE+ $\beta2$ LEV+ $\beta3$ B-SIZE+$\beta4$ B-AGE + $\beta5$ MBV+ $\beta6$ EPS+ E_i

The list of variables and method of calculation are summarised in **Table 1**:

Table 1
List of Variables

Name	Explanation	Variable Type	Method of Calculation
CGDI	Corporate Governance Disclosure Index	Dependent	Total Disclosures in Corporate Governance / Disclosure Index
ROA	Return on Assets	Independent	Return on Assets, Measured by Net Income/Total Assets
ROE	Return on Equity	Independent	Return on Equity, Measured by Net Income /Total Equity
B-SIZE	Bank Size	Independent	Natural Log Value of Total Assets of Bank in a Particular Year
EPS	Earnings per Share	Independent	Earnings Per Share, Measured by Net Income /Number of Shares Outstanding
MBV	Market-to-Book Value	Independent	Book Value of Firm/Market Value of Firm
LEV	Leverage	Control	Debt /Total Assets
B-AGE	Bank Age	Control	Natural Log Value of Bank Age in a Particular Year

Limitations of the Study

The study depends on the internal processes of a bank and the secondary data; it ignores the external factors that have a significant impact on bank performance. These factors include inflation, foreign exchange, human aspect, interest rate, etc. The sample size was relatively small as compared to the total population. Moreover, most of the information regarding compliances are missing in banks' annual reports.

Tools of Data Analysis

The mean and standard deviation were computed for each variable. For testing the disclosure level of banks, one sample *t* test was used. The degree of association between the dependent and independent variables was studied among banks through multiple-regression models. In this study, two regression models have been constructed.

INFLUENCE OF FIRM'S ATTRIBUTES AND FINANCIAL PERFORMANCE ON CGDI

The analysis of influence of firm's attributes and financial performance on the corporate governance disclosure index is presented in the following paragraphs:

Descriptive Analysis

The descriptive statistics of all the variables (i.e., CDGI index, ROA, LEV, B-Size, MBV, B-Age, and EPS) based on raw data (5 years average) for the years 2010-2015 is summarised in **Table 2**.

Table 2
Descriptive Statistics Used for Testing the Variation in Data

	N	Minimum	Maximum	Sum	Mean		Std. Deviation
	Statistics	Statistics	Statistics	Statistics	Statistics	Std. Error	Statistics
Return on Assets	30	0.53	2.45	39.06	1.3020	0.10024	0.54901
Market to Book Value	30	.071	10.45	93.63	3.1210	0.36407	1.99411
Earnings per Share	30	4.10	209.90	243.35	81.185	12.386	67.84294
Leverage	30	0.05	0.97	4.15	0.1383	0.4172	0.22853
Bank Size	30	11.54	14.99	397.13	13.2575	0.20610	1.12885
Bank Age	30	2.83	5.09	123.49	4.1164	0.12833	0.70291
CGDI	30	50.00	97.00	235.00	77.833	2.36356	12.945773
Valid N (list wise)	30						

As shown in the table, CGDI varies from 50 per cent to 97 per cent and the average level of disclosure is 78 per cent. Therefore, the selected public, private and foreign banks have a maximum disclosure. Return on Assets (ROA) varies from 0.53 to 2.45, with an average of 1.30. Thus, all these banks are financially efficient with an average financial profitability of 209.90.

Level of Disclosure

The one-sample t-test was conducted to test the hypotheses. The outcome is summarised in **Table 3**.

Table 3
One-sample t-test for Testing Disclosure Levels

One- sample test						
	T	Df	Sig. (2-tailed)	Mean difference	95% Confidence Interval of the Difference	
	Lower	Upper	Lower	Upper	Lower	Upper
Average Disclosure	10.332	5	0.001	77.22667	58.0137	96.4396

Descriptive Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Average Disclosure	6	77.22667	18.30790	7.47417

Since the p value of the test shown in the table is 0.001, which is less than 0.05, we accept the null hypothesis (H_{o1}). Thus, there is a significant difference between public, private and foreign banks with respect to the disclosure level. Moreover, all the banks follow CG practices and implement actual corporate governance in their own style.

Multiple Regression Analysis

The inter-relationships/correlation relationships between firm attributes, bank performance (ROA) and the extent of corporate governance disclosures practices are shown in **Table 4.**

Table 4
Model Summary-1a

Model	R	R SQUARE	Adjusted R Square	Std. Error of the Estimates	Change Statistics					Durbin-Watson
					R square change	F Change	df 1	df 2	Sig. F Change	
1	0.684 a	0.566	0.667	14.72201	0.667	1.191	6	23	0.455	1.801

As shown in the table, the value of adjusted R^2 is 0.667, i.e., the explanatory power of the model is 66 per cent. Furthermore, the independent variables collectively explain the 56 per cent variance (since, R^2 value is 0.566) in dependent variable (i.e. the extent of CGDI disclosure) which is statistically significant at 5 per cent level. The multiple regression result in the table shows that the bank financial performance and the extent of the CGDI disclosure have a significant and positive

relationship. Therefore, the empirical results support our first hypothesis (H_{01}). However, the result is consistent with the other prior CGDI disclosure studies (e.g., Mishra and Mohanty (2014), Thomas and Singh (2014), Brown and Caylor (2006). The positive association between the ROA efficiency and the CGDI disclosure suggests that the banks are more complying with the CG principles and disclosures parameters to increase performance efficiency of the bank in competitive era. Bank size and the CGDI have a negative association on account of this our second hypothesis gets rejected. Thus, bank's size has insignificant effect on the banks disclosure practices.

ANOVA Test

The ANOVA test of the model which represents the overall goodness- of- fit of the model is summarised in **Table 5.**

Table 5
ANOVA- b

Model	Sum of Square	Df	Mean Square	F	Sig.
1 Regression	5137.628	6	189.605	189.605	0.455[a]
Residual Total	3722.538 8860.166	23 29	161.849		

a. Predictors: (constant), Bank Age, Market to Book Value, Bank Size, Leverage, Earning per Share, Return on Assets.

b. Dependent Variable: CGDI Score

As shown in the table, goodness- of- fit of model basically represents that there is significant impact of independent variables on dependent variable.

Multiple Regression Results-1

The regression model with the CGDI as the dependent variable and the other variables are the independent variables: return on assets, market to book value, earning per share and bank size summarised in **Table 6.**

Table 6
Multiple Regression Results M -1

Model	Unstandardized Coefficient		Standardized Coeffecient	t	Sig.	95% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Wound
1							
(constant)	107.728	50.548	-	2.131	0.044	3.160	212.295
Return on Assets	4.570	6.682	0.494	0.684	0.501	18.393	9.252

Market to Book Value	-0.504	1.244	0.708	0.505	0.689	-3.077	2.070
Earning per share	0.421	0.453	0.321	0.934	0.360	-0.051	0.136
Leverage	19.665	12.742	0.694	1.308	0.204	-9.693	43.023
Bank Size	-2.002	2.852	-0.175	-0.702	0.490	-7.902	3.899
Bank Age	0.420	5.050	0.291	0.715	0.941	8.826	10.067

As shown in the table, there is a significant and positive relationship of corporate governance disclosure score with firm attributes and performance except market to book value and bank size. Hence, the hypotheses H_{03}, H_{04} and H_{07} are rejected, but H_{05} and H_{06} are accepted.

Multiple Regression Analysis for Model 2

The inter relationships between the firm's attributes, bank performance (ROE) and the extent of corporate governance disclosures practice are shown in **Table 7.**

Table 7
Model Summary-2a

Model	R	R SQUARE	Adjusted R Square	Std. Eror of the Estimates	Change Statistics					Durbin-Watson
					R square change	F Change	df1	df2	Sig. F Change	
2	0.584 a	0.666	0.772	10.72201	0.666	1.891	6	23	0.455	1.901

As shown in the table, the value of adjusted R^2 is 0.772, i.e. the explanatory power of the given model is 77 per cent. The empirical results also show that the independent variables collectively explain the 66 per cent variance (since, R^2 value is 0.666) in dependent variable (i.e. extent of CGDI disclosure) which is statistically significant at 5 per cent level. The Durbin-Watson test is implied and the value 1.901 suggests that CGDI and independent variables have a positive association.

ANOVA Test

The ANOVA test of the model which represents the overall goodness-of-fit of the model is summarised in **Table 8.**

Table 8:
ANOVA- 2 (b)

Model	Sum of Square	Df	Mean Square	F	Sig.
1 Regression	5281.191	6	213.532	1.891	0.267a
Residual	3578.975	23	155.608		
Total	8860.167	29			

a. Predictors: (constant), Bank Age, Market to Book Value, Bank Size, Leverage, Earning per Share, Return on Assets.

b. Dependent Variable: CGDI Score

As shown in the table, the goodness-of-fit model basically shows that there is significant impact of independent variables on the dependent variable.

Multiple Regression Results-2

The market-to-book value has negative and insignificant relationship with CGDI. This is summarised in **Table 9.**

Table 9
Multiple Regression Results M -2

Model	Unstandardized Coefficient		Standardized Coeffecient	t	Sig.	95% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Wound
2							
(constant)	75.595	35.096		2.154	0.042	2.993	148.197
Market- to Book Value	-0.624	1.217	-0.096	-0.513	0.613	-3.140	1.893
Earning per share	0.430	0.044	0.220	0.967	0.344	-0.049	-0.134
Leverage	17.310	12.342	0.306	1.403	0.174	-0.8222	42.841
Bank Size	1.440	2.505	0.911	0.415	0.682	6.221	4.142
Bank Age	4.782	4.425	0.341	0.629	0.536	-6.371	11.936
Return on Equity	0.008	0.007	0.225	1.187	0.247	-0.006	0.022

Thus, there is no association of the increase or decrease in the financial indicator ratios with the CGDI. However, other independent variables, B-Size, ROE, and EPS have a positive relationship with the CGDI. The result is again consistent with the prior studies (Omoniyi, Ajayi and Kekereowo (2013). Hence, the hypotheses H_{03}, H_{04}, H_{06} and H_{07} are again rejected and H_05 is accepted in this model.

Corporate Governance Disclosure Index

The total average disclosure practices score obtained by selected banks are summarised in **Table 10**.

Table 10
Corporate Governance Disclosure Index (CGDI)

CG Dimensions	Period (2010-2015)
Board Composition	**Total Average Disclosure Practices Score of Public, Private and Foreign Banks (64.30)**
No. of directors	66.68
Independent directors	50.00
Non-executive directors	63.34
CEO not to be board chairman	70.00

No. of meetings
        Atleast 4: 1 point
    No meeting: 0 point
    Not disclosed: 0 point
	93.40

Average Disclosure in Main Dimension (1)	**68.792**
Audit Committee	
Minimum 3 directors	53.34
2/3 must be independent director	66.60

No. of meetings
        Atleast 4: 1 point
    No meeting: 0 point
    Not disclosed: 0 point
	60.72

Chairman as independent director	70.00
Presence of chairman in meetings	60.00
Average Disclosure in Main Dimension (2)	**62.004**
Women directorship	
No. of women directors	53.34
Women as independent director	56.67
Women as non executive director	46.67
Presence of women director in AGM	66.67
Effectiveness of women directorship	53.32
Average Disclosure in Main Dimension (3)	**55.67**
Procedural compliance	
Presence of transparency	56.68
Procedure to inform board members about risk assessment and minimization procedure	56.66
Company has code of conduct(ethics, CSR)	56.68
Auditor and company secretary compliance with CG practices	66.70
Role of CEO/CFO in internal control over financial reporting	100
Average Disclosure in Main Dimension (4)	**67.344**
Whistle blower policy	
Code of conduct for whistle blowing	83.30
Awareness among employees about whistle blowing policy	66.70
Presence of confidentiality for whistle blower	66.70
Provision for third party services(external agency)	50.00
Any monetary reward for external whistle blower	65.00
Average Disclosure in Main Dimension (5)	**66.34**
Disclosures	
Separate section for CG in the annual reports	100
Reports are signed by either compliance officer or chief executive officer	50.00
Individual disclosure of transaction with any party	66.70
Disclosure of accounting treatment	63.3
Disclosure of compensation to directors	50.00
Average Disclosure in Main Dimension (6)	**66.00**
Total Average Disclosure in Sub Heads(1+2+3+4+5+6)	64.30

CONCLUSION AND POLICY IMPLICATIONS

The analysis of CG disclosure practices in selected banks has revealed that foreign and public banks are much better in providing information about the corporate governance as compared to private banks. With the increasing effect of globalisation, liberalisation, privatisation and reforms of the Indian banking sector, competition will intensify further. The commercial banks in India need to handle these problems and challenges successfully to keep growing and strengthening the Indian banking system and the Indian economy. However, it is found that the banks are on higher proportion to disclose the information about their internal processes. The study, based on five years data (2010, 2011, 2012, 2013, 2014 and 2015), has revealed that the sample public, private and foreign banks disclose to the maximum extent in their annual reports and there is a significant difference in their disclosure practices. The negative association between the market performance and the CGDI has been found. However, the study revealed positive association between the CGDI and the ROA, ROE, bank size, and EPS of banks in the Indian context. Further, the main interest and the focus area of all commercial banks must be to develop a third eye that acts as a hidden camera and to bring about uniformity in the movement of their activities. They should also ask for an easier and more affordable access to the arbitration mechanism at international level for whistle-blower in the disputes over the domain names. If private-sector banks are doing the CG there must be some provision for foreign banks too to follow proper disclosure norms in their business reporting as per Clause 49 guidelines for the economic welfare of host country.

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INFLUENCE OF CONSUMER SATISFACTION ON CONSUMER LOYALTY AND FIRM'S PERFORMANCE IN ON-LINE RETAILING

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Abstract

This study seeks to examine the influence of consumer satisfaction on their loyalty and consequent maximisation of the business performance. In on-line retailing, business firms seek to understand their customers' value in order to survive, grow and win globally competitive market. A firm would be able to increase consumer satisfaction by improving its product and service quality, ultimately leading to better performance. A satisfied consumer is more likely to repurchase the product or re-use the service in future, which lead to increased sales and market share of the firm. This study seeks to assess the influence of consumer satisfaction on loyalty and the firm's performance in on-line retailing. The study is based on a sample of 150 university students of professional courses. The data was collected with the help of a structured questionnaire. The study has revealed that the service quality and consumer satisfaction have direct influence on consumer loyalty and business performance in on-line retailing.

Key words: *Consumer satisfaction, Consumer loyalty, Business performance, Service quality, On-line retailing.*

INTRODUCTION

Firms believe that consumer satisfaction is an important indicator of a nation's economic health and is not enough to track economic efficiency and pricing statistics. It is an important indicator of a nation's well being and is correlated with other measures of economic health, such as corporate earnings and stock value (Gupta and Zeithaml 2006). Consumer satisfaction, loyalty and service quality are used to predict growth and reward performance, measuring them appropriately and using the measures wisely is a challenging task for all business firms. Numerous ways to measure consumer satisfaction, loyalty and service quality are in vogue. These measures are used by a firm in accordance with the problem they have. Consumer satisfaction is useful for predicting business outcomes, such as growth and performance and diagnosing problems for making improvements to satisfy the consumer (Zeithaml *et al.* 2013). Tse and Wilton (1988) noted that satisfaction is a psychological phenomenon, which describes the emotional state of a consumer resulting from an evaluation of the discrepancy between pre-purchase expectations and the perceived performance of a product or service.

Kano *et al.* (1984) reported that consumer satisfaction does not necessarily occur when all the relevant qualities are possessed. It is possible that they may experience dissatisfaction or may have no feeling at all as the product is having reverse quality attributes. Product quality is a continuous process;

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Quality Function Deployment (QFD) integrates customers' voice or opinion into the product-development process. Chen and Weng (2006) confirmed that QFD helps to achieve high consumer satisfaction, through all the stages of product development, like planning, engineering, manufacturing, etc.

Perrault and Frederick (1974) found that the quality of service performance is a key marketing component that helps to satisfy a customer. Non-price competitive advantages, such as service quality are more critical in retaining and attracting customers rather than price comparisons on the web (Liu and Arnett, 2000). Hoff *et al.* (1998) reported that a sense of loyalty that comes from an Internet company offerings and service quality than the competition brings them back.

Studies confirmed that loyal customers usually spend more, buy more frequently, have more motivation to search for information, are more resistant to competitors' promotions, and are more likely to spread positive word-of-mouth communication (Dick and Basu, 1994; Rust *et al.*, 1995; Bolton, 1998). It is clear that customer loyalty leads to customer retention (Fornell and Wernerfelt, 1987) Reichheld and Sasser (1990) confirmed that customer retention leads to increased profitability of a firm; and firms may compete in a highly competitive market with more maturity, especially in service industries, like banking, insurance, telecommunications, hotels and airlines. Loyal customers are having high intensity to repurchase the same product in future, low price sensitivity, and positive word of mouth communication intention (Varela-Neira *et al*, 2010). Customer satisfaction has a direct effect on customer's behavioural intentions. Electronic service quality has an influence on customer satisfaction. The important strategy is to retain loyal customers by improving service- recovery quality, alternative method to return products and quick response to service failure etc. (Kuang-Wen Wu 2011).

The terms 'service quality' and 'customer satisfaction' can be used inter-changeably (Caruana, 2002). Zeithaml and Bitner (2006) believe that there are certain commonalities between service quality and customer satisfaction, but service quality generally influences satisfaction. Parasuraman, *et al.,* (1985) developed the SERVQUAL scale for measuring service quality, in terms of responsiveness, assurance, tangibles, empathy, and reliability ('RATER'). The other instrument to measure web site quality of services is e SERVQUAL (or ESQ) (Zeithaml *et al*. 2002). ESQ has four dimensions to measure service quality of on-line services or web-services-efficiency, fulfillment, reliability and privacy (Zeithaml et al. 2000). Parasuraman, Zeithaml, and Malhotra (2005) developed the *E-S-QUAL, a* new instrument, to measure the service quality of different types of e-business.

A service failure may occur as the service may be unavailable when promised. These may be delay in delivery late or too slowly, the outcome may be incorrect or poorly executed, or employees may be rude or uncaring (Bitner *et al.* 1990). A service failure is generally described as service performance that falls below a customer's expectations in such a way that leads to customer dissatisfaction, and service recovery refers to the actions taken by a firm in response to a service failure. Service failure brings negative feelings from customers. It can lead to loss of customers, telling other customers about their negative experiences, and even challenging the firm through consumer rights organisations or legal channels (Zeithaml *et al.,* 2013).

Studies on On-line Shopping and Consumer Satisfaction

According to A C Nielsen (2008), more than 85 per cent of the world's on-line population has used the Internet for purchasing. Studies confirm that more than half of the Internet users are regular on-line shoppers and make on-line purchases at least once a

month. It is expected that on-line shopping will grow 43 percent by the year 2014, about 2.32 billion people around the world will be regular Internet users, which represents an enormous rate of growth of on line shopping (Hu Fu-Ling and Chao Chao Chuang, 2012).

Zeithaml *et al.* (2002) reported that the growth of e-tailing and e-services has led many companies to wonder how consumers evaluate service quality on the web and whether the criteria are different from those used to judge the service quality of non-online services. Zeithaml *et al.* (2013) found that companies today are trying to compete more effectively by distinguishing themselves with respect to their service quality, consumer satisfaction and loyalty. The great impression of service occurs in the service encounters when a consumer interacts with a service firm. Service encounters are the snapshot of the organization's service quality that a customer receive, each encounter contributes to the customer's overall satisfaction and willingness to use the services of that organization again in future, and from organization point of view it presents an opportunity to prove its potential as a quality service provider and to increase customer loyalty. Shostack (1985) explained that when a consumer will interact with a service organization a service encounter will occur, service encounter can be remote encounter, technology mediated encounters and face-to-face encounters. Remote encounter can occur without any human contact, such as interaction with a bank through the ATM, with a retailer through its website or communication of a service organization with its customer through e-mails with the help of the internet a customer can purchase retail items, airline tickets, shipment tracking etc. Most frequent type of encounter between a customer and a service firm occurs over telephone. This is known has technology the mediated encounters. Almost all firms whether goods manufacturers or service rely on basic telephone encounters for customer service the

quality of services in phone encounter is different than in remote encounters. The third service encounter occurs between an employee and a customer in direct personal contact, such as in a hospital face-to-face encounter occurs between patients and nurses, doctors, technicians, reception staff and others. The service quality issue in face-to-face context is the most complex, as the verbal and nonverbal behaviors are important components of quality, employee dress, tangible cues and other physical settings and customer behavior during the interaction is important for measuring the service quality of the firm.

Rust and Oliver (2000) reported that customer delight helped to gain competitive edge in the globally competitive economic era. Customer delight refers to positive emotional state that is an outcome of one's expectations exceeded to a surprising degree. Gross (1994) found that customer delight is the result of the positively outrageous service of a firm which is unexpected and extraordinary; it can lead to repeat purchasing and customer loyalty.

The shopping of an on-line store is more technological or electronic- based than the non-electronic retail service experience. With the help of the Internet, customer can browse the web sites of retail stores to find merchandise, to search information of the product offer and product attributes, compare prices with other available alternatives. They are also able to determine how much time is required in the delivery of the items and how to return merchandise. All those experiences influence customers' expectations and perceived e-retailer's service quality, and will ultimately influence satisfaction and loyalty of the consumer (Sexton, Johnson, and Hignite, 2002). Tse and Wilton (1988) described that satisfaction is the psychological phenomenon resulting from a comparison between consumer pre-purchase expectation and perceived quality of a product or service.

Santos (2003) defined that E-service quality is an overall customer assessment of e-service delivery customers expectation for online services are equal or higher level of quality in comparison to traditional service quality.

Reichheld and Schefter (2000) found that increased customer retention leads to high profitability of a firm. If the customer retention increases by 5 per cent, it will lead to increase in profit of the firm by 25-95 per cent. Satisfaction studies examined the price as a product attribute. Voss *et al.* (1998) found that price attribute of a product or service affects consumer satisfaction. Fornell *et al.* (1996) reported that while on-line shopping, consumers cannot actually see or handle what price and quality is represented on the web about the product is actually received price attribute of a product affect customer satisfaction. Parasuraman, *et al.* (2005) conducted a study to understand how consumers judge e-service quality and developed E-S-QUAL which defines the extent to which a website facilitates efficient and effective shopping, purchasing and delivery, the study identified seven dimensions including four core dimensions to evaluate the service quality and three recovery evaluation.

Jarvenpaa and Todd (1997) and Liu and Arnett, (2000) found that price component of a product/service play a positive role in consumer satisfaction and loyalty or retention. The issues of online retailing, like timely delivery and ease of navigation have surfaced as critical elements of e-service quality, and the online retailing lacks the human element of interaction (Yang and Jun, 2002).

Studies on Customer Delight

Delighting and surprising the consumer is giving them more than what they expect. Companies not only try to meet customer expectations but to exceed customer expectations. The strategy to exceed customer expectations is to under promise the services and over deliver. If every service promise is less than what eventually happens, customers can be delighted. Service firms should not only focus on customer satisfaction but try to delight the customer, to gain the competitive edge in the globally- competitive market.

Customer delight is a positive emotional state that results from having one's expectations exceeded a surprising degree (Rust and Oliver, 2000). Gross (1994) reported that customer delight is a result which is unexpected, random, extraordinary and disproportionately positive service.

Clemmer (1990) classified product or service attributes into three categories: musts, satisfiers and delight. The basic function of a service or product is known as musts. The absence of these attributes would be noticeable but the provisions of service or product attributes may not be. The attributes or features that have the potential to further customer satisfaction beyond the basic function of a product or service are called satisfiers. The final level of a rung is customer delights, where the service or product performance is unexpected and surprisingly enjoyable. These attributes are the product or service quality that consumer did not expect to find. The consumer is highly surprised and excited when he receives them. Keiningham and Vavra (2001) and Barnes *et al.* (2010) noted that customer delight may seem a good idea and can lead to repeat purchasing and customer loyalty. This level of service quality comes with extra efforts and cost to the firm, Customer delight can be experienced by a company as weights of staying power for a long duration, maintaining customer's attention and gaining the competitive edge.

The Review of related studies on the subject has revealed that no scholars of the discipline have examined the relationship of consumer expectations and service quality in retail sector. In order to bridge the gap of empirical evidences of consumer satisfaction and e-tail services the

present study was undertaken.

OBJECTIVES OF THE STUDY

The objectives of the study are as follows:

1 To measure the service quality of on-line retailing;

2 To measure consumer satisfaction with on-line retail services; and

3 To assess the influence of service quality on consumer repurchase intention.

RESEARCH METHODOLOGY

The instrument to measure the service quality of on-line stores, E-S-QUAL, developed by Parasuraman, Zeithaml, and Malhotra, (2005), was adopted. Four variables of E-S-QUAL, namely, efficiency (8-items), system availability (4-items), fulfillment (7-items), and privacy (3-items), were measured on 22 items on a five-point scale, ranging from 'Strongly agree' to 'Strongly disagree'. 'Problem-solving' was measured on a scale developed by **Beneke** *et.al.* (2012), with the help of three items on a five-point scale, ranging from 'Strongly agree' to 'Strongly disagree'. customer satisfaction (5-items), and loyalty and behavioural-intentions (5-items) were also measured on a scale developed by Beneke *et.al* (2012). The data was collected from the University students of different under-graduate and post-graduate courses. More than 150 questionnaires were distributed to the students of VBS Purvanchal University, Jaunpur (U.P.), and only 120 questionnaires were found complete and suitable for the analysis; others were rejected.

The data collected from the survey was analysed by using the statistical software of PASW 18 and AMOS 5.0. The data analysis includes descriptive statistics, and the Structural Equation Modeling (SEM).

Respondent's Profile

The sample profile of the respondents shows, that an over-whelming majority (91 per cent) of the respondents were from young age-group with more than half (53 per cent) of 21 to 25 years of age. On the whole, large majority (73 per cent) of the respondents were male and highly educated, belonging to the middle-income group, having farming (agriculture) and service as main occupation. Most of them (85 per cent of the respondents) were unmarried, having middle family-size. The profile of the respondents is shown in **Table 1.**

Table 1
Respondents' Profile

Demographic Factors	Category	Respondents	
		Percentage	Number
Age	Up to 20 years	38	46
	21 to 25 years	53	63
	26 and above	9	11
Education	Under graduate	48	58
	Post graduate	52	62

Gender	Male	73	8
	Female	27	32
Income (Family)	Upto Rs10000	15	17
	Rs.10001 – 20000	21	26
	Rs20001 – 40000	50	60
	Rs.40001- 50000	9	11
	Rs.50001 and above	5	6
Occupation	Service	33	39
	Business	18	22
	Farming (Agriculture)	40	48
	Professional	9	11
Marital Status	Married	15	18
	Unmarried	85	102
Family Size	Up to three members	4	5
	Four to five members	50	61
	Six to ten members	37	44
	Eleven members and above	9	10

Reliability Test

The reliability of both the scales, namely, the E-S-QUAL and the Problem solving; Satisfaction Store Loyalty are found reliable as the Cronbach alpha of these scales are 0.794 and 0.713, respectively. The coefficient alpha values for both the measures exceed the minimum standard of 0.7, suggested by Nunnally and Bernstein (1994).

RESULTS AND DISCUSSION

The data collected from the respondents was analysed with the help of PSAW 18.

Relationship of E-S-QUAL and Post-Purchase Behaviour

The components of E-S-QUAL, like efficiency, system availability, fulfillment and privacy had significant positive relationship with the consumer satisfaction whereas, store loyalty and system availability were found to have a significant relationship with problem-solving. However, the other variables of E-S-QUAL were not found to have a significant relationship. These variables are presented in **Table 2.**

Table 2
Relationship of E-S-QUAL and Post-Purchase Behaviour

Sl.	E-S-QUAL	Problem- solving	Satisfaction	Store Loyalty
1	Efficiency	0.174	0.540**	0.486**
2	System Availability	0.304**	0.325**	0.330**
3	Fulfillment	0.175	0.626**	0.509**
4	Privacy	0.123	0.552**	0.518**

Note: ** p<.01

Problem-solving

The results show that the problem-solving has a significant relationship with only one variable, system availability of E-S-QUAL (r =0.304, P<.01). The items, like 'availability of site for business', 'it runs right away', 'site does not crash', 'pages at this site do not freeze after I enter my order information', etc. confirm the expectations of the consumers. The value of R^2 is 0.099, and F rate = 3.150, and β = 0.270. This is presented in **Table 3.**

Table 3
Problem Solving and E-S-QUAL

Predicted	Predictor	B	R^2	F Ratio
Problem Solving			0.099	3.150*
	Efficiency	0.063		
	System Availability	0.270**		
	Fulfillment	0.011		
	Privacy	0.031		

As shown in the table, the low-level association of service quality components with problem-solving is because of good performance of the product. If the complaint of a product regarding any problem or break down is less, then definitely the issue of problem solving or consumer redressal is minimal. Problem solving can be seen as post-purchase behaviour of the consumer which arises with the occurrence of any break down or gap between pre-purchase expectation and perceived performance of a product. Problem-solving is an important component for customer retention. Singh and Widing (1981) reported that dissatisfied consumers are more likely to repurchase the same product in future when they are satisfied with the redressal provided by the dealer/manufacturer for their complaints.

Satisfaction

Service quality is having relationship with consumer satisfaction with all components of E-S-QUAL (efficiency r=0.540, system availability r = 0.325, fulfillment r = 0.626, privacy r = 0.552, P<0.01). This confirms that if the services of a retail store is at par with the expectations of the consumer than their satisfaction level may be high with the service or product of the store.

Service quality is an important component of consumer satisfaction as it contributes 55per cent, the value of R^2 =0.547, F= 34.692. The same is presented in **Table 4**.

Table 4
Satisfaction and E-S-QUAL

Predicted	Predictor	β	R^2	F Ratio
Satisfaction			0.547	34.692***
	Efficiency	0.289***		
	System Availability	-0.014		
	Fulfillment	0.398***		
	Privacy	0.261**		

The evaluation of performance of goods offered by a store is based on consumer pre-purchase expectation. If the quality of the goods and services fails to meet consumer expectation it could result in the lower level satisfaction of the consumer and may lead to negative perception about the store/product (Vazquez *et al.* 2001).

Store Loyalty

Service quality helps a store to retain its existing consumers, and customer retention leads to loyalty. Customer loyalty to the store also has significant relationship with service quality of a retail store (efficiency r = 0.486, system availability r = 0.330, fulfillment r = 0.509, privacy r = 0.518, P<.01). The store loyalty and E-S-QUAL results are summarised in **Table 5.**

Table 5
Store Loyalty and E-S-QUAL

Predicted	Predictor	B	R²	F Ratio
Store Loyalty			0.420	20.828***
	Efficiency	0.254**		
	System Availability	0.063		
	Fulfillment	0.245**		
	Privacy	0.290**		

The Table shows that consumer loyalty towards a store is based on the quality of service as the value of $R^2 = 0.420$, F = 20.828. The result indicates that service quality contributes 42 per cent to store loyalty. Store loyalty is a component of a company's growth and performance; it is the foundation of sustainable competitive edge for an organisation (Lee and Cunningham 2001). Store loyalty is a behavioural construct and includes customer retention, repeat purchase and positive word-of-mouth (WOM) communication (Liu and Wu 2001).

Service Quality, Satisfaction and Loyalty Model

The four E-S-QUAL dimensions have consistently strong and positive correlation with satisfaction and loyalty intentions. The various fit indices for the SEM are good, with the possible exception of the Root Mean Square Error of Approximation (RMSEA) 0.076, which is slightly above the cut off value of 0.06 (Hu and Bentler 1999). The chi-square statistic χ2 values=20.276 with 12 *df* were significant as, *p* =0.062. *B*=0.904, *P* <0.001, β =

0.968, $R^2 = 0.937$. The goodness-of-fit indices are summarized in **Table 6**.

Table 6
Goodness-of-fit Indices

Goodness-of-Fit Index **GFI**	**0957**
Normed Fit Index **NFI**	**0.930**
Incremental Fit Index **IFI**	**0.970**
Tucker-Lewis Index **TLI**	**0.946**
Comparative Fit Index **CFI**	**0.969**
Root Mean Square Error of Approximation **RMSEA**	**0.076**
X²	**20.276**
df	**12**
B	**0.968**
R²	**0.937**

As shown in the table, the Goodness-of-Fit Index (GFI), as suggested by Jöreskog and Sörbom (1984), and generalised by Tanaka and Huba (1985), should be less than or equal to 1, a value of 1 indicates a perfect fit. The value of Normed Fit Index (**NFI)** 0.0930 is slightly higher than the ideal model fit value of 0.9 as suggested by Bentler & Bonett (1980), and the value of Incremental Fit Index (IFI), Tucker-Lewis Index (TLI), and Comparative Fit Index (CFI) should also be close to 1 or less than 1. The model of confirming the relationship of service quality of on-line retailing with consumer satisfaction and loyalty is presented in **Figure 1**

Figure-1
Service Quality, Satisfaction and Loyalty Model
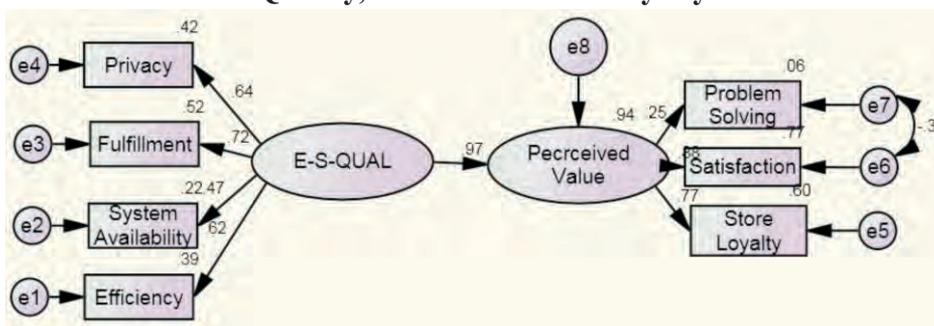
CONCLUSIONS AND POLICY IMPLICATIONS

The study has revealed that E-S-QUAL is an important tool to evaluate e-retail service quality and measure consumer satisfaction, problem-solving and store loyalty. Quality of a product leads to high level of satisfaction and brand loyalty (Cronin and Taylor 1992 and 1994). The on-line retail stores should focus on the performance of its products/services in the light of the competitors' product quality. After opening the retail market for the FDI, the retail sector is having a highly competitive market in India. It is very important to have continuous evaluation of the product/service quality offered by the store to satisfy its consumers and win the globally- competitive retail market.

Understanding customer perceptions is more difficult today than ever before. The rapid development of global information networks has great impact on consumer perceptions and expectations, as well as on their knowledge about products and services. To succeed in this globally competitive market place, the accurate understanding of customer needs and behaviour is important. The findings of the study will be useful to measure consumer satisfaction in remote service encounter (e-commerce) where the transaction occurs without human contact and physical interaction between a customer and a service firm is not direct. The e-tailing market in India is emerging in almost all categories of business (whether goods or service) with a great pace and it cannot succeed without customer satisfaction. The findings of the study will be useful for further research and the service firms have to focus on the consumer perceptions and expectations with respect to a particular service.

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MEASURING THE HUSBAND-WIFE INFLUENCE IN CAR-PURCHASE DECISION

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Abstract

The extended nature of influence of husband and wife is a riveting component to count in family purchase decision, because it is likely to shift from one position to another, depending on the stage of the decision-making process and the peculiar product or service features under consideration. The present study is designed to seek the involvement of husband and wife in car purchase decision. Longer duration of possession and social image formation leads car purchase decision as an important decision for any household. The data was collected from 600 spouses residing in three cities of North India in the winter of 2015, with the help of a structured questionnaire. The drop-off/ pick-up method was used to collect the data. Only those spouses were approached who had purchased the car within the preceeding one year. The data were analysed with the help of frequency/analysis, Chi-square Test, Correlation Coefficients and the McQuitty-Cluster Analysis. The study revealed that most of the decisions have husband dominance in comparison to his counterpart, except the colour and user of the car, where the joint decisions had the majority. However, similar dimensions of decision roles are exhibited from the responses of husbands and wives. Thus, it is advisable for marketers to develop specific marketing strategies that best match with the spouse behaviour and family decision-making situations.

INTRODUCTION

In the age of product diversity and companies endeavouring for brand proliferation, it has become necessary for companies to position their offering, select market segments and examine at market niches more circumspect than ever before. Companies have to make purchase decision-making a facile task for consumer. But a challenge might come– What is the target segment where the choice of the product or service is jointly decided? It is fluent to market the product when its target segment is clear, e.g., sports cars for wealthy men, lipstick for female, and baby oil for kids. But when decisions are made in a group of two or more individuals, it becomes less crystalline: Who makes the buying decision and, therefore, the target of marketing exertion.

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Family decision-making is the course of operation by which the decisions that directly or indirectly involve two or more family members are made (Harcar *et al.* 2005). The family has traditionally been regarded as a substantial decision-making unit with respect to the large number of products and services and considered as an important theme of research for past years (Davis, 1970; Davis and Rigaux, 1974; Childers and Rao, 1992; Verma and Kapoor; 2003). Albeit children have some influence to particular product basket (breakfast cereals), but this influence is limited in family purchase decision-making (Spiro, 1983). Consequently, the elementary query of in a family who decides generally dwells with the husband and wife (Hopper, 1995). Household characteristics, which are often used as the bases for segmentation of market is one of the important reasons to decide the role stricter in most of the families. However, income, education, occupational prestige and the employment status of wives appear to be the consummate actionable predictors. Further, there was substantial variation in the relative importance of distinct determinants across culture, gender and role structure measure.

The typical nature of the influence of husband and wife is an enthralling ingredient to count in family decision-making, because it is likely to shift from one position to another, depending on the particular stage of the decision-making process and the peculiar product and service features under consideration. When a person decides to go and eat out, then this decision is based only on his or her needs and preferences, likes and dislikes, at that time. But after the marriage, the situation might change. A household and its members are confronted with different decisions that show the needs of the family as a unit. Who will pay the bills of expenses? Who will do the grocery-shopping for the family? Who will wash the clothes of the family members? Who will cook the dinner for all? It has been consistently found that, most of the husband-wife influence studies in marketing research classify consumer decisions as wife-dominated, husband-dominated**,** joint or syncratic and unilateral or autonomic. These decisions are considered to be of two types: autonomous by a single member or joint by both the spouses. Of course, there are many transitional states where the decision can be slightly more dominated by one of the spouses. Large numbers of buying decisions are likely to be joint if their consumption, as often is the case with a family car, is also joint (Sheth, 1974).

Generally, the five-stage model of product decision-making includes: the problem recognition, information search, evaluation of alternatives, purchase decision, and the post-purchase behaviour stages (Kotler, Keller, Koshi and Jha, 2012) but compared to an individual's buying decisions, family's buying decision tend to be inherently more complex because of the variety of predispositions and the underlying cognitive worlds of members of the family (Sheth, 1974). Differences were also reported in search, decision and evaluation processes for products and services (e.g. Turley and LeBlanc, 1993; Zeithaml, 1981, Yang et al., 2006).

Buying an automobile is a major decision in most of the Middle-class families and can be regarded as higher importance. Car purchase implies high cost for families and also the perceived risk is high. Therefore, one spouse will seek support and agreement from the other. As the consequences of buying a car might be greater than those arising from, for example, buying a soap, consumer will devote great amount of effort, searching large amounts of information, soliciting advice, and agonizing over difficult trade-offs (Bettman et al., 1991).

The present study, besides extending the family decision-making research stream into a patriarchal system country that is in a transformation stage, can also be helpful to domestic and foreign marketers by providing precursor insights into the purchase behaviour of Indian spouse.

REVIEW OF LITERATURE

The classic study, conducted by Davis and Rigaux (1974), was the first to expand diverse stages in the family purchase decision-making process. They divided the purchase process into three stages: (1) problem recognition, (2) search for internal and external information, and (3) final decision. Based on the data collected from Belgian couples, they found that in family purchase decision-making dominance in marital roles may vary according to the phase of the decision process (with a tendency to move towards joint final decisions) and the consumption category being considered. A comprehensive replication of the Davis and Rigaux (1974) study was by Bonfield (1978) and examined the family purchase decision-making process with a sample of married US couples. Bonfields' study confirmed Davis and Rigaux's findings, concluding that role specialisation exists in family purchase decision-making and that movement towards syncratic final decisions is evident.

The focus of various studies on purchase decision is indicated in **Table 1**.

Table 1
Changing focus in Family Purchase Decision Studies

1970s	1980s	1990s	2000s
who decides	role specialisation	incongruence	influence tactics
task division	disagreement	conflict-resolving behaviour	dynamics of decision-making

As shown in the table, there was a significant change that occurred in family decision-making researches. The studies carried out in the 1970s focused on the task division within a family (Davis, 1970), whereas in the 1980s, the studies focused on roles in the specific purchase decisions (Green et al., 1983). The researches in the 1990s emphasised the conflict-resolving behaviour of the spouse (Ford 1995), which shifted to influence tactics (Yang, 2006) in the 20th century and onwards.

Researches on Family Car-Purchase

In this section studies regarding family car purchase were reviewed in order to gain an extensive insight and to compare it to the outcome of empirical research on consumers.

Studies based on Purchase Decision Stages

The purchase of a car is very varied in its stages, moving from husband dominated for problem recognition, search and evaluation of alternatives to joint for colour of the car. Davis and Rigaux (1974) concluded from their findings that spouses living in Belgium could not be generalize about husband and wife roles in any absolute sense. The percentage of husband-dominant families decreases from 60 per cent in the decisions about what make of automobile to buy to 25 per cent in the decision about what colour to select.

227 Hispanic Couples were interviewed by Webster (1994) about their relative influence in various stages of the decision-making process for Car and durable goods. Couples were divided into three groups according to language preference at home. English speaking and bilingual families showed opposite role development through purchase stages than Spanish speaking. In families with high ethnic identification final decision is less joint than previous stages comparing to English speaking Hispanic families. There was a dominance of Husband in all three decision-making role i.e. Problem recognition, information search and final purchase among English speaking

couple. Bilingual couple shows same behaviour as English speaking couple except for information search. Bilingual couple jointly gathers information for car to be purchased. On the other hand Spanish speaking couple was jointly recognise the problem and search for information. The finding of the study also reveals that there is a similarity between Hispanic for final purchase which has Husband dominance.

Henthorne et al. (1997) studied the role played by Japanese couple for car purchase decision and revealed that for problem recognition and information search both, wife and husband, regard as husband dominated, but purchase decision stage showed the most joint decision-making. Females see a more pronounced involvement of the males in the search for information on an automobile purchase than the males do themselves. This might mean that males provide information from their memory and do not search for additional and wives basically assign this role to them.

Singaporean couples has disagreement about extent of domination in information search, which wife regarded as joint but husband as dominated by him. Although need recognition and final purchase decision was made by husband only (Yang et al., 2006).

Studies based on Sub-Decisions

"When you buy a car-which makes the decision whether it's time to buy?" was only concern of Wolgast (1958) related to car purchase decision. For which researcher collected information from 354 husbands and 297 wives living in United States of America. Findings reveals that where such agreement about family roles appears, the roles apparently are well defined and well understood among members. Husband and wife similarly reported Husband dominance in car purchase decision. Researcher also conclude that with advancing age, and perhaps increased length of

marriage, reports of joint decisions decline; and one member or another is increasingly likely to decide alone.

Yavas (1994) examine the relative influence of husband and wife on purchase decisions in Saudi families and revealed that the proportion of decisions made by husbands was significantly higher than the other two. Car purchase decision-making has husband dominance in Saudi. They are highly involve in deciding when to buy, how much to spend and where to buy in comparison to their counterpart.

The data collected from couples resides in US, Canada, Guatemala, Turkey and Vietnam reveals that there is difference between Western societies and developing countries regarding extent of joint decision-making (Harcar, 2005). For all selected countries decision related to what to buy and where to buy is husband dominance. Couples of USA and Canada are decides jointly on when to buy automobile. Moreover couples of USA have also jointly decides on how much to spend. Harcar further conclude that despite substantial cultural variation, surprisingly there were high degrees of commonality in purchase decision-making roles among the selected countries.

Studies on Aggregate Decision Outcome

In a cross cultural study of family decision-making roles among samples of consumers from the United States and Venezuela, Green and Cunningham (1980) suggest considerable differences between the manners in which family purchase decisions are made in the two countries for car. The hypothesis concerning more decision-making by Venezuelan husbands than by U.S. husbands is generally confirmed as the results indicate the dominance of the husband within the Venezuelan sample, whereas the U.S. sample is characterized by more joint husband / wife decisions.

Green et al. (1983) collected the responses of

couples from United States, France, Holland, Venezuela, and Gabon, reveals that the husbands in the less developed nations were reported to make significantly more autonomous decisions than the husbands in the developed nations. Rodman classification scheme results were presented in a figure with no numerical indicators. Thus it is hard to see precisely to what extent car purchase is husband dominated or autonomous by him

Previous researches, when looking at family car purchase, differ in their approach. Mainly three types of data presentation exist in previous studies. First type is measuring how autonomous (husband/wife dominated) or joint are decisions - "what/where/when to buy" and "how much to pay". Second type of reporting results regarding car purchase is using three main decision-making stages – problem recognition, information search, purchase decision. In both types three different labels were usually assigned -"wife dominated", "joint" or "husband dominated". Besides these three labels, in cases where husband's and wife's answers were different, individual answers were reported. Unfortunately, two main problems exist with analyzing and comparing previous studies. The first one is that some studies like Green et al. (1983) do not elaborate on decision-making stages or sub-decisions. The second issue is the way the extent of joint/autonomous decision-making is presented. Studies like Yang et al. (2006) describe results with words by reporting one of five possible answers (discrete data) instead of a more precise option used by Webster (1994).

The enormous number of study on family decision-making for car has used the citizens of Western countries whereas; concentration on Eastern country is still very low. On the other hand few studies found in the research domain which is focused on the involvement of Indian spouse for car purchase decision. Present study was formulate to seek the dimensions of spouse decision-making in India, a diversified state that is commonly regarded as a model of successful economic and social development in the Asia Pacific region. More specifically, the research was designed to explore the involvement of spouse living in Northern India. We believed that although India has been successful in its social as well as economic developments, its unique social environment, different cultural values, traditions, and norms tend to create different spousal involvement in family purchase decision-making process in comparison to western countries.

OBJECTIVES OF THE STUDY

The present study has the following objectives:

1. To measure the involvement of Indian husband-wife's for purchase a family car; and
2. To ascertain the dimensions of husband-wife roles in car purchase decision.

Hypothesis

H_0 : There is no significant difference in the proportion of husband's and wife's responses regarding the decision-making roles.

Scope of the Study

The scope of the study is limited to the owner of family car who have purchased the car just within last one year, i.e., during 2014-15. To assess the involvement of husband-wife only one spouse from each family were interviewed.

RESEARCH METHODOLOGY

The Sample

To achieve the objectives the data was collected from 600 spouses resides in three cities of North India namely Lucknow, Kanpur and Allahabad in winter of 2015. The criterion of respondents was that who have purchased the car within the last year. The rationale behind taking only one year old car owners due to the chances of loosing memory and

response could be merely a guess. So the list of car owner registered during 2014 and 2015 was obtained from Regional Transport Office of the selected cities. The data for the study was collected through self-administered questionnaires using a drop-off/ pick-up method. The drop-off/pickup is a data-gathering method that incorporates the advantages of both personal interviews and self administered questionnaires (Stover, R. V., and W. J. Stone, 1978; Imperia, G., O' Guinn, T. C. and Mac. Adams, E. A., 1985). Respondents were randomly contacted by telephone at their workplace and their home and asked if they want to participate to this study. For those agreed to participate a questionnaire was sent to their given address and they were asked to complete the questionnaire at their most convenient time. Arrangements were then made to pick up the completed questionnaires at a specified time, generally one week later. To keep balance among the respondents from one house husband respondent and wife respondent from next house alternatively approached.

Respondents' Profile

The characteristics of the respondents were shown with the help of descriptive analysis summarised in **Table 2**.

Table 2
Demographic Profile of Respondents

Particulars	Frequency	Percent
Gender		
Male	300	50.0
Female	300	50.0
Age (Years)		
Up to 35	190	31.7
36-45	242	40.3
46 & Above	169	28.0
Qualification		
Up to 12 Class	70	11.7
Under Graduate	212	35.3
Post Graduate	262	43.7
Ph.D.	22	03.7

Professionals	34	05.7
Occupation		
Service	420	70.0
Business	32	05.3
Self Employed	36	06.0
Homemaker/ Unemployed	112	18.7

As shown in the table, the majority of the spouses surveyed belong to 36 to 45 year age group (40.3 per cent) followed by upto 35 year (31.7 per cent) and more than 46 year (28 per cent). Post graduate spouse (43.7 per cent) dominate in sample succeed by under graduate (35.3 per cent) and up to Intermediate (11.7 per cent). The service-class spouse (70.0 per cent) had majority in total sample, followed by the homemaker/unemployed (18.7 per cent).

Research Instrument

The questionnaire for the study was developed in both the languages i.e. Hindi and English as per convenience of the respondents. The questionnaire was divided into two parts. First part was containing demographic and socio-economic profile of the respondents. Whereas, second part was related to the involvement of husband and wife in car-purchase decision. Spouses were asked to response on the various question related problem recognition, information search, decider, buyer and user role for the last car purchased by them. A horizontal scale point coded 1 for 'wife decides', 2 for 'husband decides' and 3 for 'jointly decides' was used for questioning spouse (Davis, 1971; Green, Verhage, and Cunningham, 1983). Here using wife decides as first option and husband second is to eliminate biasness of respondents while answering. Selection of car as a research product has a good reason as its importance in daily life of an individual and involvement of considerably high monetary expenditure after house purchase decision. Longer duration of possession and social

image formation leads car purchase decision as an important decision for any household.

Tools of Data Analysis

The data collected for the present study was analysed with the help of percentage to know overall involvement of husband-wife. Although, the chi-square test was used to explore the difference within husband and wife response. For hypothesis testing various decision-making roles are the Dependent variable and Gender of Spouse is the Independent variable for the analysis. Correlation coefficient was used to assess the relationship between various decisions. For ascertain the dimension of purchase decision role the McQuitty clustering technique were performed on the responses.

Limitations of the Study

It is essential to indicate the limitations of the present study which, in turn, are the basis for future research lines. The survey method may be insufficient to study both the couple's decision-making process and the degree of influence of each spouse. Complementing this research with qualitative techniques and face-to-face surveys could improve results and the depth of the information obtained. The multitrait–multi method matrix can be present a clearer picture of involvement of spouses (Davis, 1971). Analyses were limited to the examination of bi-variate relationships. Therefore, replication and extension of the current study among both members of a family over a wider range of products by employing the multitrait – multi method matrix should remain as future research priorities.

Husband-Wife Involvement in Purchase Decisions

Wives' Perception

The responses obtained from the twelve questions related to husband-wife's involvement in the car purchase decision, as perceived by wives is summarised in **Table 3**. For getting in depth insight on involvement diversified questions were asked for every decision-making role.

Table 3
Husband-Wife Involvement in Car-Purchase Decisions (as Perceived by Wife)

Buying Role	Decider(n=300)					
	Wife		Husband		Both	
	Number	Per cent	Number	Per cent	Number	Per cent
Need Recognition	47	15.7	150	50.0	103	34.3
Information seeker	50	16.7	200	66.7	50	16.7
Consulting the reference group	36	12.0	168	56.0	96	32.0
Deciding time of purchase	53	17.7	159	53.0	88	29.3
Deciding on brand	25	8.3	146	48.7	129	43.0
Deciding on Colour	83	27.7	80	26.7	137	45.7
Deciding on Design	54	18.0	135	45.0	111	37.0
Deciding on Budget	27	9.0	177	59.0	96	32.0
Deciding on mode of payment	18	6.0	224	74.7	58	19.3

Deciding on place of purchase	4	1.3	220	73.3	76	25.3
Actual Buyer	14	4.7	195	65.0	91	30.3
User of the Car	9	3.0	65	21.7	226	75.3

As shown in the table, the responses of wives which show the husband dominance in various decision roles for car-purchase. However, higher joint decision-making have also noticed in user of the car (75 per cent), deciding on brand (43 per cent) and deciding on colour (45 per cent).

Husbands' Perception

The responses for husband-wife's involvement in car purchase decision as perceived by husbands are shown in **Table 4**.

Table 4
Husband-Wife Involvement in Car-Purchase Decisions (as Perceived by Husband)

Buying Role	Decider(n=300)					
	Wife		Husband		Both	
	Number	Per cent	Number	Per cent	Number	Per cent
Need Recognition	19	6.3	162	54.0	119	39.7
Information seeker	18	6.0	234	78.0	48	16.0
Consulting the reference group	16	5.3	186	62.0	98	32.7
Deciding on the time of purchase	37	12.3	155	51.7	108	36.0
Deciding on Brand	9	3.0	199	66.3	92	30.7
Deciding on Colour	91	30.3	70	23.3	139	46.3
Deciding on Design	24	8.0	182	60.7	94	31.3
Deciding on Budget	17	5.7	171	57.0	112	37.3
Deciding on mode of payment	6	2.0	254	84.7	40	13.3
Deciding place of purchase	8	2.7	242	80.7	50	16.7
Actual Buyer	8	2.7	241	80.3	51	17.0
User of the Car	7	2.3	133	44.3	160	53.3

Table 4 reveals the similar results as of **Table 3**. The husbands also considered their high involvement in car purchase decision as ten out of twelve decisions were dominated by them (more than 50 per cent). In a majority of cases, joint decision-making in front on user of the car (53 per cent) and colour decision (46 per cent).

These tables unveil a goodly variation in husband–wife roles in twelve decisions. If we generalize husband and wife roles in purchase decisions in unmitigated, it would be deceit. For example on the basis of present study if anyone wants to know which spouse decides about car purchase then he/she must focus on the various roles played by the husband-wife separately. Most of the roles (eight as stated by wives and ten by husbands) have husband dominance in comparison to his counterpart. On the other hand other decisions (four stated by wives and two by

husbands) husband-wife's involvement was spread over three or two category. Depending upon the above discussion we can conclude variability in decision-making roles is exists.

Test of Association of Husband-Wife's Responses

A chi-square statistics is used to test the statistical significance of observed association in cross-tabulation. It is summarised in **Table 5.**

Table 5
Test of Association of Husband/Wife's Involvement

S.No	Buying decisions	χ^2(df=2) tabulated value=3.841	P values	Hypotheses Accept/ Reject
1	Need Recognition	13.493[a]	<.001	Reject
2	Information seeker	17.763[a]	<.001	Reject
3	Consulting the reference group	8.628[a]	<.05	Reject
4	Deciding time of purchase	*4.936[a]*	*>.05*	*Accept*
5	Deciding on Brand	21.866[a]	<.001	Reject
6	Deciding on Colour	*1.049[a]*	*>.05*	*Accept*
7	Deciding on Design	19.917[a]	<.001	Reject
8	Deciding on Budget	*3.607[a]*	*>.05*	*Accept*
9	Deciding on the mode of payment	11.189[a]	<.05	Reject
10	Deciding on the place of purchase	7.746[a]	<.05	Reject
11	Actual Buyer	17.757[a]	<.001	Reject
12	User of the Car	34.889[a]	<.001	Reject

The P value shows the significant difference between responses of husband and wife. The outcome of the above table reveals that out of all the decisions only three decisions, i.e., (i) Deciding on the time of purchase, (ii) Choice of colour, and, (iii) the Budget has no significant difference between spouses consideration. However, for other nine decision roles hypotheses formulated were rejected which shows there is a significant difference between husband and wife's considerations for their role in car purchase decision-making.

Dimensions of Decision Roles

The confabulation to this juncture has accentuated the flexibility of marital role for car purchase decision. This part of the study is concentrate on the relationship between various roles and then on the basis of their resembling, decision were assemblage. The intention behind this is to identify and portray dimensions of purchase decision roles.

Correlation analysis between different roles in car purchase decision-making based on wife's responses is summarised in **Table 6**.

Table 6
Husband-Wife Involvement in Car Purchase Decisions : Wife's Responses
(Correlation Analysis)

Particulars	1	2	3	4	5	6	7	8	9	10	11	12
1	1											
2	.279**	1										
3	.198	.338**	1									
4	.112	.231**	.111**	1								
5	. 543**	.138*	.139**	.105*	1							
6	.198**	.248**	.119**	.375**	.321**	1						
7	.159**	.274**	.132**	.188**	.313**	.140**	1					
8	.154**	.187	.128	.198**	.163	.118*	.408**	1				
9	.195	.119*	.143	.408**	.199**	.210**	.209**	.400**	1			
10	.180	.114*	.111	.255**	.245**	.119**	.184**	.274**	.276**	1		
11	.140	.132	.151*	.119	.153	.186**	.184**	.296**	.396**	.226**	1	
12	.177**	.136*	.110*	.115**	.139	.054	.162**	.130*	.141	.123	.301**	1

Decision by both spouses score as 3, Decision by Husband score as 2, Decision by Wife score as 1;** means $p<0.01$ or .001; * means $p < 0.05$; No * No Significance

As shown in the table, the correlation between the roles in twelve car purchase decision. The correlation coefficients were reckoned for every decision to other decisions. The result reveals that decision-making roles are positively correlated with each other. The degree of correlation recited by wives is significantly stronger (.543 to .105)

Based on the husband's responses', correlation analysis between involvements of husband-wives in car purchase decisions is shown in **Table 7**.

Table 7
Husband/Wife's Involvement in Car-Purchase Decisions : Husband's Responses
(Correlation Analysis)

Particulars	1	2	3	4	5	6	7	8	9	10	11	12
1	1											
2	.111	1										
3	.283**	.287**	1									
4	.253**	.143	.162**	1								
5	.356**	.195**	.193**	.294**	1							
6	.144*	.109**	.132*	.158**	.324**	1	.					
7	.220**	.098*	.216**	.258**	.333**	.301**	1					
8	.278**	.108*	.242**	.298**	.281**	.201**	.347**	1				
9	.100	.117**	. 246**	.312**	.185**	.250**	.169**	.360**	1			
10	.162**	.101*	.121**	.221**	.210**	.155**	.140*	.146	.197**	1		
11	.170**	.118*	.132**	.159	.235**	.156	.122*	.254**	.249**	.400**	1	
12	.228**	.114*	. 118*	.167**	.260**	.117*	.161**	.144*	.125*	.302**	.351**	1

Decision by both spouses score as 3, Decision by Husband score as 2, Decision by Wife score as 1;** means $p<0.01$ or .001; * means $p < 0.05$; No * No Significance

Table 7 divulges the same pattern as wives responses. The triangle exhibits the correlation between relative clouts in twelve car purchase decisions. The result divulges that husband-wife's roles in car purchase decision-making are positively correlated. The degree of correlation for husband's response is moderately low (400 to .098) in comparison to their counterpart. Albeit variations are depict in the range of correlation coefficient.

In addition to sketch the copasetic dimension of decision roles for car purchase decisions both correlation matrixes were assayed with the help of the McQuitty Clustering Technique. In this clustering technique decisions are grouped into pairs so that correlation coefficients between pair are high in that cluster, on the other hand correlation between different clusters' decision are low. Firstly, the two decisions having highest correlation are grouped and after that the correlation between this new bi-decision cluster and each of the remaining decision is assessed. Because of this feature matrix is abridged. Now this is repeatedly applied as many times as there are columns in matrix. Decisions having highest correlation coefficients are paired, is the basis for beginning. According to the McQuitty the correlation between two final clusters are lowest coefficient.

The Outcome of the McQuitty Cluster analysis based on wife's responses is shown through the pictorial presentation as in **Figure 1**.

Figure 1

Clustering of Roles based on Wives' Response
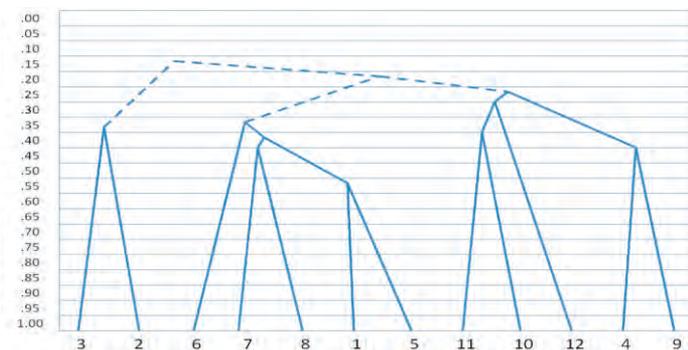
As shown in the diagram, the clustering of various decisions. From the wife's responses (**Figure 1**) nine clusters of decisions are apparent. X axis of the graph has various automobile decisions and Y axis has correlation coefficients values. It is clearly appears from wives response three clusters of decision roles are apparent, one of the cluster contain five decisions- felt need, brand, colour, design and how much to spend. Decision about when, mode of payment, where to buy, actual buyer and user are grouped in second cluster. Lastly, decision regarding information collection and consult to reference group is grouped in a cluster.

The Husband's responses for decision-making roles were clustered and presented with the help of the McQuitty cluster analysis, as shown in **Figure 2.**

Figure 2.

Clustering of Roles based on Husbands' Response
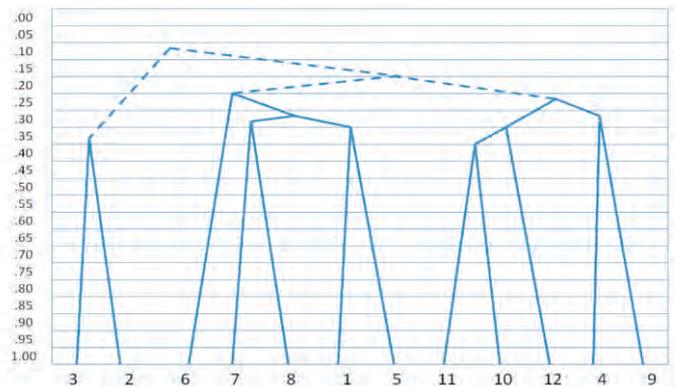
Similar pattern in dimension of decision roles is exhibit from responses of husbands' **(Figure 2)** as wives response. Thus, nature of the decisions is bases for role distinguish-ability which can be reveal in car purchase decisions. The role for decider (brand, colour, design and how much) differs from influences (information collection and consulting to reference group) and buyer (mode, when and actual buyer).

CONCLUSION AND POLICY IMPLICATIONS

While generalisability is limited due to the non-probabilistic nature of the sample, the findings of the present exploratory work do suggest potentially important marketing implications with respect to family purchase decision-making in India. The results of the study lend support to the idea that, in India, there may be less reliance on joint or shared decision-making and more reliance on husband-dominated decision-making. The consistent patterns displayed in studies of Turkey, Vietnam, Holland, Saudi Arab and Japanese couples (Henthorne et al., 1994; Harcar et al. , 2005; Yavas et al. 1994, Green et al. 1983) also present in Indian couples.

Previous research has shown that the family purchasing roles vary by decision stages. The findings of the study again confirm these relationships. For example, Indian women were more dominant on the question of "which colour" in comparison to their counterpart whereas more of a uniform distribution existed on the question of "Who use the car (e.g., Davis and Rigaux, 1974; Woodside and Motes, 1979) which show that spousal influences vary decision type.

Marketers should take into account all decision-making roles. As they can vary from country to country, also the marketing programme should be adjusted to fit role positions in that particular society. Products that are sold with the same strategy in all markets will most probably fail, because of the lack of adjustment and lack of knowledge on which of the spouses play particular roles when purchase a product. Thus, it is advisable for marketers to develop specific marketing strategies (e.g. product, price, promotion, and distribution) that best match the buyer behaviour and family decision-making situations (i.e. husband-dominated; wife-dominated; joint) that are likely to be encountered in markets overseas.

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MENACE OF PLAGIARISM

We have been raising, time and again, a matter of public concern, namely, the menace of plagiarism, which is widespread and has been going unabated. We often receive articles for publication which are either partly or fully copied from others' works, despite the author having given a declaration to the effect that the article is original and an exclusive contribution to our journal, and having submitted a certificate of cessation of copyright in our favour. The dare-devilry is shocking! This is outright deceit and cheating. Amusingly, the practice is not confined to Indian authors; foreign authors are no exception.

We have been facing another problem of somewhat similar nature, involving professional ethics. We spend a lot of efforts, time, and money in reviewing, short-listing, and editing of each article which passes the preliminary scrutiny. When asked to make further revision or to supply some missing information, some of the authors stop communicating with us and submit the paper improved through our efforts to some other journal. They do so despite the fact that they have submitted a declaration that the paper is original and an exclusive contribution to our journal, and shall not be withdrawn at a subsequent stage, unless rejected/permitted by the Editor, and have ceded the copyright in our favour.

It needs no emphasis that plagiarism is not only an unethical practice, particularly in so for as an academician is concerned, it is also a violation of the code of conduct governing the services of University teachers, but also amounts to a criminal offence, under the Copyright Act, 1957 (which certainly does not grant us a 'right to copy!'). Any infringement of copyright under the Act is an offence, punishable with imprisonment for a minimum period of six months, extendable up to three years, and a fine, ranging from Rs. 50,000 to Rs 2 lakhs.

It is worthwhile to caution such unscrupulous people. Many people have already faced disciplinary action leading to their dismissal from service. These include teachers at all levels – lecturers, associate professors, professors (including one in a top Central university, one in a top IIM, and one in a State university), and one Vice-Chancellor of a State university. Recently, a Vice-Chancellor of a reputed Central university had to face imprisonment.

Writing an article is a demanding as well as a rewarding task. Those looking for an unearned reward are surely inviting trouble.

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- Editor

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ASSESSING THE IMPACT OF SELECT EXOGENOUS FACTORS ON ENERGY SPOT AND FUTURE
Evidence from Multi-commodity Exchange of India

Saif Siddiqui* and Arushi Gaur**

Abstract

Change in crude oil prices due to foreign exchange variation can affect Indian economy and make it volatile. This change largely affected India and China as these countries were the largest oil consumption countries in the world. This change may affect the investment pattern of many companies, which, in turn, impinges upon the stock market. It also leads to a decline in corporate margins and influence investments in stock market. Keeping in view this important relationship, we examine the impact of foreign exchange and stock prices on energy prices.

To analyse the energy spot and future, prices were taken for the period from 01/01/2008 to 31/12/2015. Nifty spot price and exchange rate of the US dollar and the Indian rupee were taken for the same period. Various statistical models, including GMM and GARCH family models were used. The study has revealed that there is a long-term association among the variables and these are correlated with each other. The exchange rate does matter in forecasting commodity prices. Moreover, there is continuous persistence of volatility in all the indices under study.

INTRODUCTION

Multi-Commodity Exchange of India Limited (MCX) is India's first listed commodity exchange, with permanent recognition from the Government of India. Set up on September 26, 2003, under the Forward Contract Act, 1952, it is a leading commodity future exchange, having 80.55 per cent market share in terms of value of future contract traded.

The energy market consists of various commodities, such as brent crude oil, aviation turbine fuel, crude oil, gasoline, heating oil, and natural gas. The most active trading product/commodity on the MCX, in terms of volume, is crude oil mini, and in terms of value crude oil.

The study by the Bank of America and Merrill Lynch showed that when there is a drop of more than twenty per cent in Brent crude prices in three months, the sensex gave positive returns, nine out of twelve times in the following three months. They deduced that the correlation between the Indian

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equities and crude prices in the long run is minus 87 per cent. The same has been identified by Giamouridis and Tamvakis (2001), that the relation between return and volatility in the commodity markets is the inverse of what is observed in the stock markets at one point of time.

According to the data available from the Petroleum Planning and Analysis Cell (PPAC), of the Union Ministry of Petroleum and Natural Gas, the Government of India imported 189.4 million tonnes of crude oil in 2014-15 for Rs. 6.87 lakh crore. For the fiscal year 2015-16, the projected imports are 188.23 million tons. A $1 per barrel, change in crude price impacts the net import bill by Rs. 3,513 crore or $0.54 billion. Similarly, Rupee one variation in exchange rate impacts the import bill by Rs. 2,972 crore ($0.46 billion). Change in crude oil prices due to foreign exchange variation can affect Indian economy and makes it volatile. This change may affect the investment pattern of many companies, which in turn impinge upon the stock market. It also leads to a decline in corporate margins and influence investments in stock markets.

Keeping in view this important relationship, we seek to examine the impact of movement of rupee-dollar exchange rates and of Indian stock market on energy products.

REVIEW OF LITERATURE

The review of related studies is divided into two categories.

Commodities and GARCH Modeling

Beck (2001) worked on the prices of 20 commodities. It was noted that ARCH term was significant in storable commodity whereas it is not significant in non-storable commodity. But price variance changes had no significant impact on price. Fong and See (2002) analysed the conditional variance of futures returns of the Goldman Sachs Commodity Index (GSCI) during

the period of 1992–1997. The result showed a regime shifts in conditional mean and volatility.

Giot (2003) used agricultural commodity markets traded on New York Board of Trade to compare lagged implied volatility to the GARCH models of conditional volatility. The results proved that implied volatility for options on future contracts in agricultural commodity markets provides significant volatility information that can be used as an input to Value at Risk (VaR) models. Reitz and Westerhoff (2007) proposed a commodity market model with heterogeneous speculators. Data for the period of 1973-2003 was used for various commodities, like cotton, sugar or zinc. The STAR-GARCH model indicates that their influence positively depends on the distance between the price of commodity and its long-run equilibrium.

Ghosh (2011) employed the GARCH and the EGARCH models to examine the impact of oil price shocks on exchange rate during the period of July 2, 2007 to November 28, 2008. The result revealed that increase in oil prices leads to the depreciation of Indian currency vis-à-vis US dollar.

Vivian and Wohar (2012) used the GARCH (1, 1) model to examine the structural breaks in commodity spot return. There was a limited evidence of the commodity volatility breaks during the financial crisis, which depicts commodity return volatility was not exceptionally high during the financial crisis compared to the 1985–2010 sample period as a whole. The results are consistent with the view that commodities are too diverse to be considered as an asset class, as their persistence remains very high for many commodity returns even after the structural breaks are accounted for.

Ji and Fan (2012) assessed the impact of crude oil on non-energy markets considering the time of 2008 financial crises. They examined price and volatility spillover using the bi-variate EGARCH model. Significant volatility spillover effect was there of crude oil on non-energy commodity market.

The study conducted by Kin and Courage (2014) pertained to oil prices and nominal exchange rate for the period of 1994 to 2012. The GARCH model was used for the study. The study revealed that oil prices affect the Nominal Exchange Rate. Siddiqui and Siddiqui (2015) sought to examine the leverage and volatility effect of spot and future indices. They conducted GARCH, EGARCH, and CGARCH models on the Indian Multi-Commodity Exchange (MCX for the period of November 1, 2005 – March 31, 2015. It was proved that there is a high persistence of volatility among the indices whereas; Leverage effect is there in Energy spot, Agricultural spot and metal future.

Creti, Joëts and Mignon (2013) sought to find out the linkages between price returns for 25 commodities and stocks during the period January 2001–November 2011. GARCH (DCC) model was applied. As per the result, there is a correlation between commodity market and stock market. Stock Market also evolves as highly volatile, since the financial crises of 2007-2008.

Commodities and Long-term Relationship

Yang, Balyeat and Leatham (2005) investigated the lead-lag relationship for the period of January 1, 1992–December 31, 2001 among cash price volatility and future trading activity for major agricultural commodities. Granger causality test and generalized forecast error variance decompositions revealed that the increase in future trading volume causes a rise in cash price volatility for most commodities whereas there is a weak causal feedback between open interest and cash price volatility. Bekiros and Diks (2008) used the data of October 1991–October 1999 and November 1999 – October 2007 to compare linear and non-linear causal linkages between daily spot and future prices for maturities of one, two, three, and four months of West Texas Intermediate (WTI) Crude oil.

Sieczka and Hołyst (2009) used the data for the period of September 1, 1998 – December 12, 2007,

to examine the dependencies in commodity market and also investigating correlations of future contracts of commodities. They constructed a correlation matrix which helped in providing the evidence for sector clusterisation of investigated contract. The result concluded that during investigated period, market was more correlated . Although the increase of correlation was distributed non-uniformly among all contracts and depended on contracts branches.

Geman and Shih (2009) studied the commodity markets in the last decade, together with the growth of world consumption over the period 2000-2007. They used Constant Elasticity of Variance (CEV) model for commodity prices and examines its calibration to four strategic commodity trajectory prices over the period 1990-2007 by using a Generalized Method of Moments (GMM). Other six models are compared to the CEV model by performing a test of goodness-of-fit. Estimating the model for crude oil, coal, copper, and gold and comparing the results during the sub-periods 1990-1999 and 2000-2007. The result shows that the constant elasticity of variance exponent can efficiently account for the stochastic volatility after 2000 in commodity prices.

Behera, Seshaiah and Seshaiah (2009) used the BSE stock price index for the period January 1991 to December 2007 for their study. They applied the Engel granger and co-integration tests. VECM and Variance de-composition tests were applied to investigate whether exchange rate and prices of crude oil have an impact on Indian Stock market or not. The results proved that the variables are co-integrated, and have a direct long-run equilibrium relation. The results also revealed that the stock market prices are influenced by oil and exchange rate, at lag-50 whereas stock market prices are influenced by exchange rate only at lag-25.

Szakmary, Shen, and Sharma (2010) used a monthly data of 48 years for 28 markets, to check the performance of trends in commodity future markets. The result concluded that all parameters of the dual moving average cross-over and channel strategies that they implemented yield positive

mean excess returns net of transactions costs in at least 22 of the 28 markets. These results are robust with respect to the set of commodities the trading rules are implemented with, distributional assumptions, data-mining adjustments and transactions costs.

Narayan and Narayan (2010) used the data for the period 2000-2008, to examine the impact of oil prices on Vietnam's stock price using co-integration mode. Nominal exchange rate was included as an additional determinant of stock prices. It was found that stock prices, oil prices and nominal exchange rates are co-integrated and oil prices have a positive and significant impact on stock prices. Nazlioglu and Soytas (2011) used World oil prices, Lira–Dollar Exchange Rate (LDER) and agricultural commodity prices (wheat, maize, cotton, soybean etc.) in Turkey to examine the short-run and long-run interdependence between them. Data from January 1994 to March 2010 was taken into consideration. The Turkish agricultural prices do not significantly react to oil price and exchange rate shocks in short run. The result of long run causality revealed the changes in oil prices and appreciation or depreciation of the Turkish lira are not transmitted to agricultural commodity prices in Turkey.

Du, Yu and Hayes (2011) applied the stochastic volatility model on the future prices of crude oil, corn, and wheat during the period of November 1998 to January 2009. The Bayesian Markov Chain Monte Carlo (BMCMC) method is used for estimating the parameters. Speculation, scalping and petroleum inventories are found to be important in explaining crude oil price volatility. Stochastic volatility models were applied to weekly crude oil, corn, and wheat futures prices for a period of November 1998 to January 2009. Model parameters are estimated using the (BMCMC) methods. Speculation, scalping, and petroleum inventories are found to be important in explaining the volatility of crude oil prices. Several properties of crude oil price dynamics are established, including mean-reversion, an asymmetry between returns and volatility, volatility clustering, and infrequent compound jumps.

Siddiqui and Seth (2011) used the data from January 2010 to December 2014 to investigate the relationship between the global oil prices and the NSE stock exchange price. They applied VAR model of co-integration. The result proved that there is no long-term integration between oil prices and exchange rate prices. Sanders and Irwin (2012) examined the U.S. commodity future investment over 5 decades. They concluded that returns to individual futures markets are zero, and the returns to future markets portfolios depend critically on portfolio weighting schemes. Returns from portfolio were not statistically different from zero and are driven by price episodes such as that of 1972-1974. Whereas in other periods, portfolio returns are zero or negative.

Berk and Aydogan (2012) examined the variations in the price of crude oil on the stock market returns of Turky. Vector Auto Regressive (VAR) model was employed on daily prices of Brent Crude oil and Istanbul Stock Exchange National Index (ISE-100) for the period of January 2, 1990 to November 1 2011. The results revealed the empirical evidence of crude oil price shocks in Turkish stock market. Demarche (2012) tried to find out whether the change in international oil price affects Nigerian Exchange rate during the period of January 1970 to May 2011. Structural Vector Auto Regression Model (SVAR) was applied. The result revealed that there is a increase in money supply in domestic market due to an increase in oil.

Beckmann and Czudaj (2013) adopted a non-linear smooth transition approach to find out the relationship between prices for first and second nearby futures contracts of seven agricultural commodities. The study revealed that a linear framework neglects important dynamics, as futures prices adjust only under specific circumstances, and that the predictive power of the futures spread is much stronger during backwardation regimes. Aghaei, Shirkavand, Mohammadi (2013) studied the correlation of global gold prices, crude oil prices and foreign exchange rate, with Tehran Stock

Price indices. Daily data for the period of January 1, 2002 to January 1, 2012 was considered. The GARCH, ADF Unit Root, DF-GLS, Granger Causality test, and the Johansen Co-integration Test were conducted. The results revealed that negative correlation exists between the price index of Tehran Stock Exchange and Global gold prices. On the other hand, positive correlation existed between Tehran Stock Exchange prices, Foreign Exchange, and Crude oil prices. The study conducted by Bhunia (2013) revealed the co-integration among Indian crude oil prices, Gold prices and Exchange rates. ADF Unit Root, Johansen Co-integration, Granger Causality test was used on a period from January 2, 1991–October 31, 2012. As per Co-integration test, long-run relationship was there among the variables whereas according to the Granger test there was bi-directional no causality among the variables. Batac and Tatlonghar (2013) conducteda study in Philippine, to examine the impact of change in Peso–Dollar exchange rate, crude oil prices and money supply on Philippine Stock Market. Auto Regressive Distributed Lag, Johansen Co-integration Test, and Granger Causality Test were conducted on quarterly data of the years 1992 to 2010. According to Co-integration test, there is a long-run equilibrium relationship between PESI and other variables whereas Granger Causality Test depicts the presence of a unidirectional causality from the Peso-Dollar exchange rates to the PESI. Hidhayathulla and Rafee (2014) studied the affect of oil price on INR-USD exchange rate for the period of 1972-2013. They applied Multiple Linear Regression Model (MLRM) and the result of the test proved that the import of crude oil prices continued to affect with the increase in the crude oil future prices.

Research Gap

Although many studies have been conducted so far, very few sought to depict a combined effect of the energy price index, stock prices, and foreign exchange movements. Apart from this, none involves any advanced model, like the GMM. The present study is intended to fill the research gap in this important area of business.

OBJECTIVES OF THE STUDY

The study has the following objectives:

1. To ascertain the nature of long-run relationship among the energy price, stock return, and the exchange-rate movements.

2. To assess the direction of causality between the energy price, stock return, and exchange- rate movements;

3. To model the returns of energy, spot, and future components, vis-à-vis, the stock return and the exchange rate; and

4. To forecast the volatility in the energy price, stock return, and the exchange rate.

Research Hypotheses

In order to meet the objectives, the following Null Hypotheses were formulated:

H_{01} : There is no long-run relationship among the energy price, stock return, and the exchange rate movements.

H_{02} : There is no causality between these variables.

H_{03} : There is no significant impact of stock returns and the exchange rate on the energy spot and the future markets.

H_{04} : There is no volatility persistence in the stock returns and the exchange rate on the energy spot and future markets.

DATA ANALYSIS AND FINDINGS

Energy spot and future prices are taken from the website of MCX for the period of 01/01/2008 to 31/12/2015. Exchange rates (USD and INR) are taken from the official website of the Reserve Bank

of India for the same period. In this study, Nifty Spot price is taken from official website of the National Stock Exchange for the same period. The study employs various statistical models of time series analysis, like, the Unit root test, Correlation test, Johansen Co-integration test, Granger model, GMM, and the GARCH family models. **Table 1** describes the indices under Study.

Table 1
Indices used in the Study

S. No	Indices	Symbol	Log-differenced
1	Energy Spot	ES	DES or d_{es}
2	Energy Future	EF	DEF or d_{ef}
3	Nifty Spot	NS	DNS or d_{ns}
4	Foreign Exchange	FE	DFE or d_{fe}

Descriptive Statistics

Descriptive statistics helps in describing the main features of the variables. It summarises a sample's details and helps in providing the basic features of the variables. We have taken Energy Future, Energy Spot, Nifty Spot and Foreign Exchange Rate between Rupees and Dollars. The results of the descriptive statistics are shown in **Table 2.**

Table 2
Descriptive Statistics

	DEF	DES	DFE	DNS
Mean	-0.000108	-0.000116	0.000213	0.000153
Median	0.000298	0.000011	0.000002	0.000001
Maximum	0.076225	0.14979	0.0402	0.197068
Minimum	-0.078006	-0.185883	-0.030065	-0.271329
Std. Dev.	0.01601	0.01995	0.00527	0.01639
Skewness	-0.144953	-0.179769	0.259639	-0.720448
Kurtosis	5.827468	12.52882	7.953425	59.2646
Jarque-Bera	730.7787	8225.173	2243.916	286552.2
Probability	0.00	0.00	0.00	0.00
Observations	2321	2321	2321	2321

Descriptive statistics means describing the data in quantitative terms. It summaries the sample and the observation we have made. Here, there are 8684 observations (2321*4) of Energy Spot, Energy Future, Foreign Exchange and Nifty Spot. The foreign exchange is least volatile as compared to other variables as the standard deviation is least with 5.27 per cent and Energy Spot is considered to be highest volatile, as its standard deviation is 19.95 per cent. Skewness is a measure of the asymmetry of the probability distribution of the variables. Here, foreign exchange is positively skewed which shows lower probability of high increase in return. The Jarque- Bera test is used to check the normality of the distribution. Hypothesis of normality is rejected here, in all the cases.

Correlation Test

In statistical terms, correlation is a measure of how two variables move in relation with each other. The correlation among Energy Future, Energy Spot, Nifty Spot, Foreign exchange is summarised in **Table 3.**

Table 3
Correlation Test

	DEF	DES	DFE	DNS
DEF	1	0.330261	0.028156	0.03924
DES	0.330261	1	0.020178	0.049554
DFE	0.028156	0.020178	1	-0.20412
DNS	0.03924	0.049554	-0.20412	1

Correlation is a statistical tool which measures the fluctuations between two or more variables. The value of correlation can be either positive or negative. There is a positive correlation, when an increase in one variable, increases the other variable. Here, values of correlation are ranging from -0.20412 to 1, which means they are negatively and positively correlated with each other.

Unit Root Test

This test is used for testing, whether the variables of time series are stationary or non-stationary by using an auto regressive model. It is used for large samples, which uses the existence of a unit root as a null hypothesis. It tests whether a unit root is present in an auto regressive model or not

Table 4
Augmented Dickey-Fuller Test (ADF Test)

	Level			First difference		
Symbol	Lag length	ADF statistics	P-value	Lag length	ADF statistics	P-value
EF	1	-1.284044	0.6391	0	-45.37853	0.0001
ES	1	-1.410241	0.5787	0	-46.81722	0.0001
NS	1	-0.294516	0.9233	0	-46.33590	0.0001
FE	1	-1.009273	0.7520	0	-47.07052	0.0001

Exogenous: Constant, Lag Length: Automatic based on SIC, MAXLAG=25

*MacKinnon (1996) one-sided p-values.

Deterministic Terms: Intercept

In **Table 4**, the null hypothesis is strongly accepted at level, as the values of probability are more than 5 per cent for all variables which means, all the variables have unit root or in other words, all the indices, i.e. Energy future, Energy spot, Nifty spot, Foreign exchange are non-stationary at level, but after first differentiation all variables become stationary.

Johansen Co-integration Test

Co-integration is a statistical property of the time-series variables. It is the test for co-integration that allows for more than one co-integrating relationship in large samples. Here, there are two statistics, i.e. Trace and Maximum Eigen values which determine the number of equations and shows the existence and non existence of co-integration.

Table 5 (a)
Johansen Co-integration Test
Unrestricted Co-integration Rank Test (Trace)
Series: EF, ES, NS and FE

Hypothesised No. of CE(s)	Eigen value	Trace Statistic	0.05 Critical value	Prob.**
None*	0.066257	165.1294	47.85613	0.0000
At most 1	0.006215	16.57278	29.79707	0.6714
At most 2	0.001407	3.062351	15.49471	0.9640
At most 3	4.79E-06	0.010378	3.841466	0.9186

Trace test indicates 1 co-integrating equation (s) at the 0.05 level

* Denotes rejection of the hypothesis at the 0.05 level

** MacKinnon-Haug-Michelis (1999) p-values

Table 5 (b)
Johansen Co-integration Test
Unrestricted Co-integration Rank Test **(Maximum Eigen value)**

Hypothesized No. of CE(s)	Eigen value	Maximum Eigen value Statistic	0.05 Critical value	Prob.**
None*	0.066257	148.5566	27.58434	0.0001
At most 1	0.006215	13.51043	21.13162	0.4064
At most 2	0.001407	3.051973	14.26460	0.9432
At most 3	4.7E-06	0.010378	3.841466	0.9186

Max-Eigen value test indicates 1 co-integrating equation(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

** Max-Eigen value-Haug-Michelis(1999) p-values

Table 5 (a) shows the result of Trace statistics. Here, starting with null hypothesis that there is no equation(r=0), showing co-integration among the variables, the trace test statistic (165.1294) is more than its critical value, i.e. (47.85613) and the value of probability is 0.0000 which is less than 5 per cent. Thus, the hypothesis is rejected and indicates that there is a co-integration equation.

Here, with Maximum Eigen value Test, the result are same at null hypothesis at (r-=0), the critical value (27.58434) is less than 148.5566 and the value of probability is 0.0001 which is less than 5

per cent; thus, the null hypothesis is rejected and concluded that there is one co- integrated equation. Whereas this test has examined with null that there is at most one co-integrated equation showing that there is no co-integration equation.

GMM Estimation

In order to estimate this model, the Generalized Method of Moments (GMM) estimation was used. In order to verify the robustness of our results, we provide estimates based on methodology, i.e., GMM.

Simultaneous Equations

$$d_{ef} = \alpha + \beta1 * d_{es} + \beta2 * d_{fe} + \beta3 * d_{ns}$$

$$d_{es} = \gamma + \beta4 * d_{ef} + \beta5 * d_{fe} + \beta6 * d_{ns}$$

The results obtained are summarised in **Table 6**

<div align="center">

Table 6
Estimation Method: Generalized Method of Moment

</div>

	Dependent	Coefficient	Std. Error	t- Statistic	Prob.
	d_{ef}	-0.000267	0.001044	-0.256280	0.7977
β_1		-0.255197	0.013194	-19.34211	0.0000
β_2		-1.678820	0.139252	-12.05599	0.0000
β_3		2.881330	0.156442	18.41787	0.0000
	d_{es}	-0.001048	0.004085	-0.256636	0.7975
β_4		-3.921155	0.226540	-17.30890	0.0000
β_5		-6.600212	0.582896	-11.32315	0.0000
β_6		11.30637	0.201375	56.14576	0.0000

Table 6 is based on GMM, which shows some variables are insignificant while others are significant. Here $\beta1$ represents coefficient of energy spot, $\beta2$ represents coefficient of foreign exchange, $\beta3$ represents coefficient of Nifty spot, $\beta4$ represents coefficient of energy future, $\beta5$ coefficient of foreign exchange, and $\beta6$ represents Nifty spot. Here, in case of Energy Future, coefficient of energy spot ($\beta1$), coefficient of foreign exchange ($\beta2$), coefficient of nifty spot ($\beta3$) are significant, whereas in the case of Energy Spot, coefficient of energy future ($\beta4$), coefficient of foreign exchange ($\beta5$), and coefficient of nifty spot ($\beta6$) are significant.

GARCH MODEL

The GARCH model is used to explain the future variance while taking the past variances into the consideration as stated by Bollerslev T (1986). The results of the GARCH and the EGARCH model, reflected by the mean and variance equation are presented in **Table 7.**

<div align="center">

Table 7
Results of conditional Volatility equation

</div>

	DES	DEF
GARCH		
C	0.000312 (0.3089)	0.000237(0.3851)
Variance Equation		
C	3.34E-06 (0.0001)	1.36E-06(0.0001)
α	0.061439 (0.0000)	0.036354 (0.0000)
β	0.931012 (0.0000)	0.958348 (0.0000)
DFE	0.000387 (0.2261)	0.000583 (0.0001)
DNS	-0.000875 (0.0000)	-0.000407 (0.0000)

	DES	DEF
	EGARCH	
C	5.19E-05 (0.8672)	0.000149 (0.5640)
	Variance Equation	
C	-0.090824 (0.0000)	-0.121154 (0.0000)
α	0.071549 (0.0000)	0.072963 (0.0000)
β	-0.029793 (0.0000)	-0.018225 (0.0005)
Φ	0.995018 (0.0000)	0.992198 (0.0000)
DFE	3.752350 (0.0003)	6.297614 (0.0000)
DNS	-2.004701 (0.0000)	-2.020531 (0.0000)

In the table, (α) indicates the ARCH affect and, (β) indicates the GARCH affect. In case of Energy Spot, the value of probability of the GARCH Co-efficient (β) is 0.0000, which is less than the critical value (0.05). This shows that the GARCH is significant for Energy Spot. It means that the past deviation in values can affect the values in future. Similarly, values of probability of the GARCH coefficient (β) are less than 5 per cent for the Energy future, Nifty spot, and the Foreign exchange. Thus, the GARCH is significant for these indices also.

It can be seen in the E-GARCH Variance equation, that the φ parameter is significant, but positive. It implies that the impact of negative news is more than the impact of positive news.

CONCLUSION

The study is a continuation of research on the issue of inter-relation and inter-dependency between the Energy prices, Stock prices and the Exchange rates, through the Descriptive statistics, Pearson's co-relation, Unit root test, Johansen's Co-integration test, GMM, and the GARCH

The key findings of the study are the results of the ADF, which showed that the Energy spot, Energy future, Nifty spot and the Exchange rate are non stationary at level and after first differentiation; all the variables have become stationary. The results

suggest that the indices move together in a long-run or in other words, there is a long-term association among the indices. Results further reveal that the cause and effect relationship exists among the returns of the indices under study. The correlation test concluded that all the indices are correlated with each other, either positively or negatively. The results of the GARCH indicate high persistence of volatility. News sensitivity has also been observed. The Energy spot, Energy future, Nifty spot and foreign exchange shows high news sensitivity as well as volatility persistence is high. The EGARCH model indicates that there is leverage effect in Energy spot, Energy future.

The null hypotheses (H_{01}) states, that there is no long-run relationship among energy price, stock return and the exchange rate movements is rejected as it is proved that there exists a long-run relationship among the indices. Further, H_{02} states, that there is no causality between these selected variables, is rejected because it is also proved that there is a cause and effect relationship among the returns of the indices. H_{03} that there is no significant impact of stock returns and exchange rate on energy spot and future markets is also rejected. Lastly, H_{04} that there is no volatility persistence in stock returns and exchange rate on energy spot and future markets, is also rejected as GARCH test proved a high persistence of volatility among the indices.

Policy Implications

This study will be helpful to investors in taking a better decision for investing in the commodity market. It will also help them in analyzing the long-run relationship among the stock market, commodity market and the exchange rate, as well as in knowing the volatility among the indices.

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Words are timeless. You should utter them or write them with knowledge of their timelessness.

Kahil Gibran
Mystic, poet, and artist (1883-1931)

ASSESSING COMPLAINANTS' PERCEPTION OF CONSUMER GRIEVANCE REDRESSAL MECHANISM UNDER CONSUMER PROTECTION ACT

S K Sinha* Ravi Kumar Gupta** and Ishwar Mittal***

Abstract

The study seeks to assess the perception of complainants towards consumer grievance redressal under the Consumer Protection Act in the Haryana State. Descriptive Research design was adopted for the study. The unit of sample was individual complainants who filed complaints at District Consumer Disputes Redressal Forums. The sample consisted of 50 complainants. Convenience-cum-purposive sampling technique was adopted for selecting the respondents. Questionnaire was used for collecting the primary data. Various statistical tools and techniques, viz., averages, ratios, standard deviation, the Pearson Chi-Square test, one sample t-test, Chi-Square Goodness-of-Fit Test, and the Karl Pearson Co-efficient of Correlation were used to analyse the data. The study revealed that even consumers had to hire advocates to file cases at the consumer forums, even though they did not desire to engage advocates. It was observed that consumers opposed the engagement of advocate because they demanded heavy fees and unnecessarily delayed the proceedings of the consumer forum by taking adjournments. Some consumers defended the appointment of an advocate because; they felt that he can defend the case effectively, particularly when the opposite party always did that. The logic seemed to be justified as a normal consumer is not that capable to argue against the seasoned lawyer. This tendency was found more prevalent among rural and poorly-educated consumers. Majority of complainants favored the setting of establishing the consumer forums at sub-division level. The study has implications for policymakers to enhance the effectiveness of the amended Consumer Protection Act to improve the quality of justice to consumers.

Key words: *Complainant, Consumer Forum, Consumer perception, Consumer grievances.*

INTRODUCTION

Consumer is a person who buys any goods or hires any services for a consideration. But a person who obtains such goods for resale or for any commercial purposes will not be a consumer. Under the Consumer Protection Act (CPA), 1986, three-tier quasi-judicial consumer dispute redressal machinery was established at the district, state and national levels. These agencies are popularly known as Consumer Forums or Consumer Courts. According to Section 2 (b) of the CPA, an aggrieved consumer has the right to seek redressal of his grievances at these agencies by making a

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complainant before the consumer forum directly by self, or through any consumer organizations or advocates. It requires awareness on the part of consumers to take advantage from benevolent positions. Procedure is simple and consumer friendly. The Study seeks to assess the complainants' perception of the consumer dispute redressal mechanism under the CPA.

REVIEW OF LITERATURE

Various studies have been conducted by scholars on different aspects of functioning of the consumer courts. Some of the significant studies conducted on various aspects of consumer protection are reviewed here.

Singh and Balachandran (1994) conducted a study on the effectiveness of the implementation of CPA, 1986, as amended in 1993. Two districts from each of the following 4 states, namely, Andhra Pradesh, Madhya Pradesh, Uttar Pradesh and West Bengal were selected. It was found that the majority of the consumers, both in urban and rural areas, have not filed any case under the Act, mainly due to the lack of awareness of their rights and remedies available. Awareness about the Act and redressal agencies varied positively with the increase in the income and literacy level of the consumers. Absence of proper guidance and assistance from voluntary organisations in filing complaints and the fear of exploitation by advocates were also mentioned as some of the reasons for not approaching the Consumer courts.

Rabi Narayan Kar (1995) concluded a comparative study on the working of Delhi and Dhankanal district forums. He observed that the rate of case disposal was tardy and backlog of the cases was on the increase. He suggested, inter alia, wider participation of consumer associations in the forums. Further, he also emphasized on imparting of consumer education by the government. The study had its limitations for being confined to the

district forums of Delhi and Dhankanal.

Giram and Savarkar (1996) conducted a study in Marathwada region of Maharashtra State. He found that a majority of the respondents i.e., 51.33 per cent were totally ignorant of the CPA's measures. 49.12 per cent of the respondents were unaware of the District Forum's set-up under the Act. 54.38 per cent of the respondents did not know how to file a complaint. It has also been observed that 36.84 per cent respondents did not insist on a purchase receipt. The dissatisfied consumers did not file any complaint before any District Forums because of lack of awareness about the CPA's provisions.

M.K. Jain (1999) studied the working on the functioning of 5 district forums of Haryana, taking the data for the year 1993-1997. He suggested that frequent adjournments must be discouraged to achieve the purpose of justice. He further suggested the establishment of consumer forums at sub-division level by amending CPA for speedy disposal of cases and justice at the doorstep. For de-politicisation of consumer forums, he advocated to include one member from registered consumer organisations in operation for more than 10 years. Moreover, many suggestions were made regarding staffing, infrastructure, library, consumer awareness campaign, and research.

S. Bhashyam's (2000) study on the working of District Forums in Andhra Pradesh revealed that among the urban respondents, only 82 per cent were aware about the provisions of the CPA. Among the 295 rural respondents, 68 per cent were found to be aware about the Act and 32 per cent of them were found to be aware of their rights as consumers. The respondents from very low income group got to know about the CPA from the television, people from the middle- income and the high-income group got the relevant information from newspapers and magazines. Among the illiterate groups, 50 per cent people come to know about the Act through radio, neighbours and friends.

M.P. Panta (2001) examined the functioning of the District Consumer Forums of Nellore and Ranga Reddy district and the State Commission *of Andhra Pradesh.* Contrary to common belief, the multiple regression analysis showed that the bribe can influence the court's decision. The effectiveness of forums is purely based on the case facts and not on the engagement of lawyers by the complainant, or by the educational background of the complainant. It was found in the study that several cases were dismissed by the district forums not because of filed case being out of the purview of the CPA, but simply because the case was of complex nature or it needed a detailed investigation making it impossible to provide redressal within the time limit. Majority of consumers stressed the importance of consumer awareness programmes and the establishment of local level consumer forums. On lawyers' issue, majority of the lawyers expressed that involvement of lawyers is advantageous to the consumers, particularly when there is a complication involved due to lack of knowledge.

The study conducted by Sivaprakasam and Rajamohan (2001) sought to assess the awareness and attitude of rural and urban consumers and to appraise the legal measures for consumer protection and the role of Voluntary Consumer Organisations (VCO's). The study revealed that the majority of district forums do not function continuously because of vacancy of members. A few forums settle the cases within 90 days, about 62 per cent of the respondents stated that the consumer forums had taken more than 180 days to redress their grievances. Many respondents felt that the lack of response of the forums and lack of awareness on the part of consumers were the major obstacles in filing the complaint, while 60 per cent of the respondents engaged the lawyer; only 20.8 per cent filed their cases directly.

Deepa Sharma (2002) conducted a study of about 500 cases decided by various consumer courts-District forums, Delhi State Commissions, the National Commission and the Supreme Court of India. She found that in a majority of cases decided by consumer courts, the order was passed in favour of the complainant–consumer. The study revealed that a large majority of cases before the National Commission and the State Commission were filed in the form of appeals only. In these appeal cases, more than 50 per cent of the cases were instituted by the opposite party, rather than by the original complainant. A relatively large number of cases handled by the consumer forums at all the three levels pertained to the deficiency in services belonging to the public sector. As far as the time taken in the disposal of cases was concerned, the maximum number of cases were disposed of in longer period of time, i.e., more than 3 years.

R. Arora (2005) studied the type of action taken by consumers for dissatisfaction from the day-to-day products. Results showed that consumers, in general, did not complain due to lack of time. Only 3 per cent respondents directly approached the forum without giving any notice to the party. With regard to the working of forum, the study revealed that 50 per cent cases were disposed of within 1 to 2 years, 18 per cent in more than 2 years and only 2.8 per cent cases were decided within 90 days. In 94 per cent cases, the number of hearings ranges from 4 to 6, and only in 2 per cent cases no adjournment was given. The reasons behind the delayed disposal were incomplete documents, irregularity in appearance before the forum by opposite party and engagement of lawyers by both the parties. It was interesting to note that the services of the advocate were used more by the opposite parties rather than the complainant. Only 60 per cent of cases were disposed of 84 per cent were decided in favour of the complainants. As far as the satisfaction of complainants is concerned, the complainants were equally divided. About 74 per cent of the dissatisfied complainants blamed the forums for favouring the opposite party, 25 per cent were dissatisfied for getting unsatisfactory compensation and 37 per cent were dissatisfied for giving more adjournments.

C. Gambhir (2007) brought out some useful facts about consumer protection administration. The study carried out in Chandigarh, revealed that the Consumers did not have much interest to go to consumer forums. They felt that it was mere wastage of time to go to courts. The consumers were reported to be not much aware about consumer rights and the CPA. He noted that the newspapers were the best source of information about consumer rights. Consumers preferred to hire advocates to fight in the consumer forums. Majority of consumers felt that justice was not delivered within the specified time limit. The reasons for delay were adjournments and advocates. Even then, the consumers hired advocates because they felt that they can defend the case more effectively.

K. Dhanalakshmi (2008) observed that even though the CPA stipulates, the consumer cases must be disposed of within 90 days from the date of complaint, but more than 98 per cent of the cases exceeded 90 days and some are kept pending for years together. Many unscrupulous businessmen influence the members to get judgment in their favour, or keeping the case pending for years together which, in turn, frustrates the complainant either to withdraw the case or to give up the case.

Prakash Veer Khatri (2009) carried an extensive study on unfair trade practices which revealed that majority of consumers and consumer organisations felt that they were the victims of unfair trade practices pertaining to product quality. Majority of sellers did not provide quick and speedy redressal of consumer grievances. Consumers and consumer organisations made the use of provision under the MRTP Act and the CPA, but felt that it was time-and-money-consuming. Procedural complexities and unawareness stopped the consumers to file maximum cases to these agencies. The problem of delayed justice was also noted in the study.

K.P.S. Ajesh (2010) studied the Consumer Redressal Mechanism in the Thiruvananthapuram district of Kerala. He found that the majority of the respondents were not satisfied with the performance of the consumer forums. The fact was that the consumer law was poorly implemented. Majority of the respondents obtained information about the consumer redressal mechanism from their friends. Justice was always delayed as majority of the cases took two months or more for redressing the grievances. VCOs provided advocacy service to the majority of the respondents.

D. Surekha (2010) exposed the weakness in the consumer protection movement due to lack of awareness. Her study revealed that the majority of the consumers felt that the appointment of retired Judges in the district forums itself was a problem. The need to strengthen the redressal mechanism and quick disposal of complaints was advocated by the author.

P. Tiwari and Prakash (2010) found that there was a lot of variation in the awareness among the rural/urban consumers. While purchasing products and hiring services, women consumers faced numerous problems. Due to lack of education and awareness, people approaching the consumer forums were negligible in comparison to the problems faced by them.

B.Y. Krishna and Sukanya (2011) compared the performance of the consumer courts (State Commission and 30 District Forums) in Tamil-Nadu with the consumer courts (State Commission and 14 District Forums) in Kerala, from November 2009 to September 2010. The study revealed that the consumer courts in Kerala functioned more effectively than in Tamil Nadu. Apart from statistics, there were other factors, which influenced the effectiveness of consumer courts such as consumers' awareness, their attitude and behaviour, funds available, and, support of the state government concerned etc. Consumer courts served like double-edged swords, with government

and consumers on either side. Neither the government, nor the consumers can be individually blamed for any cause and benefit.

S. Kumar (2011) conducted an empirical study on complainants to consumer forums in Haryana. The study revealed that the 75 per cent complainants lodged their complaints through advocate. Complainants considered the complex procedure as the most important reason for the slow disposal of cases in district forums and a large number of respondents were in the grip of advocates for lodging complaint in district forums. It was clear from the analysis that, in the opinion of complainants, the accommodation of the district forum had sufficient office space for their efficient working. It was found that one-third of the complainants would not like to file their complaints in the district forums, in case they are exploited in future. It was noted from the study that the procedure of filing the complaints in the forums was too technical, expensive and complex.

Y. Singh (2012) studied the effectiveness of consumer forums and their impact on corporates and consumers in the U.P. region. He found that a huge backlog of pending cases was great cause of concern for both the forums and pending cases seemed to have increased every year. Collective agreement of aggrieved consumers with the factors of effectiveness of consumer forums was calculated. It was observed that there was a huge difference in the views of different categories of respondents regarding the effectiveness of consumer forums. It was inferred that the difference between the actual and the expected effectiveness was insignificant. The author concluded that efficiency of the consumer forums was moderate, that is why these forums were not effective and needed to be improved for providing speedy and less-expensive justice.

The study conducted by B. Kumar and Dahiya (2013) sought to assess the perception of the complainants regarding functioning of the Consumer Forums in Delhi. Majority of the complainants were found to be unaware of the basic provisions of the CPA. About three-fourths of the complaints were pending for more than the time frame prescribed by the Act. Majority of the respondents expressed dissatisfaction over the functioning of forums and the chief cause of dissatisfaction was delay in the disposal of their complaints.

S. Misra, Chadah and Pathania (2013) sought to assess the impact and effectiveness of CPA. The study covered 5 States, 10 districts, and 50 villages. For 41.9 per cent respondents, the source of information about the CPA was family and friends. Media as a source was indicated by 71.5 per cent, lawyers by 13.2 per cent. For 29 per cent of respondents, VCOs were the source of information about the CP Act. There was a broad consensus among the various stakeholders that the delay in disposal of cases was largely due to the involvement and appearance of lawyers. Because of this, the proceedings had become too technical, cumbersome, and expensive. It also revealed that 61.4 per cent of the respondents would again file a complaint if there was such need. Majority of the respondents believed that the Forums/ Commissions decided the cases on merit.

L. Siddamma (2013) focused on the redressal mechanism provided under the CPA and the problems faced by governments in establishing this mechanism in the Bellary district of Karnataka. The study revealed that the majority of the complainants and advocates were satisfied with the functioning of the forums and that the forums were working efficiently in protecting the consumers' interests. These forums were suitable and relevant in today's economic environment. These forums provided hassle-free redressal of consumers' grievances. The justice was reported to be always delayed at these forums.

R.K. Gupta (2014), in his study on consumers' awareness and action against business

malpractices, concluded that the majority of consumers had complaints about their purchases. Despite having the complaints, 87.3 per cent consumers either did not go for lodging the complaint at all or went only sometimes. Although, correlation between 'complaint found and complaint lodged' had been found significant, the real problem in consumer protection here seemed to be the consumers' attitude towards accepting the purchase without making any complaint.

In a small study conducted by J. Singh, Nayak and Bala (2014) to check awareness and satisfaction about the CPA in Haryana, the primary data was collected from complainants, opposite parties, advocates, people associated with consumer organizations, presidents and members of District Forums in the State of Haryana. The study revealed that majority of the respondents considered necessity as important factor of purchase. Fear of exploitation by advocates and complex procedure were considered as the most important determinants from filing the complaints before the District Forums. One significant observation was that among males, 71.54 per cent were aware of the CPA, but only 17.89 per cent were having the awareness about filing complaints at District Forum. Moreover, it was clear from the study that the level of awareness about the Act was maximum (100 per cent) among industrialists and minimum (25 per cent) among agriculturists.

It is evident from the above literature that no comprehensive study was undertaken in the past on the attitude, perception and awareness of complainants with respect to consumer grievances-redressal mechanism in the Haryana State.

OBJECTIVE OF THE STUDY

This study was designed to look into the problems and challenges in implementation of the Consumer Protection Act. It seeks to assess the perception of complainants towards consumer grievance-redressal under the Consumer Protection Act in Haryana.

RESEARCH METHODOLOGY

Considering the above objectives, a descriptive research design was adopted for the study. The unit of sample was individual complainants, who filed complaints at district forums. With opinion of the experts in related field, the sample size was taken as 50. Random sampling method was used for selecting districts and a convenience-cum-purposive sampling technique was adopted for selecting respondents.

The demographic characteristics of the 50 respondents in terms of age, gender, place of residence, education, family's annual income, and occupation are presented in **Table 1.**

Table 1
Demographic Profile of the Respondents

Demographics		Frequency	Proportion of sample (%)
Age	Up to 30 Years	19	38.0
	31-50 Years	29	58.0
	Above 50 Years	02	4.0
Gender	Male	34	68.0
	Female	16	32.0
Place of residence	Urban	33	66.0
	Rural	17	34.0

Education	Illiterate	1	2.0
	Sr. Sec.(up to 12th Class)	6	12.0
	Graduate	11	22.0
	Post Graduate	32	64.0
Family's annual Income (in rupees)	Below 60,000 Rs.	4	8.0
	Rs.60,001- 200,000	19	38.0
	Rs.200,001- 500,000	18	36.0
	Above 500,000 Rs.	9	18.0
Occupation	Government Service	13	26.0
	Private Service	18	36.0
	Self employment	19	38.0

The questionnaire was used for collecting the primary data. We prepared the questionnaire for complainants on the basis of the study of Jain (1999). The questionnaire was modified in consultation with the experts in consumer affairs. There were 13 questions included in the questionnaire, all related to the various aspects of the working of the district forums. In the end, an open-ended question was asked to get suggestions to improve the effectiveness of consumer forums. The data was analysed by using various statistical tools and techniques, viz., average, ratio, standard deviation, Pearson Chi-Square test, one sample t-test, Chi-square Goodness-of-Fit test, and Karl Pearson's Co-efficient of Correlation.

DATA ANALYSIS AND INTERPRETATION

Sources of Awareness about the Consumer Protection Act

To get the complainants' response about the source of their awareness of the CPA, seven options were given.

Table 2
Sources of Awareness about the Consumer Protection Act

Source	Yes	No	Mean	Total
Media (Radio, TV, Newspaper etc.)	32(64.0)	18(36.0)	1.36	50(100.0)
School/ College	21(42.0)	29(58.0)	1.58	50(100.0)
Friends	14(28.0)	36(72.0)	1.72	50(100.0)
Family member	11(22.0)	39(78.0)	1.78	50(100.0)
Consumer organizations	6(12.0)	44(88.0)	1.88	50(100.0)
Advocates	6(12.0)	44(88.0)	1.88	50(100.0)
Consumer Forums	5(10.0)	45(90.0)	1.90	50(100.0)
Total	95	255	1.73	350
Calculated Chi Square Value=28.946; Table value= 11.071; df= 5; p-value=.000				

Note: The Figures in parentheses indicate percentages

It can be inferred from **Table 2** that media (Radio, TV, Newspapers etc.) was most common source of awareness about CPA. Consumer Forums were described as the least important source of information by complainants. It is to note that, the consumer forums are established in every district of Haryana even then, they were not good at spreading the awareness about CPA. Consumer organisations were not much instrumental in Haryana for spreading awareness about CPA. A lots of complainants got to know about CPA form the schools/ colleges. Very few complainants found friends and family members to be useful in this regard. Overall, all these seven factors cumulatively did not contribute much towards spreading information about CPA
.

Chi-square Goodness-of-Fit Test was used to test following hypothesis.

H_{01} : All the seven sources are equally important

for creating awareness about CPA, 1986.

The tabulated value of Chi-square at 5 degree of freedom and at 5 per cent level of significance is 11.071, and the calculated value of Chi-square is 28.946. Since, the calculated value of chi square was more than the tabulated value; it falls in the rejection area. Thus, H_o is rejected and concluded that, there were statistically significant differences in above seven factors and these were not equally important source of awareness about CPA.

Sources of Awareness about the Procedure of Lodging Complaints

The consumer's access to redressal agency depends upon the awareness about procedure of that agency. To get the complainants' response about source of awareness of the procedure; seven options were given to respondents to mark multiple responses.

Table 3
Sources of Awareness about the Procedure of Lodging Complaints

Source	Yes	No	Mean	Total
Media (Radio, TV, Newspaper etc.)	21(42.0)	29(58.0)	1.58	50(100.0)
School/ College	13(26.0)	37(74.0)	1.74	50(100.0)
Advocates	13(26.0)	37(74.0)	1.74	50(100.0)
Friends	11(22.0)	39(78.0)	1.78	50(100.0)
Family member	10(20.0)	40(80.0)	1.80	50(100.0)
Consumer Forums	7(14.0)	43(86.0)	1.86	50(100.0)
Consumer organizations	3(6.0)	47(94.0)	1.94	50(100.0)
Total	78	272		350
Calculated Chi-square Value=52.785; Table value= 11.071; d.f.= 5; p-value=.000				

Note: Figures in parentheses indicate percentages

As shown in the table, that respondents gave skewed responses regarding the source of awareness about the procedure of lodging a complaint at consumer forum. Media (Radio, TV, Newspaper etc.) was reported as most popular source of awareness. Very few respondents got the awareness about the procedure from consumer forums and consumer organisations. Nearly, one-fourth of the respondents got awareness about the procedure also from school/ college, advocate, friends, and family members.

Chi-Square Goodness-of-Fit Test was used to test the following hypothesis.

H_{02} : All the seven sources are equally important for creating awareness about the procedure of lodging complaints at Consumer Forums.

The tabulated value of chi-square at 5 degree of freedom and at 5% level of significance is 11.071 and the calculated value of chi square is 52.785. Since the calculated value of chi-square is more than the tabulated value, it falls in the rejection area. Thus, H_{01} is rejected. Thus, there were statistically significant differences in the above seven factors and these were not equally important source of awareness about the procedure of lodging a complaint at a Consumer Forum.

Method of Lodging Complaint

Perceiving the legal complexities of judicial system and other factors beyond control, not all the consumers go directly to redressal agencies. Respondents were asked about their method of

Awareness about Simple and Low-Cost Consumer Justice

The respondents were asked that whether they were aware that consumer forums provide simple and low cost justice. 84.0 per cent respondents were aware that consumer forums provide simple and low cost justice. 16.0 per cent respondents did not know that consumer forums provide simple and low cost justice.

Chi-square test was applied to test the following null hypothesis.

H_{03} : There is no difference in awareness that consumer forums provide simple and in-expensive justice across consumers' demographics.

Table 4
Awareness about Simple and low-Cost Consumer Justice across Complainants' Demographics

Demographics	Calculated χ^2 value	Table value	df	p-value	Result Null hypothesis
Age	0.847	5.99	2	0.655	Accepted
Gender	0.214	3.84	1	0.643	Accepted
Place of residence	0.344	3.84	1	0.558	Accepted
Education	1.552	7.82	3	0.670	Accepted
Family's annual income	3.095	7.82	3	0.377	Accepted
Occupation	0.914	5.99	2	0.633	Accepted

Table 4 shows that the null hypothesis H_o was accepted by chi-square test when applied at 5 per cent level of significance. It is to note that the chi-square significance (p-value) is $> .05$ for all variables. Thus, insignificant of all the demographic characteristics, the complainants were well aware about the simple procedure and in-expensive justice of consumer forums.

lodging complaint at consumer forums. It was observed that 52.0 per cent respondents filed their complaints at Consumer Forums with the help of advocates. 42.0 per cent respondents lodged their complaints themselves without any help. Meager 6.0 per cent respondents took the help of consumer organisations to lodge the complaints at Consumer Forums.

The following null hypothesis was tested by applying the Chi-square test.

H_{04}: There is no difference in the method of lodging the complaints at the consumer forum across complainants' demographics.

Table 5
Method of Lodging Complaint across Complainants' Demographics

Demographics	Calculated χ^2 value	Table value	df	p-value	Result Null hypothesis
Age	5.392	9.49	4	0.249	Accepted
Gender	3.392	5.99	2	0.189	Accepted
Place of residence	6.604	5.99	2	0.037	Rejected
Education	6.031	12.59	6	0.420	Accepted
Family's annual income	5.089	12.59	6	0.532	Accepted
Occupation	3.665	9.49	4	0.453	Accepted

Table 5 shows that the null hypothesis H_o was accepted by Chi-square test when applied at 5 per cent level of significance. It is to note that the Chi-square significance (p-value) is $> .05$ for five variables, so there is no statistical significance of method of lodging the complaints at consumer forums and their age, gender, education, income and occupation. Accordingly, p-value of one variable is $<.05$, which explains that there is statistical significance of method of lodging the complaints at consumer forums and their place of residence.

To find the degree of linear association between consumers' awareness about simple and low- cost justice mechanism of consumer forums and method of lodging complaint; Karl Pearson's Co-efficient of Correlation was calculated among these two statistics.

Table 6
Correlation between awareness about simple and low cost justice mechanism and method of lodging complaint

		Dependent variable: method of lodging complaint at Consumer Forums			
		Self	Through advocates	Through consumer organisations	Total
Independent variable: "awareness that Consumer Forums provide simple and low-cost justice"	Yes	20	20	2	42
	No	1	6	1	8
	Total	21	26	3	50
Pearson's Co-efficient of Correlation ' R'= 0.265, p- value= 0.062*					

*= **Note:** significant at 95% level of confidence (p >0.05)

It was observed from **Table 6** that the independent variable 'aware that consumer forums provide simple and low cost justice' elicited no significant association with the dependent variable 'method of lodging complaint at consumer forums'.

Awareness about Non-requirement of Advocates at Consumer Forums

The procedure under the CPA is free from procedural hassles of the civil courts. Respondents were asked about their awareness of the fact that advocates are not required or mandatory at consumer forums. It was found that only 66.0 per cent respondents knew that an advocate is not required to file a case in a consumer forum.

To find the degree of linear association between method of lodging complaint and awareness about non-requirement of advocates at consumer forums, Karl Pearson's Co-efficient of Correlation was calculated among these two statistics. The results thus obtained are shown in **Table 7.**

Table 7
Correlation between the method of lodging complaint and the awareness
about non-requirement of advocates

		Dependent variable: method of lodging complaint at Consumer Forums			
		Self	Advocates	Consumer organizations	Total
Independent variable: awareness about non-requirement of advocates at Consumer Forums	Yes	18	14	1	33
	No	3	12	2	17
	Total	21	26	3	50
Pearson Co-efficient of Correlation '**R**'= .365; p- value= .009*					

*= Significant at 95% level of confidence $(p \otimes 0.05)$

It was observed from **Table 7,** that the independent variable awareness about non-requirement of advocates at consumer forums has highly positive and significant association with the dependent variable method of lodging complaint at consumer forums.

Time Taken by Consumer Forums in Settlement of Cases

According to the Consumer Protection (Amendment) Act, 2002, the authorities under this Act should decide the complaint within 3 or 5 months (in case of analysis of sample) as laid down under Se.c 13 (3A) of the CPA, 1986. Respondents were asked about their experience of time taken by these forums in settling complaints. Only 18.0 per cent respondents opined that consumer forums deliver on-time justice to the aggrieved parties. 70.0 per cent respondents told that justice is always delayed at the consumer forums. 12.0 per cent respondents did not opine regarding the time taken by these forums in settlement of cases.

The complainants who opined of delayed justice were further asked to cite and rank the reasons for delayed justice who is analysed in succeeding tables.

Table 8:

Reasons for the delay in Disposal of Cases

Reason	Rank 1	Rank 2	Rank 3	Rank 4	Rank5	Total	Mean	S.D.
A. Too much complaints	11(31.4)	6(17.1)	7(20.0)	4(11.4)	7(20.0)	35(100.0)	2.71	1.526
B. Complex and technical procedure	6(17.1)	5(14.3)	6(17.1)	9(25.7)	9(25.7)	35(100.0)	3.29	1.447
C. Unnecessary interference of advocates	4(11.4)	9(25.7)	8(22.9)	10(28.6)	4(11.4)	35(100.0)	3.03	1.224
D. Frequent adjournments	9(25.7)	8(22.9)	7(20.0)	5(14.3)	6(17.1)	35(100.0)	2.74	1.442
E. Indifferent work culture at forums	5(14.3)	7(20.0)	7(20.0)	7(20.0)	9(25.7)	35(100.0)	3.23	1.416
Calculated Chi-square value=3.295; Table value= 9.488; df= 4; p-value=.510								

In order to analyse the reasons for delayed justice in Consumer Forums, five different reasons were given and respondents were asked to give the ranks in order of their preference. Rank 1 was given to the most important reason and rank 5 was given to the least important reason. From Table 8, it is drawn that 'Too many complaints' and 'Frequent adjournments' were found the most important reasons, while 'Complex and technical procedure' was found somewhat less important reason by the respondents.

To analyse that all the five reasons were equally important for the delayed justice. Chi Square Goodness-of-Fit test was used. The respondents gave rank from 1 to 5 to all the five reasons. For analysis, these options were assigned weights in following manner:

Rank 1: Weight 5; **Rank 2:** Weight 4; **Rank 3:** Weight 3; **Rank 4:** Weight 2; **& Rank 5:** Weight 1

After assigning the weights to all 5 reasons, the following null hypothesis was tested.

H_{05}: All the five reasons are equally important for the delayed justice.

The tabulated value of chi square at 4 degree of freedom and at 5 per cent level of significance is 9.488 and the calculated value of chi square is 3.295. Since the calculated value of chi square is less than the tabulated value, it falls in the acceptance area. Thus, H_o was accepted and concluded there was statistically no significant differences in above five reasons and these were equally important reasons for the delayed justice.

Procedure Adopted for Settling Complaints

Another important objective of the CPA, 1986 is to provide simple justice to the consumers. The procedure followed by forums to settle the cases was clearly stated in section 13 of the CPA. To verify this objective, respondents were asked about

their opinion on procedure adopted at consumer forums. Out of 50 respondents under study, 40.0 per cent respondents expressed that procedure adopted for settling complaints at consumer forums is simple. 44.0 per cent respondents expressed that procedure is complex. 16.0 per cent respondents did not opine regarding the procedure adopted at consumer forums. Taking into account the opinion of majority of respondents, it can be said that one of the objective of the CPA was not being satisfied as in most of the cases the procedure followed by the consumer forums was complex/ can't say. It exposed the gap between what is being said in law and what was being exercised.

Desirability of Hiring Advocates for filing Complaints

It was noticed from the interview with the officials of consumer organizations/ business associations and the consumers, that consumers generally hire advocates to file complaints. Respondents of this study were requested to give their opinion on, whether appointment of advocates in consumer forums is desirable and justified or not. It was found that 36.0 percent respondents opined that appointment of advocates is desirable and justified for filing consumer complaint to consumer forums. 52.0 percent respondents opined that appointment of advocates is not desirable. 12.0 percent respondents did not opine regarding this.

Reasons in Favour of Engaging Advocate

The respondents who favoured the appointment of advocates were further asked to cite and rank the reasons in favour for appointment of advocates, which are analysed in the succeeding tables.

Table 9
Reasons in favour of Hiring advocates

Reasons	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Total
A. Advocates defend the case effectively	11(61.1)	3(16.7)	1(5.6)	2(11.1)	1(5.6)	18(100.0)
B. Consumer Forum insists on engaging the advocates	0(0.0)	5(27.8)	7(38.9)	2(11.1)	4(22.2)	18(100.0)
C. Because of the opposite party always engages the advocates	4(22.2)	7(38.9)	3(16.7)	3(16.7)	1(5.6)	18(100.0)
D. No consumer organisation in your area	3(16.7)	0(0.0)	5(27.8)	3(16.7)	7(38.9)	18(100.0)
E. Consumer organisations does not provide any help	0(0.0)	3(16.7)	2(11.1)	8(44.4)	5(27.8)	18(100.0)

To analyse the reasons in favour of appointing advocates in Consumer Forums, five different reasons were given and respondents were asked to give the ranks in order of their preference. Rank 1 was given to the most important reason and rank 5 was given to the least important reason. From **Table 9,** it is drawn that 'Advocates defend the case effectively' in the consumer forums was reported as the most prominent reason in favour of appointing advocates in consumer forums.

Table 10
Descriptive statistics of reasons in favour of Hiring advocates

Descriptive statistics				One-sample test (95% confidence level)	
Reasons	Mean	S.D.	t-value	Sig. (2-tailed)	
E. Consumer organisations do not provide any help	3.83	1.043	5.423	0.000	
D. No consumer organisation in your area	3.61	1.461	3.227	0.005	
B. Consumer Forum insists on engaging the advocate	3.28	1.127	2.927	0.009	
C. Because of the opposite party always engages the advocates	2.44	1.199	-.197	0.847	
A. Advocates defend the case effectively	1.83	1.295	-2.184	0.043	

Note: Mean score < 3.0 indicates highly ranked reasons

Table 10 presents the mean values of various statements asked to measure the reasons in favour of appointing advocates in Consumer Forums. The top three reasons having mean value more than 3 were described as not so important reasons by respondents, while the other two reasons having mean score less than 3 indicates that these were important reasons. Advocates defend the case effectively was most important reason, while consumer organizations do not provide any help was least important reason in favour of appointing advocates in Consumer Forums.

To check the statistical significance of the statements, one sample t-test was applied. To decide whether the reasons were statistically significant, the decision rule is t ≥ 1.960 or t ≤ -1.960 at 5 per cent level of significance. From the Table 10, it was found that only one reason i.e. Because of the opposite party always engages the advocates having t-value -0.197 was not statistically significant and rest four reasons were statistically significant. The mean value (2.44) of this reason indicates that the respondents have indifferent attitude towards this reason.

Reasons for not Hiring Advocate

The complainants who opined against of appointing advocates were further asked to cite and rank the reasons not in favour for appointment of advocates, which are analyzed in succeeding tables.

Table 11
Reasons for not Hiring Advocates

Reasons	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Total
A. Procedure of consumer forum is very simple	8(30.8)	3(11.5)	3(11.5	5(19.2)	7(26.9)	26(100.0)
B. Advocates demand heavy fees	10(38.5)	4(15.4)	3(11.5)	7(26.9)	2(7.7)	26(100.0)

C. Advocates unnecessarily delay the proceedings by taking adjournment	6(23.1)	9(34.6)	4(15.4)	5(19.2)	2(7.7)	26(100.0)
D. Forums are very helpful to the consumer	1(3.8)	6(23.1)	9(34.6)	5(19.2)	5(19.2)	26(100.0)
E. Consumer organizations are ready to help consumers without charging any fees	1(3.8)	4(15.4)	7(26.9)	4(15.4)	10(38.5)	26(100.0)

In order to analyse the reasons not in favour of appointing advocates in consumer forums, five different reasons were given and respondents were asked to give the ranks in order of their preference. Rank 1 was given to the most important reason and rank 5 was given to the least important reason. From **Table 11,** it is drawn that 'advocates demand heavy fees' was reported as the most prominent reason against appointing advocates in consumer forums.

Table 12
Descriptive statistics of reasons for not Hiring Advocates

Descriptive statistics			One-sample test (95% confidence level)	
Reasons	Mean	S.D.	t-value	Sig. (2-tailed)
E. Consumer organizations are ready to help consumers without charging any fees	3.69	1.258	4.834	0.000
D. Forums are very helpful to the consumer	3.27	1.151	3.408	0.002
A. Procedure of consumer forum is very simple	3.00	1.649	1.546	0.135
C. Advocates unnecessarily delay the proceedings by taking adjournment	2.54	1.272	0.154	0.872
B. Advocates demand heavy fees	2.50	1.449	0.000	1.000

Note: Mean score < 3.0 indicates highly ranked reasons

Table 12 presents the mean values of various statements asked to measure the reasons not in favour of appointing an advocate in the consumer forum. The top three reasons having mean value more than 3 were described as not so important reasons by respondents, while the other two reasons having mean score less than 3 indicates that these were important reasons. 'Advocates demand heavy fees' was most important reason, while; 'consumer organizations are ready to help consumers without charging any fees' was somewhat less important reason not in favour of appointing advocates in consumer forums.

To check the statistical significance of the statements, one sample t-test was applied. To decide whether the reasons were statistically significant, the decision rule is t ≥ 1.960 or t ≤ -1.960 at 5 per cent level of significance. From the Table 12, it was found that three reasons, i.e., Reason A, Reason B and Reason C having t-value

1.546, 0.154, and 0.000 respectively; were not statistically significant, and rest two reasons were statistically significant. The mean values (3.00, 2.54, and 2.50 respectively) of these reasons indicate that the respondents have indifferent attitude towards these reasons.

Establishing Consumer Forums at Sub-Divisional Level

The Government of Haryana has not so far established more than one consumer forum in any district. Looking at the overburdening of consumer forums at district headquarters, it was thought to propose an idea to establish forum at sub-divisional level to increase the justice outreach. The responses of complainants were received in this regard and analysed. 88.0 per cent respondents opined that establishing consumer forum at sub- divisional level is surely beneficial. While only 6.0 per cent respondents viewed that it is not much beneficial. 6.0 per cent respondents did not give any opinion in this regard.

Complainants' Satisfaction with the Judgments

Respondents were asked about their satisfaction with respect to the judgments delivered at forums.

It was observed that 80.0 per cent respondents were found satisfied with the judgments of consumer forums. 20.0 per cent respondents were not satisfied with the judgments of consumer forums. It can be expressed from the study, that the justice may be delayed at consumer forums but these forums were pro-consumer, and deliver the judgment in favour of consumers, if possible.

Repeating the act of making Complaints

It is known fact that a satisfied consumer will go for repeat purchase for a particular product / seller. In this study, efforts were made to know about this tendency in case of procedures/ judgments at consumer forums. Respondents were asked to express their opinion that whether they will go again to consumer forum if exploited in future. It was responded that 94 per cent respondents were go again to lodge the complaints at consumer forums if exploited in future. Merely 6.0 per cent respondents responded to not to go again.

To find the degree of linear association between satisfaction with the judgments of consumer forum and go again to lodge complaints at consumer forum, Karl Pearson's Co-efficient of Correlation was calculated among these two statistics. The results thus obtained are shown in **Table 13.**

Table 13
Correlation between Satisfaction with the judgments and going again to lodgecomplaints

		Dependent variable: go again to lodge complaints at Consumer Forum		
		Yes	No	Total
Independent variable: satisfaction with the judgments of Consumer Forum	Yes	38	2	40
	No	9	1	10
	Total	47	3	50
Pearson Co-efficient of Correlation 'R'= .084; p- value= .561*				

*= Not-Significant at 95% level of confidence (p > 0.05)

It was observed from Table 13, that the independent variable 'satisfaction with the judgments of consumer forum' has no significant association with the dependent variable 'go again to lodge complaints at consumer forum'. It was inferred from above analysis, that most of the complainants wished to go again to the consumer forum to file their complaint irrespective of which, they were satisfied or dissatisfied with earlier judgment. It can be viewed as their faith in the consumer disputes redressal mechanism.

Lack of Co-operation at Consumer Forums

Our judicial system is the part of such system, where cases go stacked for many years and the appellant has to face lots of hardship to get justice. Consumer forums are established with a different objective which states, that these forums are free from normal court procedures. In this view, it was proposed to know about their state of co-operation with respect to consumers. The mixed responses of complainants were received. 42 per cent respondents reported to face the non-cooperation in consumer forums. Nearly, equal numbers of respondents reported not to face any kind of non-cooperation in consumer forums. 18.0 per cent respondents were found neutral and refused to comment on either side.

A sequential question was asked from the respondents who have faced non-cooperation in consumer forums. It was observed that out of 21 respondents who faced some non-cooperation at consumer forums, 47.6 per cent reported that non-cooperation was done by other staff members of consumer forum, i.e., not by the president, member, reader or advocate. In 23.8 per cent cases, forum reader gave the difficult times to the respondents. Only 2 complainants reported the non-cooperation of chief functionaries of consumer forums, i.e., Forum President/ Members. In 19.0 per cent cases, advocates were found to be non-cooperative. This situation did not sound good for this redressal system. The whole objective of creating redressal

forums is under-mined if a single case of non-cooperation is reported.

CONCLUSION

Through this study, the perception of complainants towards consumer grievances redressal under the CPA, in Haryana was examined. Complainants were encouraged to file the case at consumer forums by the information received through media (Radio, TV, Newspaper etc.). Media contributed the most in spreading the awareness about Consumer Protection Act (Gambhir, 2007), and the procedure for filing cases at consumer forums. No other source, like friends, family members and advocates contributed significantly toward spreading this information. The most important constituent of consumer protection, i.e., consumer forums and consumer organizations were not doing much in this regard. Complainants were aware that justice at consumer forums is not costly and simple (Arora, 2005; Surekha, 2010) but the fact is, that the justice is time consuming and costly. It was just due to intervention of lawyers. The complainants, who were aware that advocates were not necessary to file the complaints at consumer forums mostly, filed the cases themselves (Arora, 2005). Other hired the services of advocates to file the cases. Majority of complainants fell under second category. These findings supported the Jain (1999), Sivaprakasam and Rajamohan (2001), Gambhir (2007), Ajesh (2010) and Tiwari and Prakash (2010). Very few complainants involved consumer organizations to lodge complaints at consumer forums (Sivaprakasam and Rajamohan, 2001). Consumer organizations seemed ineffective to fight for the rights of consumers. The findings were supported by Misra *et al.* (2013).

Despite the prescribed time limit, decision on most of the cases at consumer forums was delayed and in some cases, it was more than one to two years. Jain (1999), Sivaprakasam and Rajamohan (2001), Arora (2005), Gambhir (2007), Khatri (2009),

Ajesh (2010), Krishna and Suganya (2011), Kumar and Dahiya (2013) and Misra *et al.* (2013) supported these results. It was attributed to the frequent adjournments allowed by forums (Gambhir, 2007; Surekha, 2010; Kumar and Dahiya, 2013) and overburdened with the complaints. Advocates especially representing the opposite parties try to prolong the justice on one pretext or the other which is against the spirit of the act (Gambhir, 2007; Misra *et al.,* 2013). These findings re-affirmed with the findings of *Singh and Balachandran (1994) and* Jain (1999). Some consumers felt that procedure adopted for delivering the justice at consumer forums was simple while some others felt that the procedure was complex.

It was an important conclusion from the study, that even consumers hired the advocates to file case at consumer forums, but they did not desire to engage advocates (Jain, 1999). Through t-test, it was observed, that consumers opposed the engagement of advocates because they demand heavy fees and unnecessarily delay the proceedings of consumer forums by taking adjournments (*Singh and Balachandran, 1994;* Jain, 1999; Surekha, 2010; Misra *et al.,* 2013). Some consumers defended the appointment of advocates because they felt that advocates can defend the case effectively (*Singh and Balachandran, 1994;* Jain, 1999; Arora, 2005; Gambhir, 2007) and more importantly, because the opposite party always engages the advocates. The logic seemed to be justified as a normal consumer is not that capable to argue against the seasoned lawyers. This tendency was found more prevalent in rural and poorly educated consumers.

Of the 56 sub-divisions in Haryana, some are very large, comparable with district head quarters. Majority of complainants favoured the establishment of the consumer forums at sub-division level. The results validated the study of Jain (1999). This noteworthy suggestion will improve the scope of justice at the doorstep of consumers. Despite, the problems faced in getting the justice, consumers were satisfied with the final delivery of

justice at consumer forums (Sivaprakasam and Rajamohan, 2001; Misra *et al.,* 2013). Irrespective of the satisfaction with the justice got at forums, complainants who saw the working of consumer forums were optimistic. They have to go again to consumer forum with a complaint in future. The results validated the study of Jain (1999), Kumar and Dahiya (2013) and Misra *et al.* (2013). Non-co-operation at consumer forums was not a big problem (Misra *et al.,* 2013; Kumar and Dahiya, 2013). Complainants who faced non-co-operation felt that it was created mostly by the lower staff of consumer forums. VCOs seemed to be out of picture in the whole scenario of providing the justice to consumers.

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Language is not an abstract construction of the learned, or of dictionary-makers, but is something arising out of the work, needs, ties, joys, affections, tastes, of long generations of humanity, and has its bases broad and low, close to the ground.

Noah Webster
Lexicographer (1758-1843)

♦♦♦♦♦

There may be times when we are powerless to prevent injustice, but there must never be a time when we fail to protest.

Elie Wiesel
Writer, Nobel Laureate (b.1928)

♦♦♦♦♦

In a library, we are surrounded by many hundreds of dear friends, imprisoned by an enchanter in paper and leathern boxes.

Ralph Waldo Emerson
Writer and philosopher (1803-1882)

UNDERSTANDING THE CHILDREN'S INFLUENCE ON FAMILY PURCHASE DECISIONS

Ashutosh Kumar Singh*

Abstract

Children play an important role in the family-purchase decisions. This paper attempts to assess the influence of children on family-purchase decisions, with respect to the nuclear and joint families, children of working women, socio-economic status of the family and impact of the gender and age of the child. It is a descriptive study conducted in the Jaunpur district of Uttar Pradesh. The respondents comprised parents having children in the age-group of 5 to 15 years. The data was analysed using t-test, ANOVA and the Kruskal- Wallis test. The study has revealed that the children in the joint and nuclear families exert the same influence on family- purchase decisions. It has also been found that the children of working women have more influence in purchase decisions. Age is a significant factor which influences the purchase decision and that children in the age group of 5-9 years act as initiators in the purchase of TV, children in the age- group of 9-12 years influence the purchase of mobile phones and children in the age-group of 12-15 years significantly act as decision-makers in planning vacations. Girls' and boys' interests differ across the product categories and their age as well.

Key words: *Children, Family purchase decisions, Influence, Family factors*

INTRODUCTION

Due to increasing competition and changing social and economic environment, it is necessary for the marketer to be customer-oriented. Buying behaviour of customers in the marketplace plays a significant role in the strategic marketing planning. The increasing awareness of consumer has introduced many new dimensions to the marketing philosophy and practices. It is both relevant and important for every business enterprise to know its customers and understand their buying behaviour.

The influence of children in the family purchase decision has been accepted as a force which neither academics nor practitioners can ignore. Consumer socialisation in families is a two-way process wherein the kids also act as a medium to socialise the parents by influencing family purchase decisions.

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Children sometimes either purchase a product themselves or select the product before it is purchased by their parents. For certain products, such as those used by the entire family, they may influence the purchases made by their parents. McNeal (1987) categorised children as three markets: (a) Where they are a current market and spend money on their desires, (b) Where they are a future market for most goods and services, and (c) Where they are a market of influential buyers that cause billions of dollars of purchase among their parents.

A study conducted by Nickelodeon (2013) revealed that the power of kids' influence over purchase decision has increased significantly over the years and decision making among families is collaborative. McNeal (1998) reported that children's indirect purchase through influencing parent's decisions soared from USD 5 billion in 1960s to USD 188 billion in 1997. The increase of dual income families has further empowered young ones, making them more thoroughly involved in the family purchases in their early age. Children's continuous involvement in the market, their direct purchases and influence upon adult purchases, can contribute billions of dollars each year towards a country's economic growth.

The amount of influence exerted by children varies by product category and stage of the decision making process. For certain products, they are instrumental in initiating a purchase, while for others, they make the final selection themselves.

India has witnessed social, cultural and economic changes in the last decade. The personal disposable income has risen by 6.57 per cent between1993-94, and 2003-04 (annualised growth rate between 1993-94 and 2003-04) (Laveesh Bhandari, 2009). Compound annual growth rate of 5.3 per cent is predicted for average Household disposable income, between2005-2025 (Mc. Kinsey Global Institute, 2007). As per the Census of India, 2011, children under 15 years of age constitute 30 per cent of the population. It clearly indicates that the Indian

population will continue to have a large number of young people. Children are influential buyers who are socialised in this role from an early age. Though research has been done in the West on socialisation of children, the research in India is still lacking on the topic (Kaur and Singh, 2006).

LITERATURE REVIEW

Conceptual Model for Influence of Children on Purchase Decisions

Studies on Consumer Purchase Decision-making Process

A purchase decision is composed of a sequence of decisions, and different family members may play different roles at different stages (e.g., Darley and Lim, 1986; Davis, 1970; Blackwell, Miniard and Engel, 2006; Jenkins, 1979). Family decision making is different from individual decision making and is more complex because of the likelihood of joint decisions and different role specifications for members (Assael, 1987). In the past husbands and wives often made joint decisions in the purchase of expensive products and services.

The process of consumer decision making can be viewed as having three distinct but interlocking stages: input stage, the process stage, and the output stage.

The input stage influences the consumer's recognition of a product need and consists of two major sources of information; the firm's marketing and the external and non commercial sources, the consumer (family, friends, neighbours, other informal and non commercial sources, social class, cultural and sub cultural memberships) (Schiffman and Kanuk, 2010).

The process stage focuses on how consumers make decisions. The psychological factors inherent in each individual (motivation, perception, learning, personality and attitudes) affect how the external inputs from the input stage influence the consumer's recognition of a need, pre purchase search for information and evaluation of

alternatives (Schiffman and Kanuk, 2010).

The output stage of the consumer decision making consists of two closely related post decision activities; purchase behaviour and post purchase evaluation. Purchase behaviour for a low cost, non durable product (e.g soap) may be influenced by a manufacturer's coupon and can actually result into a trial purchase if the customer is satisfied.

Studies on Children's Role in Purchase Decisions

Over recent decades, there has been a trend toward children playing a more active role in what the family buys. Researches carried out on children's influence in family decision making reveal that children have at least some influence on decisions for a wide array of products and some even report that children have an increasing role in family purchase decisions (Ahuja *et al.*1998; Atkin, 1978; Berkman *et al.* 1997; Berey and Pollay, 1968; Caruana and Vassallo, 2003).Children have so much power that their families are becoming child-led (Cowell,2001) Children are deeply involved in family purchases irrespective of groceries or cars (Neuborne, 1999). Child consumers in Turkey were found to purchase by themselves, make price comparisons, gave importance to brand and considered television advertising when making purchase decisions (Ozgen, 2003).

According to Martensen and Gronholdt, (2008), children have a significant influence in product decisions for their own use, like breakfast cereals, snack foods, toys, etc. Children also exert influence on family decision-making for vacations (Ahuja and Stinson, 1993; Belch *et al.*, 1985). Due to children's limited financial resources, children have less influence on the products related to financial terms (Mangleburg, 1990), or entire family usage (television, refrigerator, car etc).

Norgad et al. (2007) found that children exert influence at all the decision stages in the family decision-process, but most at the initial and choice stages, which supports previous studies (Belch *et al.* 1985; Lee and Beatty, 2002). Children and adolescents are involved in family purchase decisions to the extent that the purchased product is useful and important to them (Jensen, 1995). Children enjoy greater discretion not only in making routine consumption decisions for the family but also in pestering their parents to buy other products desired by them.

Contemporary researchers express that children constitute a major consumer market, with direct purchasing power for snacks and sweets, and indirect purchase influence while shopping for valuable items (Halan, 2002; Singh, 1998). Foxman *et al.* (1989) and Mangleburg, (1990) suggested that children have very much effect on a few family decisions, like where to spend vacations, entertainment, and dining out, etc.

A study conducted by Nancarrow (2007) revealed that children have more influence on the purchase of books, PC games, etc., and less impact on the purchase of financial products, like life insurance, car, and vacations (A. Kaur and Y. Medury 2010). The decision-making stage and the relative influence of the child have also been examined by past researches on children's influence on family decision-making. According to Halling and Tufte (2002), the gender of children also matters as regards the influence on family decisions and there is variation in pocket money and the Internet usage of children on the basis of gender. There is no significant research on children's influence in family decision-making in India. Only a few studies, like that of Pavleen Kaur and Raghbir Singh (2006), on purchase decisions, Hundal (2001) on rural buying behaviour and Kapoor (2001) on family members' influence across decision making stages. Children as active initiators, information-seekers, and buyers influence purchases made by the parents. Marketing experts and managers have found the important role of children in the family purchase decision (Beatty and Talpade, 1994). It is noted that in majority of cases parents carried the perception that children have moderate impact, while according to children they feel that they bear a high level of impact on purchase decisions (Gram Malene, 2007). The study shows that the parent and

child interaction is far more about relationship-building, trust, negotiation and mutual consensus, than pestering.

OBJECTIVES OF THE STUDY

The study has the following objectives:

1. To examine the children's role in influencing the family purchase decisions; and
2. To examine the role of various determinants of buying behaviour affecting the purchase decisions.

RESEARCH METHODOLOGY

Family Demographics

The type of families, like nuclear and joint, has direct impact on the socialisation process and hence impact the way the children influence the purchase decisions. It was found in a study conducted in India that parents who watch TV along with their children, explain the advertisements to their children can to a greater extent regulate their buying response within family norms (Kapoor and Verma, 2005).

H_{a1}: The type of family affects the influence of children on the family purchase decisions.

Family Communication Patterns

Moschis and Moore (1979), Stephens and Moore (1975) and Ward et al. (1977) reported that children's preference for consumer information sources is affected by family environment, i.e., the type of family they come from. Parents are the primary influences on children (Moschis and Churchill 1978a). The communication occurring in families also impacts buying decisions (McNeal and Yeh 1998; Caruana and Vassallo 2003). According to Moschis and Mitchell (1986), children from families with a high social orientation are less likely to be involved in family

decisions and less likely to make consumption-related decisions for them. Conversely, children from families with a high concept orientation are likely to have higher product knowledge, better able to manage a family budget (Moschis and Moore 1979b) and have a higher regard for their parents' opinions (Moschis, Prahasto et al. 1986). These researchers have identified the following family communication patterns: laissez-faire, protective, pluralistic and consensual.

Employment Status of the Mother

Mother's employment status was also noted as an important factor for socialisation of children. The children of full-time employed mothers shopped for their clothing more often than the children of mothers with part-time no employment (Haynes et al. 1993).Studies have shown that the urban Indian women are now getting employment at an early age. There also has been an overall decline in casual employment and general increase in regular work and self-employment (Chandrashekhar and Ghosh, 2007). It has also been observed in studies that working mothers have a feeling of guilt of not being able to spend much time with their kids and hence try to compensate the same by allowing their kids to buy on their own more often (Isin and Alkibay, 2011).Another reason is that in families where both the parents are working are financially more sound and hence spend more on children's needs.

H_{a2}: Mothers' employment status affects the children's socialisation process and thereby affects their influence on family purchase decisions.

Socio-economic Status

The fact that the socio economic status influence the child's socialization is validated by the study of (Moschis and Churchill, 1978) which reflect that the child from higher earning families tend to socialize faster and thus has more understanding of the market and products. The influence of children on family purchase decisions from higher socio economic families has been found to be more intensive than the influence of children from lower

socio economic family (Haynes *et al.* 1993, Tansijah *et al.* 1991). A theory put forward by Blood and Wolfe (1960) suggests that individuals who possess more resources than others in a social unit have greater influence on decisions within the unit.

Ha₃: The Socio-economic status of the family affects the children's influence on purchase decisions.

Apart from the factors considered above, the child's demographic factors, like age, gender, number of children in the family, and the product are also the deciding parameters to affect the children's influence on the purchase decision.

Age of the Child

A child's age is the most commonly researched variable in research involving the purchase-decision influence (Mangleburg 1990). The influence that children have on parental purchase decisions appears to increase with age (Ward and Wackman 1972; Atkin 1978; Jenkins 1979; Moschis and Mitchell 1986; Swinyard and Sim 1987; Laczniak and Palan 2004). It is also observed that the preteens are more influential in their own-use item than the family-used (Ronner, Hunt and Mallalieu, 2007). Ward and Wackman (1972), in their research, found that parents yield more to the older children than the younger children's requests for various products of personal use.

H$_{a4}$: Older children have more influence in the family purchase-decision than the younger ones.

Buying Roles

McDougall Jean and Chantrey David (2004) emphasised that today's teen (8 to 14 year olds) are much more grown up than the previous generations. They discovered that the teens not only influence the brands they buy for themselves but also the expensive family purchases. They examined that they are very brand loyal and the loyalty increases sharply at the age of ten, and peaks at around 30. As stated by Sheth (1974), five roles are identified by the members of the family in purchase decisions, namely, the information gatherer, influencer, decision-maker, purchaser and the end-user. Out of all these roles we wish to examine, the impact of children as information gatherer, influencer and decision-maker in the family decision-making process.

Research Design

The study conducted is descriptive in nature. An attempt is made to understand and describe the role of children in the family purchase decisions. The role of children in family purchase decisions is studied both for the household product categories as well as for the children centric products. Products like TV, refrigerator, car, mobile, computer and vacations were included in the household items whereas toys, books, food, games, clothing, stationery and personal use products were included in the children-centric products. In the literature, numerous ways of examining the decision making process has been adopted. Some studies have analysed the purchase decision as: (1) problem recognition or problem initiation; (2) information search and (3) final purchase. Some other studies have been conducted wherein the stages of decision making adopted are: (1) problem recognition, (2) search, (3) alternatives evaluation, (4) choice, and (5) outcomes. In this study, an attempt is made to understand the children's influence as information gatherers, influencers, and decision-makers, with respect to the products of family use as well as the products of their personal use.

Sample and Data Collection

The sample of the study comprises of 150 respondents which include the parents having children in the age-group of 5 to 15 years. The study was conducted in the Jaunpur district of U.P.

The respondents were conveniently intercepted at the shopping malls, banks and educational institutions. Before eliciting the response it was made sure that the respondents have children in the age group relevant to our study. The measuring instrument used is a structured questionnaire based on the research objectives and hypotheses. Most of the questions were on Likert's 5- point scale. A few open ended questions were also asked to enable the respondents to express their views and opinions. The questionnaire was divided into four sections. Section A comprised of questions related to the basic information about parents. Section B included questions pertaining to the children information. Section C included questions about the children buying behaviour and Section D focused on the children's influence on the buying behaviour. Thus, a total of 23 questions related to the study were asked to the respondents. Out of the all the questionnaires received, 120 useful questionnaires were analysed.

Respondents' Profile

The respondents' consisted of 75 per cent males and 25 per cent females. The distribution of the respondents, with respect to their occupation, income and family size, are shown in **Table 1**, **Table 2,** and **Table 3**, respectively.

Table 1
Distribution of Respondents by Occupation

Occupation	Frequency	Percentage
Housewife	18	15
Professional	16	13
Executive	26	21
Teacher	36	30
Self Employed	15	12
Others	10	9
Total	**120**	**100**

Table 2
Distribution of Respondents by Income

Monthly Income (Rs.)	Frequency	Percentage
Less than 15000	22	18
15000-45000	47	39
45001-90000	30	25
More than 90000	21	18
Total	**120**	**100**

Table 3
Distribution of Respondents by Family Size

Number of children	Frequency	Percentage
One	33	28
Two	61	51
Three	26	21
Total	**120**	**100**

DATA ANALYSIS AND FINDINGS

The data was analysed using SPSS 20.

Shopping Frequency of Children

The frequency of the purchase by children is shown in **Table 4.**

Table 4
Shopping frequency of Children

No of times in a week	Frequency	Percentage
Once	35	29
Two	56	47
Three	28	23
Four	01	1
Total	**120**	**100**

It is noted that the frequency of purchasing twice in a week is the highest, followed by purchasing once in a week.

Children's Preference of Products

The products most requested by the children is shown in **Table 5.**

girls request for personal products, clothing and food as their preferred choice.

Table 5
Children's Preference of Products

Product category	Boys' preference	Girls' preference
Toys	1	4
Books	3	3
Food	2	2
Games	2	5
Clothing	4	1
Stationery	3	3
Personal products	6	1

As shown in the table, the preference of the products differs among boys and girls. Whereas the boys mostly demand toys, food and games, the

Testing of Hypotheses

H$_{a_1}$: The type of families affects the influence of children on family-purchase decisions

In order to test the above hypothesis, the data was analysed using the *t-test.*

Mean Value of Purchase Influence

The mean value of purchase influence is summarised in **Table 6**

Table 6
Mean Value of Purchase Influence

Variable	Type of family	N	Mean	Std. Deviation	Std. Error Mean
Purchase influence	Nuclear family	100	2.4300	1.17426	0.11743
	Joint family	20	2.2000	0.89443	0.20000

The Independent Samples Test
The test of Independent Samples is shown in **Table 7**

Table 7
Independent Samples Test

Variable		Levene's Test for Equality of Variances		t-test for Equality of Means							
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
purchase influence	Equal variances assumed	4.827	0.030	0.828	118	0.409	0.23000	0.27774	-0.32000	0.78000
	Equal variances not assumed			0.992	33.591	0.328	0.23000	0.23192	-0.24154	0.70154

The *t test* results show that there is no significant difference in the purchase influence of children in the nuclear and joint families. The children in the nuclear family exert same influence in the purchase decision as the children in the joint family.

H$_{a2}$: Women's employment status affects the children's socialisation process and thereby affects their influence on the purchase decision.

Mean Value of Purchase Influence-

The mean value of purchase influence is summarised in **Table 8**

Table 8
Mean Value of Purchase Influence

Variable	Employment status of Women	N	Mean	Std. Deviation	Std. Error Mean
Purchase influence	Yes	40	1.6500	0.86380	0.13658
	No	80	2.7625	1.07024	0.11966

Independent Samples Test
The Independent Samples Test is summarised in **Table 9**

Table 9
Independent Samples Test

Variable		Levene's Test for Equality of Variances		t-test for Equality of Means							
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Purchase influence	Equal variances assumed	4.040	0.047	-5.707	118	.000	-1.11250	0.19495	-1.49855	-0.72645
	Equal variances not assumed			-6.127	94.392	.000	-1.11250	0.18158	-1.47301	-0.75199

The t test result show that the employment status of women affects the children influence on the purchase decision. The children whose mother is employed exert more influence on the purchase decision as compared to those children whose mother is unemployed.

H$_{a3}$: Socio economic status of the family affects the children's influence on purchase decision

This hypothesis is sought to be tested using the one-way ANOVA test.

The Mean value and SD of Purchase Influence across Income group

The mean value and SD of purchase influence across different Income group is summarised in **Table 10.**

Table 10
Mean Value and SD of Purchase Influence across Income Groups

Family Income (Rs) (Monthly)	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
7000-15000	23	1.9565	1.29609	0.27025	1.3961	2.5170	1.00	5.00
15000-45000	46	1.9348	0.97530	0.14380	1.6452	2.2244	1.00	4.00
45000-90000	30	2.1667	1.23409	0.22531	1.7058	2.6275	1.00	5.00
90000-125000	21	2.0952	1.09109	0.23810	1.5986	2.5919	1.00	5.00
Total	120	2.0250	1.11869	0.10212	1.8228	2.2272	1.00	5.00

ANOVA Significance

The ANOVA significance value is shown in **Table 11**

Table 11
ANOVA Significance Value

Dependent: Purchase Influence

Variables	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.188	3	0.396	0.311	0.817
Within Groups	147.737	116	1.274		
Total	148.925	119			

The results show that the distribution of purchase decision is the same across different categories of family income.The p value at the 5 per cent level is 0.817, which shows that the socio-economic status does not affect the children's purchase influence.

H_{a4}: The older children have more influence in family purchase decision than the younger children.

The above hypothesis is sought to be tested using one-way ANOVA for comparing the means of the different age-groups.

Mean Value and SD of Purchase influence across different age groups

The mean value and SD of purchase influence across different age-groups are shown in **Table 12**

Table 12
Mean Value and SD of Purchase Influence across Age Groups

Variable	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
5-9 Yrs	42	2.3333	1.18253	0.18247	1.9648	2.7018	1.00	5.00
10-12 Yrs	37	2.3784	1.13899	0.18725	1.9986	2.7581	1.00	5.00
13-15 Yrs	41	1.3902	0.70278	0.10976	1.1684	1.6121	1.00	4.00
Total	120	2.0250	1.11869	0.10212	1.8228	2.2272	1.00	5.00

ANOVA Significance

The ANOVA significance value is summarised in **Table 13**

Table 13
ANOVA Significance Value

Dependent: Purchase Influence

Variable	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	25.133	2	12.566	11.877	0.000
Within Groups	123.792	117	1.058		
Total	148.925	119			

The p value of 0.000 at 5 per cent level of significance indicates that there are significant differences in the purchase influence across the different age-groups. Further, the Post Hoc analysis was done to understand the comparisons between the different groups.

Multiple Comparisons across Different Age groups

The multiple comparisons across different age-group are shown in **Table 14**

Table 14
Multiple Comparisons across Different Age-Groups

Dependent Variable: purchase influence

(I) Age of reference child	(J) Age of reference child	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
5-9 Yrs	9-12 Yrs	0-.04505	0.23192	0.981	-0.6201	0.5300
	13-15 Yrs	0.94309*	0.22583	0.000	0.3832	1.5030
10-12 Yrs	5-9 Yrs	0.04505	0.23192	0.981	-0.5300	0.6201
	13-15 Yrs	0.98813*	0.23324	0.000	0.4098	1.5664
13-15 Yrs	5-9 Yrs	-0.94309*	0.22583	0.000	-1.5030	-0.3832
	10-12 Yrs	-0.98813*	0.23324	0.000	-1.5664	-0.4098

* The mean difference is significant at the 0.05 level.

The results show that the purchase influence of 12-15 years' children is significantly different from the influence of both 5-9 years and 10-12 years children.

Children Influence on Household Use and Personal Use Product

The Children's influence on household use and personal use product are shown in **Table 15**

Table 15
Personal Use Product Preference by Gender

Variable		Personal product category						
		Toy	Books	Food	Games	Clothing	Stationary	Personal products
		Count	Count	Count	Count	Count	Count	Count
Gender of the reference child	Boy	35	20	2	5	5	0	3
	Girl	3	5	0	3	30	0	9

As shown in the table, the girls influence their parents to purchase clothing as compared to the boys who influence their parents to purchase toys and books.

Household Product Preference-

The Household product preference of the children is shown in **Figure 1**
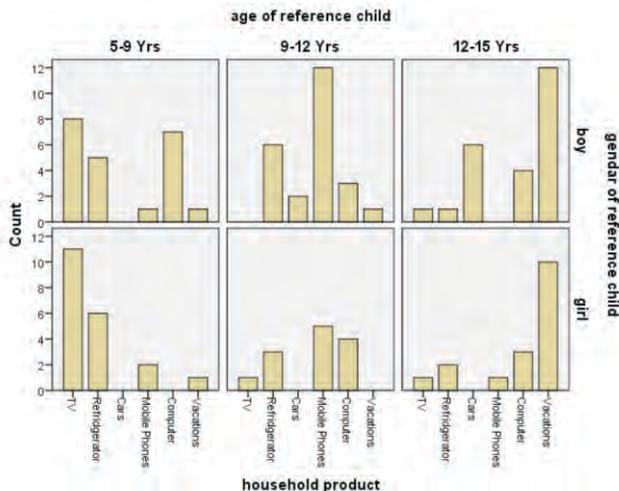
Figure 1

As shown in the figure, the girl child aged between 5-9 years has more influence in the purchase of TV than the boy child. It is also evident that the boy child in this age group also influences the purchase

of computer. In the age-group of 10-12 years the boys significantly influence the purchase of mobile phones and refrigerator to some extent. In the age-group of 13-15 years which is supposed to be the mature category as far as this study is concerned the boys and the girls seems to have significant influence on the vacations decision, which reflects their maturity, as this decision involves prudent comparisons on various parameters like cost, place value and historical relatedness.

Buying Roles Analysis

The analysis of the buying roles (Household Products) is depicted in **Figure 2**
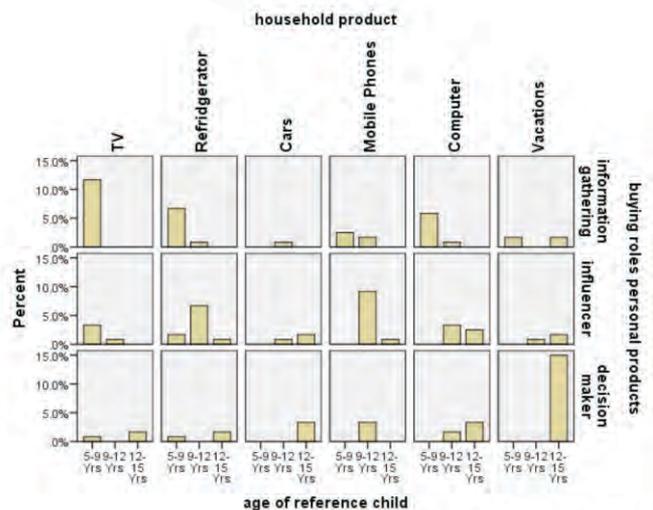
Figure 2

As shown in the figure, 10 per cent, 6 per cent and 5 per cent of the children in the age group of 5-9 years play a significant role in the information gathering stage of the TV, refrigerator and computers, respectively. Moreover, 10 per cent and 7 per cent of the children in the age group of 10-12 years influence the decision of buying mobile phones and refrigerator respectively. Significantly, children in the age group of 13-15 years act as decision-makers for selecting the vacations. It clearly indicates that with the increase in the age, the role of children shifts from the information-gatherer to the decision-maker.

Limitations of the Study

This study used parents as respondents to understand their impact on the purchase influence. It would have been more relevant and insightful to elicit children's response as well and having a comparison between the parents' and children's responses. Moreover, this study focussed only on getting the response of the parents on the eldest child (referred to as reference child) which would have not been appropriate in case the family had more than one child. Further, the influence of the children on the family-purchase decision occurs at various stages, like initiator, influencer, motivator, or evaluator. These roles of the children need to be studied in depth in order to clearly ascertain their impact on the family purchase decision.

CONCLUSION AND POLICY IMPLICATIONS

The study shows that the influence of children in purchase decisions in the nuclear and the joint families is same. This conforms to some previous researches which also indicated that there is no significant difference in the children's purchase decisions with respect to the type of the family. The study also reveals that the children of the working women have more influence in the purchase decisions which is in accordance with the findings of previous researches. This is due to the guilt-feeling of the working women for not being able to spare much time for their children and hence try to compensate it by allowing their children to purchase on their own. The data of the study do not support the view that the children of the high economic status exert more influence on the purchase decisions. The findings confirm that the older children influence the purchase decisions more as compared to the younger children. Interestingly, the interest of the boys is more towards toys and books whereas the girls are more inclined to clothing which is in accordance with the findings of some previous studies. A cross-sectional analysis of the purchase influence in the household products with regard to the gender and the age shows that the older children are more in a position to decide the vacations and middle-aged children influence the purchase decision of mobile phones. This reflects the ability of the older children to evaluate and analyse the product before making the final decision.

The knowledge of children's influence and their role in the family-purchase decisions help the marketer to design effective marketing strategies. The marketers can develop appropriate and suitable communication strategies to tap the potential influencer and can cater to the customer's need in more focussed manner. Moreover, an understanding of the product category where children have more influence will certainly help the marketers to design more child-oriented marketing plans to entice them and evoke the desired response.

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A superior man is modest in his speech, but exceeds in his actions.

Confucius
Philosopher and teacher (c. 551-478 BCE)

♦♦♦♦♦

Dreams have only one owner at a time. That's why dreamers are lonely.

Erma Bombeck
Author (1927-1996)

IMPACT OF MNREGS ON INCOME AND WAGE RATES
A Study in Mahendragarh District of Haryana

Rakesh Kumar* and S.K.Goyal**

Abstract

The present study was conducted in the Mahendragarh district of Haryana state, with the objective to assess the impact of the MNREG scheme on the employment, income of rural households and the overall wage rates. Two villages each were selected randomly from the five Development Blocks of the district, totaling 10 villages. Ten MNREGS job-card holders were randomly selected from each of the selected villages. Thus, the total sample consisted of 100 respondents. The study has revealed that the highest proportions (66 per-cent of the respondents) had the Below-poverty Line (BPL) cards and had low participation than others. Eighty-two per cent of the respondents were landless. Even the respondents having land were marginal and small farmers in most of the cases. The average annual income of the respondents was about Rs. 6807 under the MNREGS and the contribution of the MNREGS income was about 9 per cent to the total family income of the working people. Although the MNREGS resulted in increased wage rates for various activities in the selected areas, other factors, such as inflation of food and non-food articles, purchased by rural labour were also responsible for the wage increase.

Key words: *MNREGS, Job cards, Income, Wage rate, Mahendragarh district*

INTRODUCTION

The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MNREGA) was notified on September 7, 2005, and came into force on February 2, 2006. It is considered the world's biggest employment-guarantee programme which aims at enhancing the livelihood security of households in rural areas of the country, by providing 100 days of guaranteed wage employment in a financial year to every household, whose adult members volunteer to do unskilled manual work. Its primary objective is to augment wages and employment and strengthen natural resource management. The Act was notified in 200 districts in the first phase, with effect from February 2 2006, and then extended to 130 more districts in the financial year 2007-08. The remaining districts were notified under the MNREGS with effect from April 1, 2008. Thus, the MNREGS covers the entire country with the

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exception of districts that have a hundred per cent urban population.

In the first phase, out of the 200 districts across the country, the MNREGS was notified in two districts of Haryana, namely, Mahendragarh and Sirsa, on February 2, 2006. In the second phase, the Act was notified in the two additional districts, namely, Ambala and Mewat, on April 1, 2007. The remaining districts of the state were notified on September 28, 2007, where the MNREGA came into force with effect from April 1, 2008.

In the Mahendragarh district, 45,808 job cards were issued during the year 2006-07, which increased to 64,305 in the years 2011-12. The proportion of Schedule Caste and Schedule Tribe job card holders was 55.85 per cent in the year 2006-07 which declined to 27.22 in the year 2011-12. While the proportion of other categories increased from 44.15 per cent to about 72.78 per cent. Out of those households who could get employment during the year 2006-07, 20.43 per cent households completed 100 days of employment. This proportion was only 2.43 per cent in the year 2011-12. In the selected district, during the year 2006-07, 10.58 lakh person days employment was generated which declined to 6.03 lakh person days in the year 2007-08 and 8.82 lakh person days in 2011-12. The employment generated per job card issued was maximum about 23 person days in year 2006-07 which decreased to 13.72 person days in the year 2011-12. Therefore, keeping in view the importance of the MNREGS, the present study was undertaken to examine the impact of the scheme on the employment, income of rural households and overall wage rate.

LITRATURE REVIEW

A researcher plans and executes his/her work on the basis of the work already done in the particular area and related to the study. In order to have an in-depth understanding of the working, implementation, success and failure of the programme, the literature concerning the evaluation of the MNREG programme, was reviewed.

In one of the earliest studies on the subject, Bagchee (1984) concluded that the Maharashtra Employment Guarantee Scheme remained the longest sustained effort of employment generation in the rural areas and has itself evolved, in the light of administrative experience, into a fairly conceptualized scheme that can provide a model for similar programmes elsewhere in the country. Further, it pointed out that straddling the twin objective of employment generation and increasing productivity can only be feasible if the focus of the scheme is on poverty amelioration and both these objectives are seen from this view-point.

Gambhire (2005) found that the Employment Guarantee Scheme (EGS) has been successful in reducing seasonal unemployment in rural areas. It has provided employment to landless labourer, small and marginal farmers and rural artisans. Until the launching of the EGS, in Maharashtra the workers depended entirely on the land owners and receiving low wages. Further, it was observed that the unemployment rate was higher in male than female.

Bakshi (2007), in his study, concluded that the recently- launched MNREGA is the ultimate scheme in a number of events. Virtual employment has launched at the doorstep of villagers. Why do not have to migrate to cities, away from their villages in search of work. The psychological impact of NREGS is highly constructive. The word "employment" has found meaning in their lives. Not only in the cities, is employment available in the rural belt. Rural employment and religious tourism have immense potential for irrigation. In his study, Dreze (2007) noted that the Act provides a legal guarantee of employment in rural areas to anyone who is willing to do casual manual labour at the statutory minimum wage. Another fact is that it will get entangled in endless litigation, as hordes of aggrieved labourers may take the local authorities to Court. The fact is that ordinary citizen are terrified of the courts, for good reasons, and would not want to come anywhere near them if they can

avoid it. Some public interest litigations may happen, but that may not be a bad thing.

In his study, conducted in Orissa, Baisakh (2008) found that the strength of the legislation has already been exhibited in the state by enforcement of the clauses of unemployment allowance in case of 546 job card holders who have got Rs. 1,04,355 in total. The process of social audit has also proved to be an effective tool in hand of common people to ensure transparency and demand settlements.

The study conducted by Ghate (2008) revealed that the NREGA has reduced hunger and distress migration and raised agricultural wages through the security it provides to farm labour. Further, the NREGA seeks not only to provide guarantee employment, but to do so through works that will enhance the productive base of agriculture and of the rural economy generally through water harvesting and soil conservation, improved rural connectivity, forestry and pasture development, drainage and flood control works etc.

Tripathy and Tripathy (2008), in their study, found that the legal right under the NREGS which ensured at least 100-days wage employment, marked a paradigm shift from the wage employment programmes. Yet, it is not free from implementation problems at the ground level. The desired level of success of the NREGS depends on the strengthening of the existing implementation and monitoring mechanism besides ensuring financial and operational sustainability.

Gopal (2009) observed that the basic change in the NREGS confers on people is guaranteeing a right to employment and making the government accountable. But the functioning of this cardinal feature of the legislation is not the part of social audit scrutiny in Andhra Pradesh. The officials do not acknowledge the applications for work, while the government does not bother to monitor its delivery. On the other hand, the government has repeatedly placed obstacles on implementation by issuing unofficial instructions on when and where

to provide employment.

Maheshwari and Gangwar (2011), in their study conducted in the Thanjavur district of Tamil Nadu, noted that the implementation of the MGNREGS had provided employment to rural workers and checked the migration of farm labour from villages to cities and nearby industrial townships. All the eligible family members of landless dairy farmers had the job cards, but medium and large dairy farmers possessing agricultural land, prefer to work at their own farms. The labour wages have increased significantly from Rs 60 to Rs 110 per day since the implementation of MNREG scheme.

Ahuja *et al.* (2011) sought to identify the difference in the employment status, income, landholding size, herd size and other assets of the sample farm households of two districts of Haryana-one agriculturally-advanced (Karnal) and the other agriculturally-backward (Mewat). A significant difference has been found in the extent of employment under MGNREGA works in agriculturally-advanced Karnal (13.7 per cent) and agriculturally-backward Mewat (24.6 per cent) districts.

The study by Devi *et al.* (2011) revealed that the number of migrants in the family, number of livestock units owned and the number of person-days employed in agriculture, non-agriculture and MGNREGS have significantly influenced the household income of participants and non-participants of the MGNREGS. It is an interesting and encouraging noting that the scheme has reduced the migration of people from rural to urban areas.

OBJECTIVE OF THE STUDY

The present study was undertaken to examine the impact of Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) on the employment, and income of rural households, and the overall wage rates.

RESEARCH METHODOLOGY

The study was conducted in the Mahendragarh district of Haryana State. It may be stated that MGNREGS has been implemented in the country in three phases since February 2, 2006. In the first phase, the scheme was implemented in two districts of Haryana, namely Mahendragarh and Sirsa. First phase was selected because of maximum time of implementation which could give better results of impact of MNREGA. Out of the two districts of the first phase, Mahendragarh district was selected on the basis of poor economic conditions of rural people than Sirsa district. There are five blocks in the selected district. All the five blocks were selected for the present study. From all the five blocks two villages were selected randomly totaling 10 villages in the selected district as shown in **Table 1.**

Table 1
Selection of Villages and Respondents

Blocks	Villages	Respondents
1. Narnaul	1.Balaha Kalan	10
	2.Bhankhari	10
2. Nangal Chaudhary	3.Mandhana	10
	4.Kojinda	10
3. Kanina	5.Dongra Ahir	10
	6.Mundia Khera	10
4. Mahendragarh	7.Kherki	10
	8.Malra Bass	10
5. Ateli Nangal	9.Pirthipura	10
	10.Saluni	10
Total	**10**	**100**

The lists of all the job card-holders were taken from the gram panchayat of the selected villages. Then, ten MNREGS job card-holders were randomly selected from each of the selected villages. In this way, the ultimate sample consisted of 100 respondents.

Both the secondary as well as the primary data were collected for the study. The Secondary data on different aspects of MNREGS were obtained from the Government offices and websites and the Gram panchayats. The information included the issue of job cards, employment generated under the MNREGS, and the number of registered households in the selected district. The primary data were collected from the selected respondents on a specially-structured interview schedule, designed for the study purposes. The data included the land ownership, income level, employment under the MNREGS, and the wage rates, etc.

In order to analyse the data, statistical techniques of frequencies, percentages, averages, and Analysis of Variance (ANOVA) were used. The process of ANOVA is summarised in **Table 2.**

Table 2
ANOVA Process

Source of Variation	DF	SS	MSS	F
Blocks	n-1= a	S_1	S_1/a = x	x / y
Error	c-a = b	S_2	S_2/b = y	
Total	N-1 = c			

Where: n = No. of blocks to be compared, i.e., 5

   N = Total number of respondents, i.e., 100

   SS = Sum of squares

   S_1= Sum of squares due to blocks

   S_2=Sum of squares due to error

   M.S.S. = Mean Sum of Squares (SS/DF)

   D.F = Degree of freedom.

RESULTS AND DISCUSSION

Poverty level

The MNREGA scheme is open to all persons irrespective of their poverty level. As shown in

Table 3, there was a large participation of persons who did not have BPL cards**.** It is noted that 40 per cent of the respondents had 'Below-Poverty Line' (BPL) cards and the rests did not have such cards. In the Nangal Chaudhary and the Ateli Nangal blocks, the same pattern was found as at the district level. The percentage of respondents having BPL cards was 55, 30, and 35 per cent in Narnaul, Kanina and Mahendragarh blocks, respectively.

Table 3
Distribution of Respondents by Poverty Level (BPL Cards)

BPL Card	Block					Total
	Narnaul	**Nangal Chaudhary**	**Kanina**	**Mahendragarh**	**Ateli Nangal**	
Having BPL cards	11 (55.00)	8 (40.00)	6 (30.00)	7 (35.00)	8 (40.00)	40 (40.00)
Don't have BPL cards	9 (45.00)	12 (60.00)	14 (70.00)	13 (65.00)	12 (60.00)	60 (60.00)
Total	20 (100.00)	20 (100.00)	20 (100.00)	20 (100.00)	20 (100.00)	100 (100.00)

Note: The figures in parentheses indicate the percentage to the total.

Land Ownership

It was noted that a large majority (82 per cent) of respondents were landless. Only a few (8 per cent) had land less than one acre of land, followed by 6 per cent having 1-2 acres of land and 6 per cent land owing to the extent of 2 acres and above (**Table 4**). In the Narnaul block, 80 per cent of the respondents were landless while this proportion came to 95, 70, 75 and 90 per cent in the Nangal Chaudhary, Kanina, Mahendragarh and Ateli Nangal blocks, respectively. In the Narnaul block, 10 per cent of the respondents had less than one acre of land and 5 per cent each had one to two acres of land, and two acres and above. In the Kanina block, 15 per cent of the respondents had land up to one acre, 5 per cent one to two acres and 10 per cent people owned two acres and above.

Table 4
Pattern of Land Ownership among Respondents

Particulars	Block					Total
	Narnaul	**Nangal Chaudhary**	**Kanina**	**Mahendra-garh**	**Ateli Nangal**	
Landless	16 (80.00)	19 (95.00)	14 (70.00)	15 (75.00)	18 (90.00)	82 (82.00)
Less than 1 acre	2 (10.00)	1 (5.00)	3 (15.00)	2 (10.00)	-	8 (8.00)
1-2 acres	1 (5.00)	-	1 (5.00)	1 (5.00)	1 (5.00)	4 (4.00)
2 acres & above	1 (5.00)	-	2 (10.00)	2 (10.00)	1 (5.00)	6 (6.00)
Total	20 (100.00)	20 (100.00)	20 (100.00)	20 (100.00)	20 (100.00)	100 (100.00)

Note: The figures in parentheses indicate the percentage to the total.

In the Mahendragarh block, almost the same pattern was found as in the Kanina block. In the Ateli Nangal block, 5 per cent of the respondents each had 1 to 2 acres and 2 acres and above. So, there was a great need for extra source of income rather than the agricultural land for most of the respondents.

Total Family Income

The distribution of respondents according to annual family income during 2011-12 is presented in **Table 5.** The highest proportion (27 per cent) of total respondents had a family income of Rs. 60 to 80 thousands per annum, followed by 23 per cent having family income of Rs. one lakh and above. There were 18 per cent respondents whose annual family income was Rs. 70 to 80 thousands and 14 per cent of total respondents were having income less than Rs. 60 thousands. The average income per household worked out at Rs. 89304 per annum.

Table 5
Distribution of Respondents by Annual Family Income

Income (Rs. '000)	Block					Total
	Narnaul	**Nangal Chaudhary**	**Kanina**	**Mahendragarh**	**Ateli Nangal**	
Less than 60	4 (20.00)	4 (20.00)	3 (15.00)	-	3 (15.00)	14 (14.00)
60-70	5 (25.00)	4 (20.00)	5 (25.00)	6 (30.00)	7 (35.00)	27 (27.00)
70-80	2 (10.00)	3 (15.00)	4 (20.00)	6 (30.00)	3 (15.00)	18 (18.00)
80-90	3 (15.00)	4 (20.00)	-	1 (5.00)	1 (5.00)	9 (9.00)
90-100	-	2 (10.00)	3 (15.00)	3 (15.00)	1 (5.00)	9 (9.00)
1 Lakh & above	6 (30.00)	3 (15.00)	5 (25.00)	4 (20.00)	5 (25.00)	23 (23.00)
Total	20 (100.00)	20 (100.00)	20 (100.00)	20 (100.00)	20 (100.00)	100 (100.00)
Average Income	87913.50	80056.70	86794.55	83940.10	107816.00	89304.00
F- ratio	1.10					

Note: The figures in parentheses indicate the percentage to the total.

In the Nangal Chaudhary block, 20 per cent of households had annual income less than Rs. 60 thousand, 60 to70 and 80 to 90 thousands each. Only 15 percent of total households had income more than Rs.1 lakh. In Kanina and Ateli Nangal block one fourth of the respondents had income more than one lakh and 15 percent of the total respondents had income less than Rs. 60 thousand.

On the whole, income group of Rs.60 to 70 thousands emerged as most prevalent strata in the study area. The average income in Ateli Nangal block was highest i.e. Rs.107816 and lowest in

Nangal Chaudhary block i.e. Rs.80057. The difference in average income per family was non-significant among five blocks as per the analysis of variance (ANOVA).

Income from MNREGS

As indicated in **Table 6**, as much as 63 per cent of the total respondents were in no income group during the year 2011-12. This was followed by 20 percent respondents who got income below Rs.5000. The no income proportion was found highest in all the blocks with 85, 35, 65, 60 and 70 percent in Narnaul, Nangal Chaudhary, Kanina, Mahendragarh and Ateli Nangal blocks, respectively. This shows that there was very poor participation of respondents working under MNREGA.

Table 6
Annual Income of Respondents from MNREGS

Income (Rs.)	Blocks					Total
	Narnaul	**Nangal Chaudhary**	**Kanina**	**Mahendragarh**	**Ateli Nangal**	
No income	17 (85.00)	7 (35.00)	13 (65.00)	12 (60.00)	14 (70.00)	63 (63.00)
Up to 5000	1 (5.00)	7 (35.00)	3 (15.00)	5 (25.00)	4 (20.00)	20 (20.00)
5000-10000	-	2 (10.00)	2 (10.00)	2 (10.00)	2 (10.00)	8 (8.00)
10000-15000	2 (10.00)	3 (15.00)	1 (5.00)	-	-	6 (6.00)
15000-20000	-	-	1 (5.00)	1 (5.00)	-	2 (2.00)
20000 & above	-	1(5.00)	-	-	-	1(1.00)
Total	20 (20.00)	20 (20.00)	20 (20.00)	20 (20.00)	20 (20.00)	100 (100.00)
Average income of working respondents from MGNREGA	7756.67	7628.20	7134.43	5325.25	6145.70	6806.90
Average of annual Income of working respondents	72833.30	71536.00	77892.90	69125.00	83958.30	74336.95
% share of income from MGNREGA in total income	10.65	10.66	9.16	7.70	7.32	9.16

Note: The figures in parentheses indicate the percentage to the total.

The average annual income of working respondents came out to be Rs.6807 under the MNREGS during the year 2011-12. In blocks, the average income of working respondents from the MNREGS worked out at Rs.7757, 7628, 7134, 5325 and 6146 in Narnaul, Nangal Chaudhary, Kanina, Mahendragarh and Ateli Nangal blocks, respectively. The contribution of income from MNREGS to the total family income came out to be 10.65, 10.66, 9.16, 7.70 and 7.32 percent in Narnaul, Nangal Chaudhary, Kanina, Mahindragarh and Ateli Nangal blocks, respectively.

At the aggregate level, i.e., for all the respondents, this contribution worked out to be 9.16 percent. It was also observed that income of Rs.5000 emerged as the most common income groups under MGNREGA during the year 2011-12.

Wage Rate under MGNREGS

The information about wage rates under MNREGA during different years from 2006-07 to 2011-12 is presented in **Table 7**. The wage rate was officially fixed at the same rate all over the study of Haryana. In 2006-07, the wage rate started with Rs.95, which was later revised to Rs.96.55. In the year 2007-08, the wage rate was increased to Rs.135. The same rate continued for some months during the year 2008-09, but later on it was revised to Rs.141.

Table 7
Wages paid to Workers under the MNREGS in Haryana (Years 2006-07 to 2011-12)

Year	Wage rate (Rs./day)
2006-07	95.00
2007-08	135.00(42)
2008-09	141.00(48)
2009-10	148.00(56)
	151.00(59)
2010-11	162.00(71)
	167.23(76)
2011-12	179.00(88)

Again, the wage rate revised two times Rs.148 and Rs.151, during the year 2009-10. In the next year (2010-11), the wage rate was again revised two times to reach Rs.162 and Rs.167.23. In lateral part of the year 2011-12 it was revised to Rs.179. All the respondents received the equal wage rates which were prevailing during different time periods. The wage rate increased by 42, 48, 56 & 59, 71 & 76 and 88 percent in the year 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 over the year 2006-07(wage rate Rs. 95/day).

Open-market Wage Rate

Table 8 presents the information about the wage rate of agricultural labourers for various operations for the years 2006-07 to 2011-12. During the lean

period of the year 2006-07, the wage rate of casual agricultural labour was Rs.150 per day in Narnaul block. Food and tea is also served to the labourers free. The wage rate remained same in the year 2007-08 but increased by 33.33 percent in 2008-09 and 2009-10, by about 67 per cent in 2010-11 and again by about 67 per cent in 2011-12 over the year 2006-07. In peak period of work load, the wage rate of casual agricultural labour was Rs.200 per day. During the peak period of work load, the increase in

wage rate was high as compared to the lean period during the different years except the year 2011-12. For example wage rate during lean period increased by 33.33 percent in the year 2008-09 and 2009-10 over the year 2006-07 while this figure for the peak period was 25 per cent. In the year 2010-11 the wage rate during lean period increased by about 67 per cent over the year 2006-07 while wage rate during peak period increased by 50 per cent during same time period.

Table 8
Open-market Wage Rates of Agricultural and Non-agricultural Labour in Selected Blocks
(Years 2006-07 to 2011-12)

(Rs./day)

Year	Agricultural labour				Non-agricultural labour
	Lean period	Peak period	Harvesting & threshing of Bajra/Guar	Harvesting & threshing of Gram/Wheat/Mustard	
Narnaul					
2006-07	150	200	180	180	170
2007-08	150 (0.00)	200 (0.00)	200 (11.11)	200 (11.11)	170 (0.00)
2008-09	200 (33.33)	250 (25.00)	250 (38.89)	250 (38.89)	200 (17.65)
2009-10	200 (33.33)	250 (25.00)	250 (38.89)	250 (38.89)	250 (47.06)
2010-11	250 (66.67)	300 (50.00)	300 (66.67)	300 (66.67)	270 (58.82)
2011-12	250 (66.67)	350 (75.00)	350 (94.44)	350 (94.44)	300 (76.47)
Nangal chaudhary					
2006-07	100	150	100	120	120
2007-08	100 (0.00)	150 (0.00)	100 (0.00)	120 (0.00)	150 (25.00)
2008-09	150 (50.00)	200 (33.33)	150 (50.00)	200 (66.67)	180 (50.00)
2009-10	150 (50.00)	250 (66.67)	150 (50.00)	200 (66.67)	200 (66.67)
2010-11	200 (100.00)	300 (100.00)	200 (100.00)	250 (108.33)	250 (108.33)
2011-12	250 (150.00)	350 (133.33)	250 (150.00)	300 (150.00)	300 (150.00)
Kanina					
2006-07	100	150	120	120	100
2007-08	120 (20.00)	170 (13.33)	150 (25.00)	150 (25.00)	120 (20.00)
2008-09	150 (50.00)	200 (33.33)	170 (41.67)	170 (41.67)	150 (50.00)

....Contd.

Table 8 (Contd.)

2009-10	150 (50.00)	250 (66.67)	200 (66.67)	200 (66.67)	170 (70.00)
2010-11	200 (100.00)	270 (80.00)	250 (108.33)	250 (108.33)	200 (100.00)
2011-12	230 (130.00)	300 (100.00)	300 (150.00)	300 (150.00)	250 (150.00)
Mahendragarh					
2006-07	120	150	150	150	150
2007-08	150 (25.00)	180 (20.00)	170 (13.33)	180 (20.00)	170 (13.33)
2008-09	180 (50.00)	200 (33.33)	200 (33.33)	200 (33.33)	200 (33.33)
2009-10	200 (66.67)	250 (66.67)	230 (53.33)	250 (66.67)	230 (53.33)
2010-11	250 (108.33)	300 (100.00)	250 (66.67)	300 (100.00)	250 (66.67)
2011-12	300 (150.00)	350 (150.00)	300 (100.00)	350 (150.00)	300 (100.00)
Ateli Nangal					
2006-07	100	150	150	150	150
2007-08	150 (50.00)	200 (33.33)	200 (33.33)	200 (33.33)	150 (0.00)
2008-09	150 (50.00)	200 (33.00)	200 (33.00)	200 (33.00)	200 (33.33)
2009-10	200 (100.00)	250 (66.67)	250 (66.67)	250 (66.67)	250 (66.67)
2010-11	200 (100.00)	300 (100.00)	300 (100.00)	300 (100.00)	250 (66.67)
2011-12	250 (150.00)	350 (133.33)	350 (133.33)	350 (133.33)	300 (100.00)

Note: The figures in parentheses indicate the percentage increase in wage rates during the year 2006-07.

For harvesting and threshing of the Kharif crops, like Bajra and Guar, the wage rate of casual agricultural labour was Rs.180. For harvesting and threshing of other crops of the Rabi season like gram, wheat and mustard, the same wage rates prevailed as for harvesting and threshing of the Kharif crops. The wage rate of non-agricultural labour was Rs.170 per day, during the year 2006-07, which increased to Rs. 300 per day, during the year 2011-12.

In the Nangal Chaudhary block during the year 2006-07, the wage rates for agricultural labour were less as compared to the Narnaul block but the quantum of increase in wage rate over the years was more as compared to the Narnaul block. The wage rate for harvesting and threshing of bajra, guar and harvesting and threshing of gram, wheat and mustard were less in the Nangal Chaudhary block as compared to Narnaul block throughout the period under study. As regards to wages for non-agricultural labour the wage rate in the Nangal Choudhary block remained less up to the year 2010-11 compared to Narnaul block but reach to the level of wage rate in Narnaul block during the year 2011-12.

Wage in the open market increased by 150 per cent during the lean period and by about 133 per cent during the peak period in the Nangal Chaudhary block. Also the open market rate for harvesting and threshing of different crops increased by 150 per cent in 2011-12 over the year 2006-07 in Nangal Chaudhary block. Almost similar pattern was

observed in other blocks also except Narnaul block. However the wage rate during year 2011-12 reached to the same level of Narnaul block for lean period and peak period. In Kanina, Mahendragarh and Ateli Nangal blocks, almost same pattern was observed as in Nangal Chaudhary block.

If we compare **Table 7** and **Table 8**, we observe that in all these years, although the wage rate under the MNREGS was always lower than the open market wage rate, but whenever the wage rate under the MNREGS increased, the open market rate also increased proportionately even more than the increase under the MNREGS. Thus, in the year 2011-12, the wage rate under the MNREGS increased by about 88 per cent over the year 2006-07, while the open market wage rate increased by much more than under the MNREGS in most of the blocks.

CONCLUSION AND POLICY IMPLICATIONS

The study has revealed that most of the workers under the MNREGS were landless. Even the respondents having land were marginal and small farmers in most of the cases. Due to less availability of wage employment under agriculture in Mahendragarh district, the main occupation of the majority of workers was non-farm labour and none was found as a farm labourer. After the implementation of the MNREGS, the wage rate was revised two times almost in all the years but could not cop up with the market rates. With the passage of time, the share of non-workers under the MNREGS has been increasing. This was mainly because of the information/awareness gap and till date the revised rate was very low as compared to the market wage rate of the study areas. Although the wage rate under the MNREGS was always lower than open market wage rate but whenever wage rate under the MNREGS was increased, the open market rate also increased proportionately

even more than increase under the MNREGS. For example, in the year 2011-12, the wage rate under the MNREGS increased by about 88 per cent over the year 2006-07 while the open market wage rate increased by about 150 per cent in most of the blocks.

Although the MNREGS has resulted into hike in wage rates for various activities in the study areas but other factors such as inflation of food and non-food articles purchased by rural labour also responsible for hike in wage rate. It is suggested that the norm of the 100 day employment guarantee must be confined strictly to months when there is no harvesting and threshing activity so that it does not lead to increase in open market wage rate. There is a need of further strengthening of the MNREGA to generate sufficient employment for rural workers.

The procedure of implementation of projects under the MNREGS ought to be simplified and the officials' visits be frequently made so that the work may be supervised properly. The wages under the MGNREGS also need to be increased in the wake of ever rising prices, particularly of food items. There can be social audit of the funds under the MNREGS at the village level. Such a measure will help to have a check on the various implementation problems under the MNREGS.

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Anthropologists, linguist (1884-1939)

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Japanese proverb

◆◆◆◆◆

Truth, like gold, is to be obtained not by its growth, but by washing away from it all that is not gold.

Leo Tolstoy
Novelist and philosopher (1828-1910)

◆◆◆◆◆

In a completely rational society, the best of us would be teachers and the rest of us would have to settle for something less, because passing civilisation along one generation to the next, ought to be the highest honour and the highest responsibility anyone could have.

Lee Iacocca
Automobile executive (b. 1924)

◆◆◆◆◆

How would you describe the difference between modern war and modern industry—between, say, bombing and strip mining, or between chemical warfare and chemical manufacturing? The difference seems to be only that in war the victimisation of humans is directly intentional and in industry it is "accepted" as a "trade off".

Wendell Berry
Farmer, author (b. 1934)

◆◆◆◆◆

A company must be viewed not only as a portfolio of products and services, but a portfolio of competencies as well.

– **Gary Hamel**

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       Tanmay Chattopadhyay, Shivani Shraddha, and Mahesh Krishnan (2010), "Marketing Mix Elements Influencing Brand Equity and Brand Choice", *Vikapla*, Vol. 35, No. 3 (July-September), pp. 67-84
    (iii) For unpublished Ph.D. theses and M. Phil.   dissertations:
       Deepa Sharma (2008), *Corporate and Public Redressal Systems for Consumer Grievances*, unpublished Ph.D. thesis, Delhi University, Department of Commerce, Delhi, pp. 42-49.
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