Investigate the Customer Perceptions towards Mall Culture:
Special reference to Ludhiana City

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Abstract

Ludhiana, view as an Economic- Capital of Punjab and categorised as a Tier II city in experiencing mall culture in recent years. Shopping malls have been quite famous in India from last two decades, as a vital and significant destination for shopping, recreation and socialization. Metro Cities like Delhi, Mumbai, Bangalore etc have obtained significant importance from Mall culture, not only in India but around the globe as well. There are numerous variables that are quite responsible to enhance the growth of Mall culture in India, such as facilities offers by particular mall, discount offers, diversity of qualitative products etc. Moreover, diverse perception has been observed among society towards Mall culture, no doubt younger generation very attractive from Malls. Therefore, the main objective of this paper is to investigate the customer perception towards Malls, with special reference to Ludhiana city. The paper also acts as a beneficiary to Mall owners, managers and operators to build a strong relationship with customers. To fulfil this particular objective, 105 samples have taken from Ludhiana through questionnaire and analysis has done with the help of various statistical tools like, AVOVA, Chi-Square test. Study found that, there is no significant difference between gender perceptions towards different variables, as quite less number of variables has had significant differs. The same kind of result has been found among different age-groups.

Keywords: Shopping Malls, Customer Perception, Gender.

Introduction

Mall culture has been growing at an intense pace in India, it has been observed that malls space is increase from 2 million square feet in 2002, and estimated 90 million square feet at the end of 2015 and India has more than 570 operational shopping malls as compare to 225 malls running five years ago. Therefore it is quite significant for Indian businessman to observed and understand the changing behaviour of Indian customer towards shopping malls and an in-depth study of customer perception in context of shopping malls is need of the hour. It is quite significant for mall developers to understand that how the customer evaluate the malls relatively effects on their purchasing decision. There are numerous reasons that are responsible to shift the customer from traditional shops (kirana) to modern stores (malls) such as, convenience, available discount offers, lager option to purchase etc. In malls customer can enjoy value-for-money along with better quality choices under one roof. Also there are number of variables that are quite responsible to enhance the growth of Mall culture in India, such as facilities offers by particular mall, discount offers, diversity of qualitative products etc. Moreover, diverse perception has been observed among society towards mall culture, no doubt younger generation very attractive from malls. In this context, it is significance to study the perceptions of customers in Ludhiana city especially in fast changing retail scenario. This study could used to observe the perception of customer towards mall culture of Ludhiana city. It will help to mall owners and managers to adjust their potential to provide better quality of services to large number of customers.

Literature Review

Rajagopal (2009) examined the impact of growing congestion of shopping malls in urban areas on shopping convenience and shopping behaviour. Based on the survey of urban shoppers, the study analyses the cognitive attributes of the shoppers towards attractiveness of shopping malls and intensity of shopping. The results of the study reveal that the ambience of shopping malls, assortment of stores, sales promotions and comparative economic gains in the malls attract higher customer traffic to the malls. Patel & Sharma (2009) in this study, an attempt was made to study the motivations that people go shopping in mall. A small intercept survey was conducted to study the shopping motivation of India shoppers. This study identified three utilitarian (i.e., convenient shopping, economic shopping and achievement shopping) and six hedonic shopping motivations (i.e. shopping enjoyment, gratification shopping, idea shopping, shopping for aesthetic ambiance, roll shopping, and social shopping).

In the paper of "Customer attitude towards Shopping Malls in Mumbai" by **Sharma (2012)** the author tried to show the relationship between the people and their preference when they go to malls, as the customers are changing from time to time. The Indian customer seems to be undergoing a shift in terms of personality, buying motives, interests, attitudes, beliefs and values when he or she is making a shift from 'kirana' stores towards shopping malls. This study is restricted to 5 shopping malls in Mumbai. Factors influencing the customer to shop in the shopping malls of Mumbai such as socioeconomic profiles, income, frequency of visit, period of relationship between the respondents and shopping malls, purpose of visit, occasion to visit shopping

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malls are some of the aspects studied in the present study. In another study, **Sharma (2012)** found the relationship between Customer's choice of traditional kirana shops vs modern organised retailer in Mall and Super store environment. The objective of this study is to analyze customer shopping behaviour in different retail format. Data was collected by visiting different retail formats like hyper markets, discount stores, department stores and small kirana stores. The result indicate, the economic growth, changing lifestyles, urbanization, women's participation in economic activities and the spread of IT are the some of the key factors for the growth of the retail sector in India. With Liberalization, Privatization, Globalization and modernization, a modern competitive business is based on understanding the mind of the customer.

Talreja & Jain (2013) investigated the factors influencing the perception towards organized retailing from unorganized retailers. The primary data was gathered by administering a prearranged questionnaire with 100 customers selected purposively from Udaipur District. The data analysis of customer attitude towards unorganized and organized retailers shows that there is a difference between the customers perception towards both organized retailers and unorganized retailers regarding their store image, range of products, brand choices, price, store atmosphere, credit availability, and shop proximity. The data has been collected with the help of structured questionnaire containing close and open ended questions. Statistical software and MS excel were extensively used for analyzing the data collected. The rationale of the study is twofold: First, to examine the shift in perception in the retail sector taking place due to organized form of retailing. Secondly, the area has remained largely an unexplored part of research till date especially in Udaipur.

Choudhury (2014) in his study shown the customers attitude towards shopping malls and provides suggestion for improving the service of the shopping mall. The sample of 100 respondents had been selected based on judgmental sampling for the study. Frequency, multiple regression analysis, cross tabulation and discriminate analysis have been conducted for the purpose of the analysis. The findings of the research suggest that convenience, quality and availability of product, price, facility to socialize, food facility, entertainment and overall service are the factors that affect the customer's attitude towards shopping mall.

Research Methodology

A self constructed questionnaire was use to investigate the perception of customers of Ludhiana city. A total 105 respondents were selected and online questionnaire was filled from them to measure the response regarding 16 perceptions. The questionnaire divided into two parts, first

part consist questions to measure the necessary demographic details of respondents. In second part, questionnaire used question to capture the perception of customer towards shopping malls in Ludhiana city. Each question was measured using five Likert scale, ranged 1 to 5, where 1 represent the response as "strongly disagree" while 5 represent "strongly agree".

Objective & Hypothesis

The main objective of this study is to observe the behaviour of customer in respect of developed mall culture in India. Therefore, study focused on two prime aspects, one is investigate the perception among different age groups of customer and second is observed perception of customers in respect of gender groups. The study set two hypotheses to complete these four objectives:

a) H0: There is no difference between age groups of the respondents and their perception towards shopping malls.

b) Ha: There is significant difference between age groups of the respondents and their perception towards shopping malls.

c) H0: There is no difference between gender of the respondents and their perception towards shopping malls.

d) Ha: There is significant difference between gender of the respondents and their perception towards shopping malls.

The hypotheses have been analysed by using ANOVA and Ch-square test on 5% significant level.

Analysis & Results

Demographic details (Part I)

There were 105 questionnaire found completed and usable for the purpose of the study. The frequency and percentage of the respondents were constructed in Table I, depicting their gender, age, education level, occupation and income status. Out of total 105 samples, 64 percent were female and 36 percent were male respondents. The largest age group was found between the age of 20-30 years (70%) following by less than 20 years (12%). In respect of occupation, 41 percent respondents were student, 39 percent were involved in government or private service sector and very less percentage of respondents were doing business (9%).

According to the statistics in term of education level, Post-Graduates were at top (52%) followed by Graduation (37%). With respect of income status, the major proportion of respondent were earning a monthly income ranging from less than 20,000 (66%), the respondent who had a monthly income 20,001-40,000 INR accounting for 24 % of total sample.

Shopping Behaviour (Part II)

In respect of how frequently respondents were prefer to go shop, study found that 63 respondents like to shop on monthly basis, followed by 21 respondent were prefer to go weekly and fortnight. Study also found that, out of total 105 respondents, most of respondents (60%) were like to shop from organised and unorganised stores and 24 percent respondents use organised system for shopping.

Table I. Demographic details of respondents.

Demographic			No. of Respondents	
			Frequency	*Percentage*
1. Gender	Male		38	36
	Female		67	64
		Total	**105**	**100**
2. Age- Group	Less than 20 yr		13	12
	20-30 yr		73	70
	30-40 yr		11	10
	40-50 yr		2	2
	50-60 yr		5	5
	More than 60 yr		1	1
		Total	**105**	**100**
3. Occupation	Student		43	41
	Service		41	39
	Business		9	9
	Any Other		12	11
		Total	**105**	**100**
4. Education	12th		11	10
	Graduation		39	37
	Post- Graduation		55	52
		Total	**105**	**100**
5. Monthly Income	0-20,000 INR		69	66
	20,001-40,000 INR		25	24
	40,001-60000 INR		11	10
		Total	**105**	**100**

Table II. Shopping Behaviour of respondents.

6. Where do you prefer to shop from?		**7. How frequently do you shop?**	
Organised	15	Fortnight (14 days)	21
Unorganised	26	Weekly	21
Both	64	Monthly	63
Total	**105**	**Total**	**105**

Perception of different Age-Group towards Shopping Malls (Part III)

In Table II, the perceptions of respondents against shopping malls of Ludhiana city were measured on *5 point Likert scale*. The figure in the Table II are means score based on *5 point Likert scale*, as higher the mean score, the more respondents agree to the various dimensions. The response of each age group was measured and compared by using a one-way ANOVA.

The result revealed that the highest mean score 3.84 on *5 point Likert scale* was observed regarding "Good parking facilities of shopping malls, followed by 3.65 to Shopping Mall have "Wide range of Merchandise variety". However, most of respondents were not agreed that they are being enjoyed whole family entertainment along with shopping, as mean score on *5 point Likert scale* was 3.44. On the flip side, respondents revealed that shopping malls charged high price of goods as relatively to local shops. Moreover, major proportion of respondents were disagree with the statement of "Unapproachable to Shopping Malls" as, mean score was 2.49. Theoretically, when we talk about the customers of different age groups, it is common belief that different age groups have same kind of perception towards shopping malls. To investigate this, we studied customers belonging to four different age groups namely less than 20 years, 20-30 years, 31-40 years and more than 40 years. Table II shows one way ANOVA score of 16 different perceptions given by respondents of various above mentioned age groups. The result from given table shows that out of 16 perception items, only 3 perceptions have found to vary significant difference between different age groups as, p value > 0.05.

Table II. ANOVA score by *Age-Group*.

Perception of Customers	< 20	20-30	31-40	> 40	Total	*P-value*
1. Shopping Mall is a "One Stop Shopping Place"	2.90	3.08	3.91	4.25	3.53	*0.008*
2. Shopping Mall have "Wide range of Merchandise variety"	3.50	3.25	3.73	4.13	3.65	0.171
3. Shopping Mall provided "Sales Promotion Schemes like special offers, discounts on bulk buying etc"	3.20	3.38	3.55	4.00	3.53	0.380
4. Whole family entertainment along with shopping	3.50	3.41	3.36	3.50	3.44	0.989
5. Shopping from an organized retail outlet/Mall is a Status symbol	3.50	3.38	4.09	3.00	3.49	0.321
6. Shopping Malls "Located in prime locations thus easy to approach"	3.50	3.39	3.91	3.38	3.54	0.518
7. Shopping Malls have "Displays to attract customer attention"	3.90	3.63	4.00	3.38	3.73	0.462

8. Shopping Malls have "Good parking facilities"	3.80	3.57	3.64	4.38	3.84	0.224
9. Excellent Customer Services by Professionally qualified sales people	3.70	3.33	3.55	3.88	3.61	0.359
10. Shopping Malls "Promotes immediate buying without thinking"	2.60	2.79	3.55	4.00	3.23	*0.009*
11. Low Quality products in Shopping Malls	2.00	2.24	2.27	3.13	2.41	0.208
12. High Price of Products in Shopping Malls	3.40	3.47	4.27	3.38	3.63	0.102
13. Shopping Malls are not offer any Credit Facility	2.40	2.46	2.45	2.63	2.49	0.985
14. Unapproachable to Shopping Malls	2.80	2.46	2.18	2.50	2.49	0.633
15. Your Loyalty to the Traditional Outlet (Local Shops), stops you to visit Shopping Malls	2.90	2.72	2.64	4.13	3.10	*0.008*
16. In Shopping Malls "Self-Service" is drawback	2.90	2.22	2.27	2.50	2.47	0.336

* Level of significance is calculated by using one-way ANOVA test, significance value is 0.05.

Perception of Gender-Group towards Shopping Malls (Part IV)

Table IV, depicts the perception of genders towards shopping malls, for the purpose of this study set a Hypothesis and we used *Chi-Square test* to test the significance difference between gender of the respondents and their perception towards shopping malls.

Hypothesis:

H0: There is no difference between gender of the respondents and their perception towards shopping malls.

Ha: There is significant difference between gender of the respondents and their perception towards shopping malls.

On the basis of test result as shown in Table IV, study found that in respect of three perceptions: "Shopping Mall provided Sales Promotion Schemes like special offers, discounts on bulk buying etc" *(Ch-square value 0.003)*, "Shopping Malls have Displays to attract customer attention" *(Ch-square value 0.049)*, and "Your Loyalty to the Traditional Outlet (Local Shops), stops you to visit Shopping Malls" *(Ch-square value 0.031)* we reject the Null hypothesis as, there is a significant difference between Gender-Group. However, in respect of remaining items study accept the Null hypothesis that there is no significant difference between gender of the respondents and their perception towards shopping malls.

Table IV. Chi- Square score by *Gender-Group.*

Perception of Gender group	P-Value
1. Shopping Mall is a "One Stop Shopping Place".	0.277
2. Shopping Mall have "Wide range of Merchandise variety"	0.697
3. Shopping Mall provided "Sales Promotion Schemes like special offers, discounts on bulk buying etc".	*0.003*
4. Whole family entertainment along with shopping	0.942
5. Shopping from an organized retail outlet/Mall is a Status symbol	0.101
6. Shopping Malls "Located in prime locations thus easy to approach"	0.064
7. Shopping Malls have "Displays to attract customer attention"	*0.049*
8. Shopping Malls have "Good parking facilities"	0.987
9. Excellent Customer Services by Professionally qualified sales people	0.907
10. Shopping Malls "Promotes immediate buying without thinking"	0.252
11. Low Quality products in Shopping Malls	0.052
12. High Price of Products in Shopping Malls	0.830
13. Shopping Malls are not offer any Credit Facility	0.100
14. Unapproachable to Shopping Malls	0.207
15. Your Loyalty to the Traditional Outlet (Local Shops), stops you to visit Shopping Malls	*0.031*
16. In Shopping Malls "Self-Service" is drawback	0.137

* Level of significance is calculated by using one-way Ch- Square test, significance value is 0.05.

Findings

a) Almost 60% of respondents prefer to shop from organised and unorganised sector; there were only 15% respondents who shop from only organised (malls) shops.

b) More than 50% of respondents were shop on monthly basis, and weekly shop frequency was only 34%.

c) 40% of respondents agreed that organised retail sector provide special offers and discounts, however 28% of respondents also agreed that there is a high price of products in shopping malls.

d) In respect of displays to attract the customer in shopping malls, more than 45% of respondents agreed this fact.

e) There were controversial response have been observed in respect of approachability of shopping malls in Ludhiana city.

f) Study accept the null hypotheses in respect of significant difference between age groups of the respondents and their perception towards shopping malls, as the result shows that out of 16 perception items, only 3 perceptions (Shopping Mall is a "One Stop Shopping Place", Shopping Malls "Promotes immediate buying without thinking" and Your Loyalty to the Traditional Outlet (Local Shops), stops you to visit Shopping Malls) have found to vary significant difference between different age groups, p value >0.05.

g) As far as gender groups, study found that in respect of three perceptions: "Shopping Mall provided Sales Promotion Schemes like special offers, discounts on bulk buying etc" *(Ch-square value 0.003)*, "Shopping Malls have Displays to attract customer attention" *(Ch-square value 0.049)*, and "Your Loyalty to the Traditional Outlet (Local Shops) , stops you to visit Shopping Malls" *(Ch-square value 0.031)* we reject the Null hypothesis as, there is a significant difference between Gender-Group.

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Electoral Reforms In Indian Democracy

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Election is one of the most important feature of any democratic system throughout the world. When we talk about Indian democracy which is the largest democracy in the world, the word election becomes more significant, as expectation and aspirations of millions of people can be fulfilled only if elections are free and fair. Generally whenever elections are held in India, people start talking of electoral reforms. It indicates that elections are not being held on ethical and legal grounds. The reason behind is that, right from fourth general elections, ethical values, morality etc have been replaced by the enormous use of money and muscle power. While the first three general elections (1952-62) in our country were by and large free and fair, a discernible decline in standards began with the fourth general elections in 1967.[1]

The degradation in its functioning appeared for the first time in the fifth general elections, 1971, and multiplied in the successive elections especially those held in eighties and thereafter.[2]

Reasons Responsible: why elections are not breathing in ideal conditions? Reasons responsible area:-

Money power: in a democratic system elections have become an expensive affair. Due to heavy expenditures required for electioneering, political parties need big funds which lead to all round corruption and contributes mainly to the generation of black money.

Muscle Power: Violence, pre-election intimidation, post election, victimisation, booth capturing both silent and violent are mainly the products of muscle power. These area prevalent in many parts of the country like Bihar, Western U.P, Mahrashtra etc.

Misuse of Official Machinery: It is a general notion that the government in power at the time of election misuse official machinery to further the election prospects of its party candidates. The misuse of official machinery takes different forms, such as issue of advertisements at the cost of government and public exchequer highlighting their achievements, disbursements out of the discretionary funds at the disposal f the ministers, use of government vehicles for canvassing etc.[3]

Criminals entering politics: the list of election candidates is filled with the names of Mafias, Dons and other powerful gangsters. The reason behind the entrance of criminals to politics is to gain influence and ensure that cases against them are dropped or not proceeded with. Political Parties tap criminals for fund and in return provide them with political patronage and protection.

Incompetent and Non –serious Candidates in Political Parties: Such non serious candidates are largely floated by serious candidates either to cut sizeable portion of votes of rival candidates or to split the voters on caste lines or to have additional physical force at polling station and counting centers.[5]

Our's is a society which is highly fragmented which demands multi-plicity of political parties. This kind of multiple party system is absolutely in contrast to the Westminster model(works mainly on the basis of a limited number of political parties) which we have adopted. Each one of these political parties exists not on a different ideology or economic programme, but on the basis of having nursed a narrow parochial, mostly caste or religion based, identity for itself and its bond of followers. Even this support is usually earned not by doing some constructive work for the concerned group but negatively by bad-mounting others and all the time pitting one group against the other.

In order to gather a workable majority to form governments, compromised have had to be made and all ideology or nations of quality of governance have disappeared from the scene. This has had a very negative repercussion on the quality of governance with several consequences. Corruption has flourished, law and order has suffered and control mechanisms have broken down. The common citizen has been the victim of all resultant misgovernance.[6] Diseases like castism, communalism , lack of moral values are haunting today's politics. Basically money and muscle powers area the basic evils that pollute the process and motivate participants to resort to mal practices in elections.

The election commission has taken several new initiatives in the recent past as a user of state owned Electronic Media for broadcast or telecast by political parties, checking : Criminalisation of politics, providing with electoral identity cards, streamlining the procedure for registration of political parties and requiring them to hold regular organizational elections, a variety of measures of strict compliance of model code of conduct for providing a level playing field to contestants during the elections, and so on.[7]

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There are few suggestions which could be followed to make electoral process free and fair:

1. At Present, the EC does not have independent staff of its own. Whenever elections take place, the Election Commission has to depend upon staff of Central and State Governments. The dual responsibility of the administrative staff, to the government for ordinary administration and to the EC for electoral administration is not conducive to the impartiality an efficiency of the Commission. Along with it comes the problem of disciplinary control over the staff deputed to do election work which generally generates confrontation between the Government and the EC. Now, when the elections have ceased to be a mere periodical affair, it is desirable .that the EC should have a permanent electoral administration with adequate disciplinary control over the staff.

2. Efficient Electoral Commission is a requirement of the day to conduct free and fair elections. Democracy and fearless elections cannot exist without each other. To stop unfair practices in elections like rigging by using official machinery and to ensure existence of democracy, following methods or means should be adopted.

3. The CEC should not be at the mercy to Executive and Parliament for its requirements. He should have separate and independent election department to enhance its objectivity and impartiality.

4. Political corruption should be stopped by providing funds to genuine candidates through political parties whose account should be auditable. Candidate involving in corruption should be disqualified. For having a true democracy the registration and recognition of the political parties should be fair and without any kind of influence.

5. Mass Media should play a non-partisan role in election and as a safeguard of democracy.

6. Periodic elections are the foundation of a democratic system. For fair electoral system every aspiring candidate must have fettered freedom to offer himself as a candidate for election and to conduct his election campaign in his own way so long as he keeps him within the law.

7. Every voter must be perfectly free to vote as Eve likes without any fear of consequences and without being unduly influenced by anyone by improper means and inducement or pressure of any kind.

8. The secrecy of voters' preference to any candidate should be maintained. The election machinery must function honesty and impartially at every stage.

9. Parliament must pass a law dealing with this serious problem of de-listing of valid electorates from electoral rolls because illiterate electorate residing in far villages cannot watch over publication of electorate lists.

10. Preparation of electoral rolls by EC are to be supervised at village level and certificates from officials who prepare electoral rolls to the effect that the electoral rolls have been thoroughly revised. They do not include that persons and legally disenfranchised citizens and intentionally no name should be left in them. Accountability to be fixed for intentional exclusion of name of voters from electoral rolls.

11. The names of the voters may be included in the electoral rolls even at the time of casting of votes by the polling officer, when he finds a genuine case.

12. Unearth and confiscate black money, which is widely used for buying votes.

13. Make politicians as well as voters law abiding.

14. Strictly apply the Code of Conduct and punish those who violate it.

15. Revise voters' lists in time to avoid bogus polling and correct mistakes in the lists.

16. Prompt action by the judiciary, if any kind of violation is detected during elections.

17. Declare elections results in mandatory.

We the people, are the most powerful force in Indian democracy. Though the election commission is working hard to reform the electoral process, but being the responsible citizens of the largest democracy of the world, it is a huge responsibility on our part, not to value money power, not to be scared of muscle power, but to choose the fair candidate to strengthen our democracy.

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Social, Mobile, Analytic, Cloud (SMAC) ----- The Next Growth Driver for SME's in India

Ms. Shilpy Arora[*]

Abstract

SMAC is about the integrated play of social, mobile, analytic and cloud technologies in supporting new business model to deliver products and services in an engaging, comprehensible, intuitive, personalized and contextual manner to customers anytime and anywhere within an optimized cost structure. Each SMAC stack technology has an inherently unique quality that differentiates it and also complements other technologies. It is important to acknowledge that there are organizations of different types and sizes in the SME sector today. All these play an important role in the value chain, but they are all not in a position to understand how technologies come together and can support them in their business endeavors — be it reaching to new customer segments or improving their relationships with existing ones. Therefore, it is necessary for certain sectors/industries, including government bodies, with wide and multi-industry customer engagements to leverage SMAC technologies to create and nurture an ecosystem that will enable SMEs to do business better and garner relevant insights to streamline their operations and build a much stronger relationship with organizations.

Keywords: - Technology, MSMEs, SMAC

Introduction

SMAC is about the integrated play of social, mobile, analytic and cloud technologies in supporting new business model to deliver products and services in an engaging, comprehensible, intuitive, personalized and contextual manner to customers anytime and anywhere within an optimized cost structure. Meaning of SMAC is as follows:

• **Social technologies** powering mediums such as Facebook, You Tube, Twitter, Four sqaure and many more have made geographic boundaries meaningless and enabled the implementation of virtual platforms to connect, discuss and exchange views; generate, rank, rate and curate content, and collaborate with each other. These make it easy for users to reach out to a large number of industry participants in upstream, downstream and horizontal markets as well as diverse consumer segments.

• **Mobile technologies** have enabled people to engage, view and act on any information (if they choose to do so) at their convenience. They enable hands-on entrepreneurs to obtain a clear view of their business operations and take decisions in areas ranging from financials to inventory management, even while they are on the move. Today, financial institutions are leveraging mobile technologies that support them in their financial agendas, and multiple modes of payments and remittance solutions are empowering owners and employees of SME industries.

• **Analytics** is increasingly becoming a strategic focus area for businesses, driven by (a) the rapidly increasing volume of data being collected, (b) the development of tools and technologies that help to simplify analytics and shift the power of data mining to business users including statisticians and PhD holders, and (c) most importantly, bring about increased awareness and appreciation of the power of analytics in optimizing business decisions, increasing operational efficiency and gaining an enhanced understanding of the customer to create customer-focused options that drive the revenues of enterprises and lead to customer delight. Better understanding of the customer is also helping businesses drive innovation (new products and services) to respond to fast-changing customer needs and a competitive landscape.

• **Cloud technologies** have enabled all technology resources to be connected through a utility model to run effectively in a cost-optimized manner. Now, businesses do not have to worry about huge upfront investments (in software, hardware and storage), in-person servicing costs and issues relating to multiple new charging models and remote servicing of technology solutions. Best practices are put in place to not only safeguard data, but also recover it seamlessly in the event of a catastrophic event.

Literature Review:

Cloete; Courtney and Fintz (2002) identified number of factors like owner's perception, characteristics of the organisation, etc. that affect E-commerce adoption. Research works investigating the barriers that affect SMEs adoption of ICT and E-Commerce have identified a variety of factors which can be grouped into several categories like owner/manager characteristics, firm characteristics and cost and return on investment. **Jones et al (2003)** identified the barriers as deficiencies in financial resources, time, information and skills; concerns over security and legal issues and competition and doubts over the application of E-business to their business practices and cultural and

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infrastructural issues. **Barsauskas and Sarapovas (2004)** analysed that the lack of understanding about usage of Internet technologies as the main barriers to E-business for SMEs.

Looi (2004) developed a model of factors motivating and inhibiting E-commerce adoption among SMEs (non-adopters and adopters) in Brunei Darussalam by considering innovation factors, managerial factors, environmental factors and organisational factors. It suggested owner's characteristics and environment characteristics as a significant motivation of E-commerce adoption. The fear of competitor s and perceived benefits also acted as a catalyst in adoption of Ecommerce ,**Lal and Peedoly (2006)** analysed the cost of communication and lack of learning opportunities have been found as the major impediments in the adoption of ICTs. **Hunaiti et al (2009)** identified the security of money transactions on the internet and government policies as the main barriers in the adoption of electronic commerce in SMEs.

Objectives of the Study

1. To explore the need of SMAC Strategies.

2. To understand the importance of SMAC technology in India.

3. To understand the SME approach in adoption of SMAC.

Research Methodology:

In the present paper descriptive research design is adopted. The secondary data is used and collected from various sources, like-Census reports, Five year plans, Annual reports of MSME, Government documents, Research Papers, Magazines and Newspapers. The tabular presentation of data is made besides proper analysis.

Analysis and Interpretation:

1. Need of SMAC Strategies-

This is an opportune time for SMEs to leverage this wave of technology with defined business strategies across the different sectors in India. In the last few years, three fundamental forces have been shaping the need of SMAC strategies for industries.

I. First force — emergence of young middle class in India:

By 2020, the average age in India will be 29 years, and in the next few years, the country's middle-class population is expected to be more than 267 million.

II. Second force--ownership and penetration of technology in urban and rural India: India is the second-

largest country in the world with regard to its number of mobile phone users. Its high-end smart phone market grew by 229% y-o-y in 2013 with more than one million rural users accessing the internet through data connections on their mobile phones.

III. Third force rise of social networks in India:
The average Indian user spends more than 29 minutes on social media platforms and 77% access these on mobiles. The projected user base of social networks is 550 million people by 2020. These multi-dimensional changes and the dynamic business environment in the country provide an attractive opportunity for SMEs to surmount traditional barriers and engage stakeholders across wider communities in a targeted manner.

2. Importance of SMAC technology in India

The following data points provide relevant details of increased adoption of SMAC technologies by SMEs in India and the renewed focus of technology vendors on the sector.

I. Upward trend for cloud adoption

Indian SMEs are expected to increase cloud adoption at CAGR of 20% between 2012 and 2016. The demand for cloud services by SMEs is particularly high in the areas of disaster recovery, remote database management and e-mail hosting. Greater adoption is leading to a significant shift in the number of providers offering cloud-based services. The total number of channel partners catering to SMEs in India increased by 10%-15% year-on-year in 2013, while the number of cloud channel partners increased by 25%-30%.

II. Increased demand for business intelligence (BI) solutions

The induction of cloud-based BI solutions has brought sophisticated business tools within the range of budgets. The availability of affordable BI tools combined with the increased competition in the market has led Indian SMEs to place greater emphasis on data-backed analytical business decision-making. SME investments in BI solutions are expected to reach US$1 billion in 2014.

III. Greater emphasis on mobility solutions

In 2013, mobility-related products and services accounted for 14% of SME IT spending. More and more SMEs are moving towards enabling their employees to use their own devices for corporate work.

IV. Increasing prominence of social media

Social media is becoming an integral part of SME's marketing and communication strategies. They are using it to build communities and advocates to directly or indirectly help in creating positive word of mouth, generate leads and serve customers.

3. SME approach to adoption of SMAC

In the case of SMAC technologies, there are specific points that need to be kept in mind in the context of companies.

Despite acknowledgement of positive results from past technology initiatives, adoption of SMAC technologies is taking time, and results from successful cases are facing criticism, as in the case of any new technology initiative including ERP, CRM, SCM, etc. However, traditional models are being digitally displaced at very rapid pace.

Businesses need to navigate and ride this disruptive technology wave to emerge as winners or they face the risk of being marginalized by their competitors. Business leaders need to scan external forces and implement changes in order to define their business imperatives. They are expected to lead and coordinate the requisite processes to emphasize on this need.

1. Change management of stakeholders

Customers and employees are using SMAC technologies in their personal lives and there is a growing expectation of a similar experience in their businesses. However, the greatest change is needed in scenarios where executives still believe that these technologies will not affect their businesses. Statements such as "Is this another technology FAD?," "This happens in mature markets such as the US or the UK and not in India" or "It is not relevant for the size of our business" highlight the fact that people making such comments need to step back, take a fresh look at SMAC technologies and review their underlying assumptions.

2. Experiences from past technology initiatives

It is likely that the inertia regarding the SMAC initiative is driven by unsuccessful experiences from past technology initiatives, and it is a case of "once bitten twice shy." While it is completely natural to put all IT initiatives in the same bucket, the correct approach is to reflect on the learning from such programs and ensure that they are applied to new ones. The pace of SMAC-led change is rapid and it is affecting one or more of four areas —customer experience, business models, operations and workforce. Not to act is not an option, one should act, and the direction, magnitude and timing should be calibrated to one's business needs. In the context of SMEs, there are two complimentary ways (as discussed in earlier sections) in which they can approach SMAC and reap business benefits;

Self driven initiatives to leverage SMAC technology

SMAC initiatives driven by ecosystem players including industry bodies, banks, government agencies, etc., by which several SMEs can benefit

We have outlined and recommended an approach to leverage SMAC in the following paragraphs.

1. Self-driven initiatives

I. Define digital strategy: Digital transformation needs to start at the top. Business leaders need to take charge of creating digital strategies, since this is challenging because of the nascent stage of the technology. Moreover, the scope of SMAC-led interventions can take many forms and interventions can affect multiple functions including sales, marketing, supply chains, HR, IT and more. Businesses can initiate the process by first undertaking a diagnostic study to do the following:

- Assess digital maturity across people, processes of technologies of their organizations across SMAC solutions.

  Assess the position and industry maturity of their competitors.

- Develop capability heat maps based on your organizations' aspirations and strategies

Based on the findings from their diagnoses, organizations can put in place detailed end- to-end digital strategies or focus on some priority areas. This phase should lead to initiation and execution of detailed and implementable digital roadmaps that leverage SMAC technologies. The most common mistake made by organizations while leveraging SMAC is to directly develop applications and implement related initiatives. In India, this is primarily due to the fact that enablement of technology can be achieved at a minimal price. However, lack of a robust business and digital strategy will only lead to another "me too" initiative and will fail to generate the desired results in areas including marketing, sales, service or operations.

II. Formulate business case: It is imperative for organizations to understand that the first step in an investment in SMAC is to establish a detailed business case. Such investments only reap dividends when they are executed with a defined ROI. The challenges in the path of a business desiring to invest in SMAC are similar to those encountered in implementation of any other technology initiative:

- There is a need for measureable performance indicators to be defined.

  SMAC initiatives encompass multiple stakeholders across business functions. Therefore, it is vital that the right KPIs are set at individual and collective levels.

- Tracking enables realization of goals during and after implementation of the SMAC initiative.

III. Use sense and respond approach: We highly recommend adoption of the incubation center approach, given the evolving nature of SMAC, including the supply side where new solutions appear on the horizon frequently,

with new technologies being launched by suppliers and solutions evolving continuously. Companies should incubate relevant ideas by taking calculated steps after obtaining proof of concepts and invest extensively in technologies that work. Digital strategies also need to be refreshed.

IV. Ecosystem-driven

There are several ecosystem-driven SMAC initiatives targeted at SMEs. These are being undertaken by banks, government and industry bodies and other enterprises. SMEs should embark on such initiatives in a similar manner, e.g., as self driven initiatives. Ecosystem-driven initiatives undertaken by SMEs should focus on the following factors:

• Establish synergy of SMAC initiative offered by ecosystem players with your digital strategy. The fitment analysis should be undertaken, keeping in mind your business imperative and how it will help your business. You will need to conduct a SWOT analysis, since a similar platform and alignment of this initiative with self-driven initiatives (currently ongoing or in the future) will also be available to your SME competitors.

• Evaluate your ROI by joining the SMAC initiative of an ecosystem player. In such cases, the initial cost of developing a SMAC solution is usually borne by ecosystem players, but SME players should establish their ROI, since indirect investments will be required (at the minimum) and direct returns articulated. While such initiatives provide an opportunity for SMEs, there is also a huge risk for an organization if things do not go according to plan. Therefore, it is important that it defines its ROI and risk mitigation plan just as if this were a self driven initiative.

Conclusion

SMAC technologies have become so advanced, affordable and pervasive that they are now available to businesses of all sizes. This is opening up an opportunity for SMEs to level the playing field and compete with larger players. The need of the hour is for SMEs to take the lead in adopting SMAC and make it an integral part of their business strategies. Those that are successful in understanding the power of SMAC and harnessing it across their businesses will lead this new wave of growth.

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Gender & organizational tenure:
A study of employee engagement among faculty of Indian management institutes

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Abstract

Employee engagement has become one of the most significant driving force in creating favorable attitudes and behaviors among employees. According to Kahn (1990), engagement leads to both individual and organizational outcomes. Social exchange and organizational support theories have been frequently used to understand and explain engagement in employees. This study attempted to discern the following: gender differences in engagement scores, differences among groups based on years of experience and any interaction effect between independent variables to explain changes in engagement levels. Faculty members among management institutes across cities in India were the sample group. Independent t test; one way and two ways ANOVA were used to test the assumptions. Results indicated that there is no difference in gender scores related to engagement, a significant difference is observed among groups based on years of experience, and a strong trend towards significant interaction is observed. Results are discussed elaborately and future direction of research and limitations are indicated.

Keywords: - Gender & organizational tenure: A study of employee engagement among faculty of Indian management institutes

Employee Engagement

Employee engagement, as we know today made its appearance in the celebrated book, First Break All the Rules authored by the Gallup Research group Lucknow (Buckingham & Coffman, 1999). It became a rage in the management consulting domain as it correlated with higher ---

productivity and profitability. (Buckingham & Coffman, 1999; Coffman & Gonzalez-Molina, 2002). According to Ulrich (1997), "Employee contribution becomes a critical business issue because in trying to produce more output with less employee input, companies have no choice but to try to engage not only the body but the mind and soul of every employee" (p. 125). Merging of two developments is seen by Schaufeli (2013) as the focal point of emergence of employee development lately: (1) Increasing role of human resource and their psychological involvement in business, and (2) growing excitement for positive psychology.

Interestingly engagement has not found the same space with researchers as it has with the practitioners. This is evident from Macey and Schneider (2008) assertion that "potential antecedents and consequences of engagement have not been rigorously conceptualized, much less studied" (p. 304). Similarly Saks (2006) pointed out "...there is little empirical research on the factors that predict employee engagement" (p. 604).

Kahn's (1990) understand engagement as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances." Personal disengagement refers to "the uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances" (p.

694). According to Kahn (1992) engagement results in both individual outcomes (i.e. quality of people's work and their own experiences of doing that work), and organizational outcomes (i.e. profits and productivity in organizations)

It is also seen as emotional and mental commitment to the organization (Baumruk, 2004; Richman, 2006; Shaw, 2005) or the amount of voluntary effort put in by the employees in their task (Frank et al., 2004). One of the most quoted definition of engagement (Albrecht, 2010) comes from Shaufeli, Salanova, Gonzalez-Roma, and Bakker (2002), they defined engagement as "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption" (p. 74; emphasis added)

Rothbard (2001, p. 656) says engagement comprise of two valuable aspects: attention and absorption. Attention refers to "cognitive availability and the amount of time one spends thinking about a role" while absorption "means being engrossed in a role and refers to the intensity of one's focus on a role."

Rooted in occupational health psychology, burnout researchers define engagement as the opposite or positive flipping of burnout (Maslach et al., 2001). Maslach and Leiter (1997) states that engagement and burnout are two ends of the same continuum. So logically people high on engagement are low on burnout and conversely low on engagement are high on burnout. Essence of burnout (exhaustion and cynicism) and engagement (vigor and dedication) are antipodal of each other (Gonzalez-Roma et al., 2006).

One thread in engagement literature comes from the satisfaction-engagement approach by Gallup Organization, that states: "The term employee engagement refers to an individual's involvement and satisfaction with as well as enthusiasm for work" (Harter, Schmidt and Hayes. 2002: 269).

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In explaining further about the psychical parameters related to engagement or disengagement, Kahn (1990) offers these three aspects: meaningfulness, safety, and availability. So employees were more engaged in job conditions that provided them more psychological meaningfulness and safety and when they were mentally available. May et al. (2004) corroborated that meaningfulness, safety, and availability were indicatively associated to engagement.

As an organizational concept engagement is seen to be both, related and distinct from other constructs in behaviour studies connected to organizations. Robinson et al. (2004, p. 8) state that engagement carries some elements of commitment and OCB, but different in many ways. Engagement is also distinct from job involvement as asserted by May et al. (2004), who also suggest that "engagement may be thought of as an antecedent to job involvement in that individuals who experience deep engagement in their roles should come to identify with their jobs."

Significance of employee engagement for real business results was reported by a comprehensive research by Gallup Organization. The meta-analysis included almost 8,000 business-units of 36 companies (Harter et al. 2002) found that high engagement is positively related to various parameters of business-unit performance, like customer satisfaction and loyalty, profitability, productivity, employee turnover and safety. Researchers have related employee engagement with vital functions of the organization (Kular et al., 2008- bases of competitive advantage; Gruman and Saks, 2011- as catalyst for performance management systems ; Sulea, Virga, Maricutoiu et al. 2012 - for organizational citizenship behaviours ; Macey et al., 2009 -as a tool for improving talent management). Lack of engagement referred to as "engagement gap" is causing a loss of $300 billion a year in lost productivity to US businesses. (Bates, 2004; Johnson, 2004; Kowalski, 2003).

Exchange, Support and Engagement

Robinson et al.'s (2004) has described engagement as a mutual two-way relationship between the employer and employee. This is further explained by social exchange theory (SET) developed by Blau (1964). Pleasant treatment by one individual towards the other creates an obligation for similar treatment (Gouldner, 1960). This is the core of social exchange theory and it integrates the intent of the employees to work as mutual reciprocity between employees and employers in the organization (e.g., Bateman & Organ, 1983; Brief &Motowidlo, 1986; Etzioni, 1961; Gould, 1979; Levinson, 1965; March & Simon, 1958; Mowday et al., 1982; Organ &Konovsky, 1989; Steers, 1977). Cropanzano and Mitchell (2005) assert that individuals respond to organizational support, economic and socio-emotional, and feel obligated to reciprocate through their contribution.

Organizational support theory (OST) of Rhoades &Eisenberger (2002) draw on social exchange theory and offer plausible explanations regarding employees increased efforts put in for the organization to the extent the organization is perceived to be eager and capable to match with alluring multiple resources . OST maintains that employees form a global belief regarding the degree to which the organization is concerned about them and values their worth to the organization (Eisenberger, Huntington, Hutchison, & Sowa, 1986; Rhoades &Eisenberger, 2002; Shore & Shore, 1995). As per OST, perceived organizational support (POS) produces a felt necessity to aid the organization in fulfilling its goals and objectives. It contends that development of POS is enhanced by employees' assigning the organization humanlike characteristic (Eisenberger et al., 1986; Rhoades &Eisenberger, 2002; Shore & Shore, 1995). SET report that employees with high levels of POS develop a 'felt obligation' for their organization and reciprocate by exhibiting behaviour valuable to the organziation (Coyle-Shapiro & Conway, 2004).

Kahn's (1990) and Maslach et al.'s (2001) model see engagement in the realm of economic and socio-emotional exchange. Work characteristics in terms of variety, space for innovation and a discretion to complete assignments efficiently fulfils intellectual meaningfulness (Kahn, 1992) .SET also argues that innovative and challenging goals at work will be returned by higher engagement . Bakker & Leiter (2010) have also drawn a relation between energetic and committed employees and engagement at work. Thus an academic argument to explain why employees are engaged or disengaged in their work and organization is provided by social exchange theory and organizational support theory.

Saks (2006)also established support for a positive association between POS and engagement. Rich et al. (2010), Kinnunen et al. (2008), Sulea et al., (2012) have also found positive relation between POS engagement.

Employees are inclined to see their supervisor's orientation for them as symbolic of organization's support (Rhoades and Eisenberger, 2002), so perceived supervisor support isa likely predictor of employee engagement. Bates (2004) and Frank et al., (2004) research also support this line.

This is based on Hackman andOldham's (1980) job characteristics model and in particular, the five core jobcharacteristics (i.e. skill variety, task identity, task significance, autonomy, andfeedback). Jobs that are high on the core job characteristics provide individuals withthe room and incentive to bring more of themselves into their work or to be moreengaged (Kahn, 1992).May et al. (2004) found that job enrichment was positivelyrelated to meaningfulness and meaningfulness mediated the relationship between jobenrichment and engagement.

Maslach et al.(2001) have also suggested that while a lack of rewards and recognition can lead toburnout, appropriate recognition and reward is important for engagement.Kahn (1990) reported that people vary in their engagement asa function of their perceptions of the benefits they receive. Organizational justice also plays an important role in employee engagement. In a study by Saks (2006) it was reported that employees who felt that justice is meted out to them by the organization would in most likelihood reciprocate with higher organizational engagement.Maslach et al. (2001) engagement model. A lack of fairness can exacerbate burnout and while positive perceptions offairness can improve engagement (Maslach et al., 2001).

Employee Engagement: Gender & Tenure

Robinson et al. (2004) argued thatindividual differences play an important role indriving an employee's potential level ofengagement. These individuals' factors could be age, gender, education and working experience. Elaborating on the importance of these individual factors Ferguson(2007) stated that these are not inconsequentialand might have significant impact onemployee engagement. Kahn (1990) also asserted that individualexperience etc. may influence an employee'sability and eagerness to be involved andcommitted at work.

Gallup's study in the USfound that women find morefulfilment in their jobs and so they are more engaged than men (Johnson, 2004). But interestingly the same researcher did not find anysignificant distinction in employee engagementamong Thaiemployees. In an examination of gender and employee engagement, Avery et al. (2007) reported that women were more engaged than their male co-workers.Some researchers (Schaufeli, Bakker, &Salanova, 2006; Sprang, Clark, & WhittWoosley, 2007) have suggested that females are at higher risk of developing stress due to competing work and home responsibilities and therefore, report higher levels of burnout and consequently may report lower levels of engagement. However, research by Yildirim (2008) who studied Turkish counselors, reported that levels of engagement did not differ significantly between males and females.

Another personal factor like employees 'experience with the present organization is alsosupposed to impact employees' engagement. Ithas also been found that the longer employeesstay with an organization, the less engaged theybecome (Ferguson, 2007; Truss et al., 2006). Inother words the experience and engagement arefound to have inverse relationship with eachother. The findings of the 2006 CIPD surveyon engagement also confirm this outcome (Truss et al., 2006). The findings emphasize the importance ofcontinually advancing the understanding ofengagement in the workplace. Swaminathan andAnanth (2011) also supported difference basedon experience of the employee.

Collinan and Gonzalez-Molina (2002) also stated that engagement decreases over the period of time. They reported that employees are engaged when they start but tend to drop off within six months,and significantly slow down in engagement after ten years of service. Avery et al. (2007) after surveying 901 employees, find that engagement was negatively correlated to organizational tenure .But according toPerrin (2003) worker engagement is acontinuous process that never ends and anorganization needs to provide meaningful andemotionally enriching work experience to theirworker for maintenance of high employeeengagement. And thus experience or stay ofemployee has no bearing on engagement ofworkforce.However the results are inconsistent with that of Wilson (2009), Buhler (2006) and Yildirim (2008).

The hypotheses formed on the basis of literature review are as follows:

Hypothesis 1:Femalefaculties are more engaged than malefaculties.

Hypothesis 2:Employee engagement levels are significantly different between various groups based on length of service.

Hypothesis 3: Interaction between gender and organizational tenure effecting employee engagement is not significant.

Research Methodology

The respondents in this study were faculty members of management institutes. All were teaching at post-graduate level. Questionnaires were administered personally and also sent online through mail. Online questionnaires were sent to faculty members in more than 10 institutes all over India and physical copy was distributed in various institutes in the city of Lucknow. A total of 120 questionnaires were sent, out of which 104 were received back with a response rate of 86%. On further analysis 98 were found to be fully correct and this set of data was used for analysis. Data was analyzed using Statistical Package for Social Sciences (SPSS) 15.0.

Employee engagement was measured using a validated questionnaire designed by Saks (2006). The scale assesses both job and organizational engagement. The measure contains 11 items. A sample item foremployee engagement is, "Sometimes I am so into my job that I lose track of time".Respondents were asked to make their choice on a five-point Likert-scale ranging from, 1 for 'strongly disagree' to 5 for 'strongly agrees'. One item was deleted to enhance the internal consistency. Cronbach alpha statistic was .71, which is acceptable as per Nunnally(1978).

Results & Analysis

Table 1   **Independent Samples Test**

		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
EE	Equal variances assumed	.070	.791	-1.059	112	.292	-.013	.012	-.038	.011
	Equal variances not assumed			-1.062	102.560	.291	-.013	.012	-.038	.011

To test the first hypothesis that female faculties are more engaged than male faculties, an independent t test (see Table 1) was conducted. The assumption of homogeneity of variances was tested and satisfied with Levene's F test F (112) = .07, p = .79. The independent t test did not show a statistically significant effect, t (112) = -1.05, p = .29. Therefore, it is reported that there is no significant difference in employee engagement based on gender. The hypothesis is not accepted. Means comparison can be viewed in table 3.

Table 2   **ANOVA**

Employee Engagement

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.050	3	.017	4.214	.007
Within Groups	.437	110	.004		
Total	.488	113			

(4 groups based on years of experience are renamed for reader's convenience as follows:

<2 = A, 3-10 = B, 11-18 = C, 19-26 = D)

A one-way between subjects ANOVA was conducted to compare the effect of years of experience on employee engagement for four groups:A, B, C and D. There was a significant difference between the groups in employee engagement scores, F (3,110) = 4.21, p = 0.007].As there is a statistically significant result,Tukey post hoc test was conducted. This test is designed to compare each of the group with every other group.

Post hoc test using Tukey HSD test indicated that significant difference at .05 level was found between group B (M=.38, SD=.069)and group C (M=.43, SD=.064) and between group B (M=.38, SD=.069) and group D(M=.44,SD= .057). However test does not indicate any significant difference between group A (M=.41, SD=.059) and any other group. (See table 3)

Descriptive Statistics

Dependent Variable: EE   Table 3

gender	years	Mean	Std. Deviation	N
male	<2	.40	.054	27
	3-10	.37	.064	24
	11-18	.46	.066	12
	19-26	.46	.000	3
	Total	.40	.066	66
female	<2	.42	.065	18
	3-10	.40	.078	12
	11-18	.39	.020	6
	19-26	.44	.064	12
	Total	.42	.065	48
Total	<2	.41	.059	45
	3-10	.38	.069	36
	11-18	.43	.064	18
	19-26	.44	.057	15
	Total	.41	.066	114

Table 4   Tests of Between-Subjects Effects

Dependent Variable: EE

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	.082	7	.012	3.055	.006
Intercept	12.591	1	12.591	3289.671	.000
gender	.002	1	.002	.436	.511
years	.032	3	.011	2.756	.046
gender * years	.031	3	.010	2.674	.051
Error	.406	106	.004		
Total	19.561	114			
Corrected Total	.488	113			

a. R Squared = .168 (Adjusted R Squared = .113)

A two-way ANOVA (see table 4) was conducted that examined the effect of gender and years of experience (four groups) on employee engagement. There is a possible leaning towards a statistically significant interaction between the effects of gender and years of experience on employee engagement levels, $F_{(2, 54)} = 2.67$, $p = .051$. A graphical presentation of interaction is shown for the two ways ANOVA in figure 1. (Regression fit line)

Figure 1
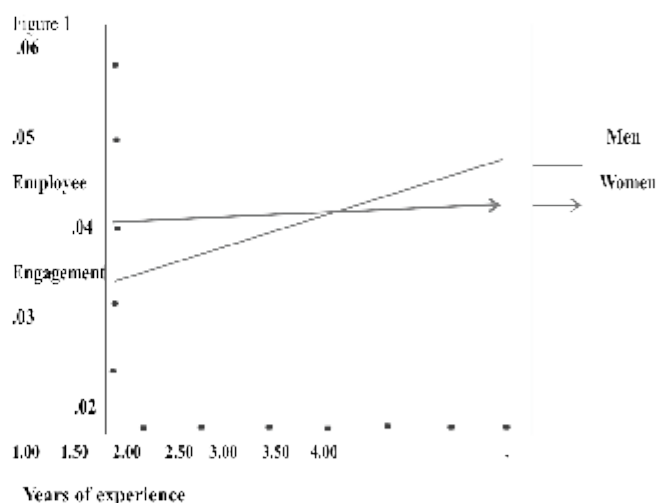
Discussion and Conclusion

Employee engagement among faculty of management institutes/departments was examined with two independent variables, gender and years of experience in the present organization. The first assumption that was tested is that females have higher engagement in relation to males. The outcome of the test does not support the hypothesis and it is found that females do not have higher engagement levels; there was not significant difference between the two genders. This result is consistent with Johnson's (2004) study on Thai employees and Yildrims (2008) research in Turkey. Individual differences based on gender, age etc are important in understanding attitudes and behaviors of an employee. But can an overarching effective engagement culture mitigate individual differences? As employee engagement is a multi-dimensional exercise undertaken by the organization, a well-planned and innovative engagement practices and policies may be capable of diluting any existing differences, if any, based on individual traits. This is one thread that may be of interest to researchers and a potentially significant dimension to be pursued by practitioners in organizations.

The study found that the levels of engagement differ with changes in years of experience. After initial years in the organization, the engagement level drops but beyond 10 years of service it rises consistently throughout. (See table 3). With a new recruit inner drive and enthusiasm are present in abundance and so high levels of engagement are logically

explainable. They also want to make a positive name for themselves quickly and can be very motivated and hardworking. We see a decline in engagement after initial years. This can be attributable to the fact that the employee is now fully aware with the organizational policies, its working, level of support offered, the basic culture of the organization. Very few organizations are able to provide an overall working environment, leading to discontent and broken aspirations. It may lead to disengagement. Significantly, individuals after few years may realize their incompatibility with the job or/and the organization. Chatman (1991) &Bretz and Judge (1994) work indicate that low personality organization fit leads to job dissatisfaction and low commitment. Low person job fit also leads to these outcomes (Edwards, 1991). These may lead to low engagement.

This study report that after a decade with the organization, engagement levels take a positive direction towards higher levels of engagement. This is contradictory to many past studies(Ferguson, 2007; Truss et al., 2006) that report that engagement levels go down with number of years in the organisation. With more than a decade in the organization, individuals find their place and are well set for higher achievements. Organizations also support their senior employees as they realize that they are their true asset and create competitive advantage for the employer. Higher learning opportunities and extraordinary benefits are offered by the organization to its senior employees. For academicians, this study sample group, with increasing experience their worth should be more, and their tacit knowledge is very critical to the organization (Baumard, 2001). At this level inner self-motivation and maturity may also be a driver for engagement.

The two ways ANOVA result at p=.051 for interaction, shows a strong tendency towards statistical significance and meaningful outcome for practical understanding and application. The main effect of organizational tenure on engagement is significant (p=.046) but gender is insignificant (p=.51). The interaction plot (fig.1) with clear cross lines also suggest a potential distinction in explaining engagement with interplay between two independent variables.In line with the above, this paper takes the results to its logical explanation. Indications as per fig.1 clearly suggest that men have considerably higher levels of engagement with increasing tenure in the organization in comparison to women engagement levels, which shows a marginal positive direction.

With rising seniority, responsibilities and expectations also rise. This may lead to work and family conflict. Friedman and Greenhaus, (2000) assert that women area at higher risk for work-family conflict.Voydanoff (2005) and Milkie&Peltola (1999) explain that well-being and happiness is constrained as tasks of both the domain suffer. Obvious consequences are

emotional drain and stress (Alam et al, 2009). In this conflict situation women are more susceptible to burnout. (Sprang et al., 2007). Burnout is antipodal to engagement. In the Indian cultural context, women are required to take care of all the household work, including child care, irrespective of their position in the workplace.

The above result can be also be viewed in the context of gender based glass ceiling, which is seen as discrimination against women in the workplace. (Burke and Vinnicombe, 2005;Lee, 2002). Discrimination that women experience may be lead to negative attitude towards their jobs and less engagement in their work (e.g., Ensher, Grant-Vallone& Donaldson, 2001).

This study makes an important contribution in understanding employee engagement in relation to the interaction between gender and organizational tenure. It provides empirical support to the assertion that with higher organizational tenure (a likely senior position), womenwould be less engaged than men.It is important for organizations to look at engagement from a gender perspective. At higher levels of organization management should make sure that women are provided with requisite facility and support to keep their engagement levels high. Women should be informed about organizational policies that could be utilized at appropriate time.

Limitations of the research could be on these lines. Due to cross-sectional design of the study, concrete conclusions in terms of direction of causality as shown in the framework model cannot be drawn. So, associations between components should be analysed with caution .The data collected was on self-reported basis and therefore can have many sources of bias. The sample population was faculty among management institutes in India and therefore generalizations should be made with caution.Further research can be directed towards understanding whether dynamic engagement strategies can be used as a critical tool to overshadow individual differences like age, gender and personality traits. Cultural differences/similarities regarding gender and employee engagement can bepursued and major groupings can be formed.

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Building Corporate Governance Index from the Perspectives of Academicians and Agencies: An Analytical Review

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Abstract

Today, it has become increasingly common in financial researches to use corporate governance index provided by different rating agencies to measure the quality of a given company's Corporate Governance. The great appeal of such agencies' indices is that they are provided by professionals who have better access to companies and more resources than the average academic researcher. Although, these different indices do not generate consistent results when used in different studies to investigate the linkage between the qualities of Corporate Governance and firm's performance. This has raised increasing scepticism among academicians and brought the indices under scrutiny. The purpose of this paper is to look inside the corporate governance (CG) measurement and shed some light on different variables or sub-variables used by academicians and agencies to build corporate governance index through analytical literature reviews. Author found that quantifying or building corporate governance index is subjective and can be controversial. It is concluded that developing corporate governance index is based on best practices or on the determinants of strong corporate governance.

Keywords: Board, Corporate Governance, Disclosure, Index

JEL Classification: G34, M14

Introduction

In third century Before Christ, in the city of Pataliputra, Kautilya wrote his celebrated treatise on statecraft - Arthasastra. History records Pataliputra, as a city "astonishingly well organised and administered according to best principles of governance". It was the capital of the Mauryan Empire and Kautilya was its crafty vizier, virtually holding in his hands the directions of the government. It was then the classical age of India, when thought flowed with secular independence and the free mind flowered with creative exuberance. In that environment, with unbridled and emancipated rationality, tempered with delicate realism, Kautilya preserved in this book his precepts of the social, political and economic structure of an ideal state. The ideas chronicled and contemplated in the treatise appeal to the modern intellect, as they essentially view state as an economic entity, an experiment on an economic organisation which is preserved by governance and government, and passes through the mutations of morals and manners, customs and traditions, aspirations and beliefs. Shleifer and Vishny (1997) defined corporate governance as the ways in which suppliers of finance to companies assure themselves of getting a return on their investment. La Porta et al. (2000) also defined corporate governance as "a set of mechanisms through which outside investors protect themselves against expropriation by managers and controlling shareholders. Zingales (1998) defined corporate governance in a more useful way and expresses the view that "allocation of ownership, capital structure, managerial incentive schemes, takeovers, board of directors, pressure from institutional investors, product market competition, labour market competition, and organizational structure, can all be thought of as institutions that affect the process through which quasi-

rents are distributed.", so according to author corporate governance is the complex set of constraints that shape the ex-post bargaining over the quasi-rents generated by a firm. Claessens (2003) defined corporate governance, "It refers to both the determination of value-added by firms and the allocation of it among stakeholders that have relationships with the firm. Wolfensohn (2001) defined corporate governance, "Corporate Governance is about promoting corporate fairness, transparency and accountability". Dyck (2000) also expressed that corporate governance is generally the complex set of socially defined constraints that influence the willingness to make investments in corporations in substitute and exchange for promises. Gillan and Starks (1998) viewed corporate governance as the system of laws, rules, and factors that control operations in a company. OECD (2004) defined corporate governance as "a set of relationships between a company's management, its board, its shareholders and other stakeholders". Cadbury (1992) defined corporate governance as "the system by which companies are directed and controlled"

Objectives and Methodology

The purpose of this paper is to look inside the corporate governance (CG) measurement and shed some light on different variables or sub-variables used by academicians and agencies to build corporate governance index through analytical literature reviews.

Literature Review

Ho and Taylor (2013) documented that extent of disclosure is measured by a voluntary disclosure index (DI) comprising a comprehensive list of 85 voluntary disclosure items. The

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voluntary disclosure index items are based on the literature. The preliminary checklist consists of 151 items and is subject to a thorough screening by two independent individuals who are qualified Chartered Accountants from the Big Four accounting firms with specific knowledge of Malaysian accounting practices and disclosure issues. Based on this analysis, 66 of the original 151 items are removed from the disclosure index. Each firm's overall voluntary disclosure index (DI) score is calculated in aggregate and then again for each of the five categories and for each period. An item scores 1 if it is disclosed and 0 if it is not, subject to the applicability of the item concerned. The DI score for each company is additive and unweighted to avoid subjectivity. A firm's voluntary disclosure index for each category is defined as the ratio of actual disclosures to the maximum possible score. Khanchel (2007) investigated the determinants of good governance in the US firms. Four indices were constructed that summarize the governance quality. One index for the board of directors, second one for the board committees, a third one for the audit committee, and a fourth representing an overall or total index. Deminor (2003) has come up with "governance ratings". The ratings cover between 249 and 269 firms included in the FTSE Eurotop 300 over the period 2000-2001. They are based on about 300 different criteria, which can be attributed to four broader categories: rights and duties of shareholders, range of takeover defences, disclosure on corporate governance and board structure and functioning. Bauer et al. (2004) also used the Deminor ratings for corporate governance. Klapper and Love (2004) construct corporate governance indices using information produced by the Credit Lyonnais Securities Asia for a list of 25 emerging economies. Authors used survey having total of 57 yes or no questions. Authors classified the same into seven categories namely discipline, transparency, independence, accountability, responsibility, fairness, and social awareness. Each category has a weight of 0.15 except for the last one, which has a weight of 0.10. Durnev and Kim (2005) and Patel et al. (2002) report on a T&D index computed by S&P. S&P provides corporate governance rankings using two different approaches. S&P applies 98 disclosure items in their Transparency and Disclosure (T&D) studies. S&P explains that the methodology used in the T&D studies, which is a ranking based on simple summation of binary attributes. In the T&D studies, the analysts of S&P thoroughly scrutinize annual reports and use a checklist of 98 possible information items and attributes. These are grouped into three categories: ownership structure and investor relations, financial transparency and information disclosure, and board and management structure and process. This index was computed using a scale from 1 to 10. An index equal to 1 is attributed to firms whose governance doesn't take into account enough

actors' interest in the midst of the firm, while an index equal to 10 is attributed to firms whose governance practices are the best. Black et al. (2006) used a subset of 38 objective questions from a survey conducted by the Korean Stock Exchange, leaving out all subjective questions. Then authors classify the items into four categories, each of which has an equal weight of 0.25: shareholders' rights, board of directors in general, outside directors, and disclosure and transparency. Campos et al. (2002) developed a corporate governance rating as a proxy of firm-specific governance quality, by taking into account the OECD's (1999) principles of corporate governance. This governance score is a composite of 15 factors encompassing only three corporate governance factors: ownership and shareholder protection (dispersed and transparent ownerships, one share/one vote, anti-takeover defences, and meeting notification), board of directors (board size, outside and independent directors, written board guidelines, and board committees), and disclosure and transparency (disclosure, accounting standards, independent audits, broad and timely disclosure). The Credit Lyonnais Securities Asia (CLSA, 2001) calculated a governance score based on 57 binary questions relative to information transparency, managers' discipline, audit committee responsibility and boards of directors working and structure. Drobetz et al. (2004) developed corporate governance rating which is based on responses to objective survey questions. To construct sample, authors sent out a questionnaire to 253 firms in Germany and received answers from about 91 firms. They collected 30 governance proxies divided into five categories: corporate governance commitment, shareholder rights, transparency, management and supervisory board matters, and auditing. Minna (2011) measured corporate governance effectiveness by the ratings compiled by Credit Lyonnais Securities Asia, which are based on a series of corporate governance characteristics. Hodgson et al. (2011) described that there are two major indices in Thailand. The first is the outcome of a collaborative project between the SET, the Securities and Exchange Commission (SEC), and the Thai Rating and Information Services Co. Ltd (TRIS). Firm rating is voluntary undertaken and essentially a weighted average of four core metrics namely the rights of shareholders (20%), the structure and roles of board of directors (40%), information disclosure (25%), and the corporate governance culture (15%). The second index is a corporate governance score developed by the Thai IOD with the involvement of McKinsey & Company since 2001. The evaluation is based on the survey in the "Corporate Governance Base lining Project" and covers nearly every listed company in Thailand. The Thai IOD works closely with the SET and SEC to raise the governance abilities of Thailand's company directors to meet global good corporate

governance standards. The scoring criteria are also strongly influenced by the Organization for Economic Cooperation and Development (OECD) Principles of Good Corporate Governance. The OECD principles are classified into five categories: the rights of shareholders, the equitable treatment of shareholders, the role of stakeholders, disclosure and transparency, and board responsibilities. In each category, the Thai IOD performs an assessment by checking the list of items relevant to the criteria and then calculates a weighted average aggregated score.

Table 1: Different variables used for building Corporate Governance Index from the perspectives of different Academicians and Agencies

Year	Name of Authors	CG Index Name (If Any)	No. of Variables/ Major Categories	No. of Sub-Variables	Name Of Variables/Major Categories
1999	The Corporate Library (TCL)	Board Effectiveness Rating (BER)	6	-	1. Board Structure and Make-Up Of Skills 2. CEO Compensation Contracts and Compensation Practices 3. Outside Director Shareholdings 4. Ownership 5. Accounting and Audit Oversight 6. Board Decision Making.
2000	Governance Metric International (GMI)	Governance Metric International (GMI)	7	600	1. Board Accountability 2. Executive Compensation 3. Ownership Base and Potential Dilution 4. Financial Disclosure and Internal Control 5. Market For Control 6. Reputational and Socially Responsible Investment Issues 7. Shareholder Rights.
2001	The Credit Lyonnais Securities Asia	Governance Score	4	57	1. Transparency, 2. Managers' Discipline, 3. Audit Committee Responsibility 4. Boards Of Directors Working and Structure.
2002	Patel Et Al.	T&D Index	3	98	1. Ownership Structure and Investor Relations, 2. Financial Transparency and Information Disclosure, 3. Board And Management Structure And Process.

2002	Institutio nal Share Holder Services (ISS)	Corporate Governanc e Quotient (CGQ)	8	61	1.Board Structure and Compensation 2. Executive And Director Compensation 3. D&O Stock And Ownership 4. Charter And By-Law Provisions 5. Audit 6. Takeover Practice 7. Director Education 8. Qualitative Factors.
2002	S&P	Corporate Governanc e Quotient (CGQ)	4	-	1. Board Structure and Process 2. Financial Stakeholders' Rights and Relation 3. Ownership Structure and Influence 4. Financial Transparency and
2003	Deminor	Governanc e Ratings	4	300	1. Rights and Duties Of Shareholders, 2. Range of Takeover Defences, 3. Disclosure On Corporate Governance 4. Board Structure and Functioning.
2004	Bauer et al.	Governanc e Ratings	4	300	1. Rights and Duties Of Shareholders, 2. Range of Takeover Defences, 3. Disclosure On Corporate Governance 4. Board Structure and Functioning.
2004	Klapper and Love	Corporate Governanc e Index	7	57	1.Discipline, 2. Transparency, 3. Independence, 4. Accountability, 5. Responsibility, 6. Fairness, 7. Social Awareness.
2005	Durnev And Kim	T&D Index	3	98	1.Ownership Structure and Investor Relations, 2. Financial Transparency and Information Disclosure, 3. Board And Management Structure And Process.
2007	Khanchel	Overall Index	3	-	1. Board of Directors, 2. Board Committees, 3. Audit Committee.

| 2013 | Ho And Taylor | Overall Voluntary Disclosure Index (DI) | 5 | 85 | (1) The Corporate and Strategic Information, (2) Financial and Capital Market Data Information, (3) Directors and Senior Management Information, (4) Forward-Looking Information, (5) CSR. |

Source: Compiled by author

Conclusion

Quantifying corporate governance is subjective and can be controversial. In fact, corporate governance rating or scoring studies are based on the assessment of certain governance standards/parameters/variables of historical data. The variables investigated as well as sub-variables attached to them vary between the studies. So the selection of a set of governance standards introduces a subjective element into corporate governance indexing research. In addition, academicians or rating agencies may attach different weight to these standards for the purposes of the overall indexing, introducing further subjectivity. Moreover, as the standards assessed depend on the regulation applicable in a particular market and may vary over time, it is difficult to draw general conclusions. Finally, it is worth noting that the developing corporate governance index is based on best practices or on the determinants of strong corporate governance.

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FDI Linkage to Rural and Agriculture markets:
A Developmental Prospect for Retailing in India

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Abstract

Globalization is the new buzzword that has come to dominate the world since the nineties of the last century with the end of the cold war and the break-up of the former Soviet Union and the global trend towards the rolling ball. FDI should be allowed in rural areas as it will help in integrating the farm economy with the urban markets and truly assist in improving the supply chain in rural areas that are in dire need of up gradation and modernization. The government has initiated a timely and relevant debate on the desirability of allowing foreign investment in modern retail. But restricting the entry of FDI to cities with a population of over one million residents would be a bad idea. The primary goal of allowing FDI and modern trade is to benefit the local economy, consumers and farmers. Keeping the sub-one-million towns out of it will amount to depriving the rural masses of a key developmental initiative. This will help in building skills and providing employment opportunities in the rural areas to the rural youth. Through the Govt. should encourage to modern retail in rural areas, one can drive interventions aimed at financial inclusion, health and vocational education as part of community development.

Keywords: Globalization, FDI, Rural Market, Supply Chain, Local Economy, Financial Inclusion

Introduction:

The frontiers of the state with increased reliance on the market economy and renewed faith in the private capital and resources, a process of structural adjustment spurred by the studies and influences of the World Bank and other International organisations have started in many of the developing countries. Also Globalisation has brought in new opportunities to developing countries. Greater access to developed country markets and technology transfer hold out promise improved productivity and higher living standard. But globalisation has also thrown up new challenges like growing inequality across and within nations, volatility in financial market and environmental deteriorations. Another negative aspect of globalisation is that a great majority of developing countries remain removed from the process. Till the nineties the process of globalisation of the Indian economy was constrained by the barriers to trade and investment liberalisation of trade, investment and financial flows initiated in the nineties has progressively lowered the barriers to competition and hastened the pace of globalisation

The entry of FDI in retail will allow international players in the rural retail business with focus on agricultural products and services to look at the Indian rural market. Among the international players are Agrium Inc, which is a major retail supplier of agricultural products and services in North and South Americas. Agrium operates close to 500 retail agricultural centres in the US and South America. Fonterra of New Zealand is a dairy farmer cooperative, and is a leader in serving the specialist needs of dairy farmers with RD1 rural retail stores in New Zealand. Landmark of Australia is a wholly-owned business unit of AWB. Landmark's 400 stores in Australia offer a wide range of added value services to Australian agribusinesses.

Other Australian companies are Ruralco and Elders. Combined Rural Traders (CRT), a brand owned by Ruralco, is the largest network of independently-owned stores and regional companies in agribusiness throughout Australia, while Elders runs traditional rural services businesses, conducted through over 380 points of presence throughout rural and regional Australia and New Zealand.

The entry of modern trade and FDI can provide farmers with products and services that are relevant, based on latest technologies, priced competitively and made available at the right time. This can help in improving farm productivity that has been stagnating in the recent past.

Literature Review:

Rural Development Minister had advocated allowing FDI for developing over 2.44 lakh panchayats all over the country that will open the vistas of opportunities and ensure inclusive growth. At a recent ASSOCHAM conference, he said FDI may be allowed in agriculture, food processing sectors that will contribute to the agriculture growth of the country, he pointed out.

The potential for private investment including FDI in rural areas has remained untapped for far too long. About 19% of rural households lived in katcha structures and about 50% lived in pucca structures. The reaming 31% of rural households lived in semi-pucca structures. The central government has launched certain key programmes which aim at overcoming the physical and social infrastructure problems faced in the rural development. 11th five year plan has estimated shortage of a total 73.96 million housing units,

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of which 47.43 million unites pertain to rural housing alone. This is an area where private investment would be most valuable and remunerative prices but such investments can also improve logistics and infrastructure. It can help in the growth of allied industries such as technology driven packaging and grading industry , the potential of benefiting from FDI in the rural areas is the agri business value chain, including agriculture marketing infrastructure. FDI would be most desirable is the creation of additional food storage capacity in the country. He indicates that there are 65million tones (MT) of food buffer stocks but the total warehousing capacity in the country is only 40MT, leaving a storage deficit of 25MT. Investment of 10-15,000 crore is required to provide the additional storage capacity. So, there is also an urgent need to induct state of the art technologies in this sector.

Minten and Reardon, Research shows is that, typically, the retailer helps in building the supply chain and procurement in the areas near their outlets By restricting the FDI only to larger cities, there will be a disincentive for the retailers to invest in the backend infrastructure and the supply chain; a benefit that is one of the stated objectives of opening up the retail sector. To drive profitable growth in the farm sector, a two-way engagement between retailers and farmers will be an essential prerequisite that can happen only through physical presence of the retailers in the rural markets.

Experience in rural retail in the country by leading domestic companies as well as in agrarian economies such as China and Australia has demonstrated that modern retail in rural markets is potentially viable only if it includes the marketing of agri-inputs and services for the farmers.

FDI can help in making available a wide variety of needed products such as hybrid seeds, crop chemicals, plant growth regulators, soluble fertilisers, equipment, etc, along with fertilisers and other traditional inputs. This can also drive greater competition, providing better prices, quality, range and best practices to the farmers while driving efficiencies.

ndian farmers have often faced crop-losses due to spurious seeds and other agri-inputs. According to data compiled by the Agrochemical Policy Group (APG), spurious or substandard pesticides worth . 1,400 crore were sold in India in 2009, causing crop losses in the range of . 7,000 crore. Given high level of seasonality and lack of efficient supply chain, farmers have to often pay unduly high prices for inputs. Modern trade and FDI can result in major improvement in this area.

The area of agri-extension support to the farmer is an associated benefit that flows along with the availability of products. Modern trade, with its wide variety of products and brands, is in a unique position to provide neutral extension support and assist in higher income generation in the farm sector.

The third and an extremely critical element of the farm dimension is the market access to the farmers that can be facilitated if the modern trade is also functional in rural areas. The belief that modern retail links the farmers to the urban markets is very well documented and is proven by the examples in almost all the other emerging economies that have opened up the retail sector.

The Rural India Growth Story

The Indian growth story is spreading to the rural and semi – urban areas as well. In 2008 the rural market has grown at an impressive rate of 25 per cent compared to the 7 – 10 per cent growth rate of the urban consumer retail market.Further, the rural market will grow to a potential of USS 1.9 billion by 2018 from the current US$ 487 million.

The rural India success story is being replicated across a range of sectors in the rural markets. After several global corporations like Microsoft, Intel, and Shell, many other major multinational companies (MNCs) and domestic players are keen to foray into the rural Indian market to capitalize on its growing opportunities.

Organised retail benefits the low-income classes of consumers much more than others.

As a matter of fact, there is a strong case that FDI entry should be linked to presence in small towns and rural areas on the lines of investment in the backend infrastructure. This will help upgrade the rural markets and make the investment in backend supply chain easier due to a two-way engagement with the rural customer, particularly the farmer who constitutes over 50% of the rural population.

Modern retail is one of the proven sectors for large-scale employment generation. Even small supermarkets of less than 3,000 sq ft create direct employment for several people. The indirect impact is much higher.

Encouraging the setting up of rural retail chains and FDI can, thus, provide large direct and indirect employment opportunities for the rural youth. This will make the objective stated in the Dipp discussion document far more practical and achievable.

Negative impact on employment within traditional retail is unlikely because the Chinese experience shows that both sectors have co-existed and the traditional sector has grown 30% along with modern trade.

Retailers engage in a high level of community engagement activities to establish themselves as the preferred choice for the consumer.

Through the encouragement to modern retail in rural areas, one can drive interventions aimed at financial inclusion, health and vocational education as part of community development. Modern retail can offer an excellent platform for providers of financial services to use retail infrastructure as a point of consumer contact. In fact, with use of technology and advent of 3G, services such banking, education, telemedicine, etc, can be delivered at retail points without having to create additional infrastructure.

Advantage India

According to the World Fact Book, India is among the world's youngest nations with a median age of 25 Years as compared to 43 in Japan and 36 in USA of the BRIC Brazil, Russia, India and China countries, India is projected to stay the youngest with its working – age population estimated to rise to 70 per cent of the total demographic by 2030 the largest in the world. India will see 70 million new entrants to its workforce over the next 5 Years.

India has the second largest area of arable land in the world, making it one of the world's largest food producers – over 200 million tonnes of food grains are produced annually.

India is the world's largest producer of milk (100 million tonnes per annum), sugarcane (315 million tonnes per annum) and tea (930 million kg per annum) and the second largest producer of rice, fruit and vegetables.

With the largest number of listed companies – 10,000 across 23 stock exchanges, India has the third largest investor base in the world.

India's healthy banking system with a network of 70,000 branches is among the largest in the world. In June 2007, the aggregate deposits of commercial banks were about US$ 445 billion (50 per cent of GDP) and the total bank credit stood at US$ 320 billion (36 per cent of GDP).

NPA (non performing assets) levels of banks in India are under 3 per cent, one of the lowest among emerging nations.

According to a study, India's consumer market will be the worlds fifth largest (from twelfth) in the world by 2025 and India's middle class will swell by over ten times from its current size of 50 million to 583 million people by 2025.

current size of 50 million to 583 million people by 2025.

Indian Economy has been witnessing a phenomenal growth since the last decade. After seeing a growth rate in excess of 9 per cent for the last 3 Years, it is still holding its ground in the midst of the current global financial crisis.

India's growth rate in the current Year at between 7 and 8 per cent economists have reiterated that India would continue being the second fastest growing economy in the world despite the ongoing global economic slowdown. Though the global financial crisis have affected the Indian equity and foreign exchange markets, the macroeconomic brunt of the meltdown is not much due to the overall strength of the domestic demand and the largely domestic nature of its investment financing.

Conclusion:

The negative convention of restricting FDI to cities with proposed population rider should be deleted in the interest of the largest stakeholders, farmers, and in interest of general economic development of rural areas, particularly farm incomes. If not, I am afraid it would end up as a discriminatory step against Bharat while favouring India.

Further, according to the International Monetary Fund's (IMF) prediction in October 2016, India is likely to grow at 7.8 per cent in 2018, and 6.3 per cent in 2019. In spite of the global financial crisis, companies from developed economies such as Germany have shown confidence in India's economic future and are interested in growing their business in the country. Showing faith in India's robust future, around 94 per cent German companies plan to increase their businesses with the subcontinent. After the signing of the US-India civil nuclear deal, India will now be partnering several countries for nuclear fuel technology projects, and this will further boost the Indian Economy. There is a strong case that FDI entry should be linked to presence in small towns and rural areas on the lines of investment in the backend infrastructure. This will help upgrade the rural markets and make the investment in backend supply chain easier due to a two-way engagement with the rural customer, particularly the farmer who constitutes over 50% of the rural population.

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Case Study on Future of WhatsApp Acquired by Facebook: Opportunities & Challenges

Dr. Sunita Pachar*

Abstract

The case is about the US-based social networking giant Facebook's acquisition of WhatsApp, the world's most popular mobile instant-messaging platform. It discusses the landmark deal to buy WhatsApp for US$ 19 billion including US$4 billion in cash, US$12 billion worth of shares, and an additional US$3 billion in restricted stock units of Facebook over four years after the deal closed. The WhatsApp Messenger is a cross-platform mobile messaging app which allows users to exchange messages without having to pay for SMS. Apart from simple text messaging, users can send images, video or audio messages. After their first trial year of using the service, users need to pay subscription charges of US$ 0.99. This case study of Whatsapp focuses on success of Whatsapp, its approaches its revenue model & finally the mega $19 billion deal between facebook & Whatsapp. The purpose of this buy was to make the world more connected.

Keywords: Growth strategy, Mergers and Acquisitions, Networked Businesses & Social networking.

Beginning of Whatsapp

Whatsapp Inc was founded in 2009 by two ex-Yahoo employees, Brian Acton and Jan Koum. After having bought an iPhone and looking at the new appstore, they realized that it was going to be a rapidly growing industry for apps.

Koum chose the name, and they started talking about building an app where people would have their statuses next to their names.

Koum bought an iPhone and figured out that apps would be the next big thing. He thought creating a hassle-free and instant messaging service would work wonders across the globe if it had mobile users as base. The idea was to get people across the world to network on a single platform effortlessly. It took him months of back-breaking work and testing to get the code in place. There were several trying times when things would not fall in place. Koum had even thought of giving up the idea but Brian Acton convinced him to try it for a few months. Initially, the messaging service was tried on phones of his Russian friends. The response was encouraging. Koum released Whatsapp 2.0 with a messaging component and active users went up to 250,000 by 2011. In April 2014, WhatsApp crossed half-a-billion user mark. As of February 2016, WhatsApp has over 1 billion users globally.

Whatsapp found a place among the top 20 apps in the US app store. Three years later in 2013, Whatsapp user base had zoomed to 200 million active users. Today Whatsapp has more than 450 million active users, and reached that number faster than any other company in history, points out Jim Goetz, of Sequoia Capital which has invested in the company. Competing with a number of Asian-based messaging services like LINE, Kakao Talk, We Chat and Whatsapp handled ten billion messages per day in August 2012, and the messaging system handles more than 10 billion messages each day.

The acquisition of Whatsapp by facebook made Jan Koum and Brian Acton become billionaires and stars of technology world. In the new venture Koum has 45 per cent stake worth $ 6.8 billion and Acton's stake is 20 per cent worth $3 billion. The most important thing to note is that both Jan Koum and Brian Acton applied for a job in Facebook in 2009 and were rejected. No mathematics can compute the Facebook's WhatsApp deal. Mark Zuckerberg's social network is spending $19 billion for the 55-employee, 450 million-user, ad-free messaging service.

The case is structured to achieve the following objectives:

This study explores the Future of WhatsApp Acquired by Facebook and its Opportunities & Challenges. The contribution of this paper is mainly answering the necessity of Whatsapp tie- up with Face book. Moreover, the study will focus on following issues.

1. Understand the growth strategy adopted by whatsapp to

Figure 1: Facebook & whatsapp pic

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maintain its dominant position in the social marketing space.

2. Understand the issues and challenges faced by whatsapp in recent years in terms of competition from other social media companies.

3. Study and analyze the future of facebook -whatsApp deal.

4. To suggest workable measures for growth of Facebook -whatsApp

Revenue Model

Whatsapp like other social media companies does not rely on advertisements for revenues. The founders of the company believed that the users would want to be excited about the people they connect with and so the entire focus should be on the product itself and not on the advertisements. Moreover, they believed that the user gets

disrupted due to the advertisements; hence their entire focus was growth in terms of customers rather than revenue. The revenues are generated by charging a nominal fee of 99 cents per year, and on some operating systems it provides first year of free service to increase customer loyalty and increase brand value.

Even if WhatsApp has one billion paying users, the revenue with the current model is going to be around $1 billion. By any account, this is a very modest figure for a Silicon Valley company. Another source of revenue is that it provides a limited edition of emoticons and stickers to add to the existing list of free emoticons.

WhatsApp Key Statistics

>450M Monthly Active Users, ~70% Active On a Given Day Growing by >1M Registered Users Per Day

WhatsApp Messaging Volume Approaching Entire Global SMS Telecom Volume (19B Sent & 34B Received per Day)

>600M Photos Uploaded Per Day

>200M Voice Messages Sent Per Day

>100M Video Messages Sent Per Day

>100% Year Over Year Growth for All of the Above

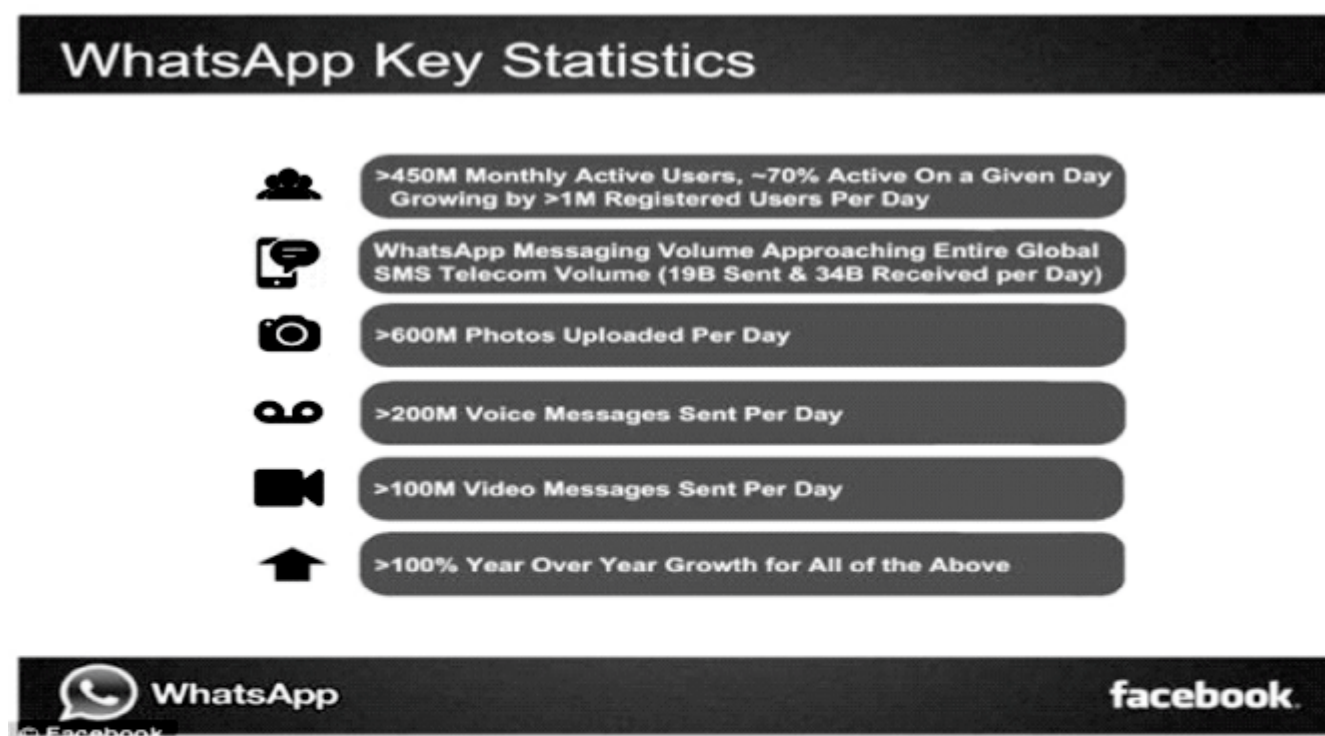WhatsApp   facebook

Fig. 2. WhatsApp key statistics

Why Facebook buys WhatsApp

Facebook has acquired more than 50 companies, including WhatsApp. The acquisition of WhatsApp costs $19 billion, more than $40 per WhatsApp user. WhatsApp is by far Facebook's largest acquisition and one of the biggest Silicon Valley has ever seen. Facebook says growth is the focus, not making money. Facebook says the valuation is justified by the massive network Whatsapp has created. The company is adding 1 million new users every day and running on a path to connect 1 billion people it is over 20 times larger than Facebook's Instagram acquisition, which made quite the splash in 2012. That begs the $22 billion question: why did Facebook break the bank to buy WhatsApp?

The answer is user growth. Over 500 million people use WhatsApp monthly and the service currently adds more than 1 million users per day. Seventy percent of WhatsApp users are active daily, compared to Facebook's 62%. Additionally, WhatsApp users send 500 million pictures back and forth per day, about 150 million more than Facebook users.

The app launched in 2009 and reached 1 billion users before long thanks to its astronomical growth. As of December 2014, Facebook has 1.39 billion monthly active users. With a shared mission of enhancing global connectivity via internet services, the merging of forces will likely accelerate growth for both companies. For Facebook, user growth comes first and monetization later.

WhatsApp will help fuel Facebook growth in developing markets where internet connectivity is sparse but where WhatsApp is widely used. Facebook will then gain access to these mobile user bases. Connecting to WhatsApp users in these areas will also aid Facebook's Internet.org initiative, Facebook CEO Mark Zuckerberg's plan to implement internet access to the two-thirds of the world not yet online.

However, Facebook does believe it will profit from WhatsApp down the line as phone calls become obsolete and mobile messages reign. This is why Zuckerberg spent one-tenth of his company's market value to buy the text messaging app, nearly doubling Google's bid. In doing so, he successfully kept the company out of the hands of other tech rivals. WhatsApp plays a significant role in the global areas crucial to Facebook growth. By putting monetization efforts on hold, Facebook is focusing on the future of international, cross-platform communications. Through the acquisition of WhatsApp, the tentacles of Facebook are closer to reaching billions of people, and with a market of that size, Facebook is sure to find a way to eventually cash in.

According to Facebook CEO Mark Zuckerberg the main reason to pull the trigger on massive deal was: Threat WhatsApp was giving to face book. Mobile users are spending less time on facebook because they are now busy on Whatsapp. Somthing similar happened with Instagram & Facebook spent almost $1 billion to buy Instagram. Undoubtedly, WhatsApp has potential to be a money-minting machine. But for now, Facebook has paid $19 billion to save itself from WhatsApp. How WhatsApp is going to help Facebook on mobile phones is going to be an afterthought.

Competition & Threat

The success of Whatsapp seems a rosy path but it has not been so, it has been facing stiff competition from other free applications from Asia like Line and We Chat.
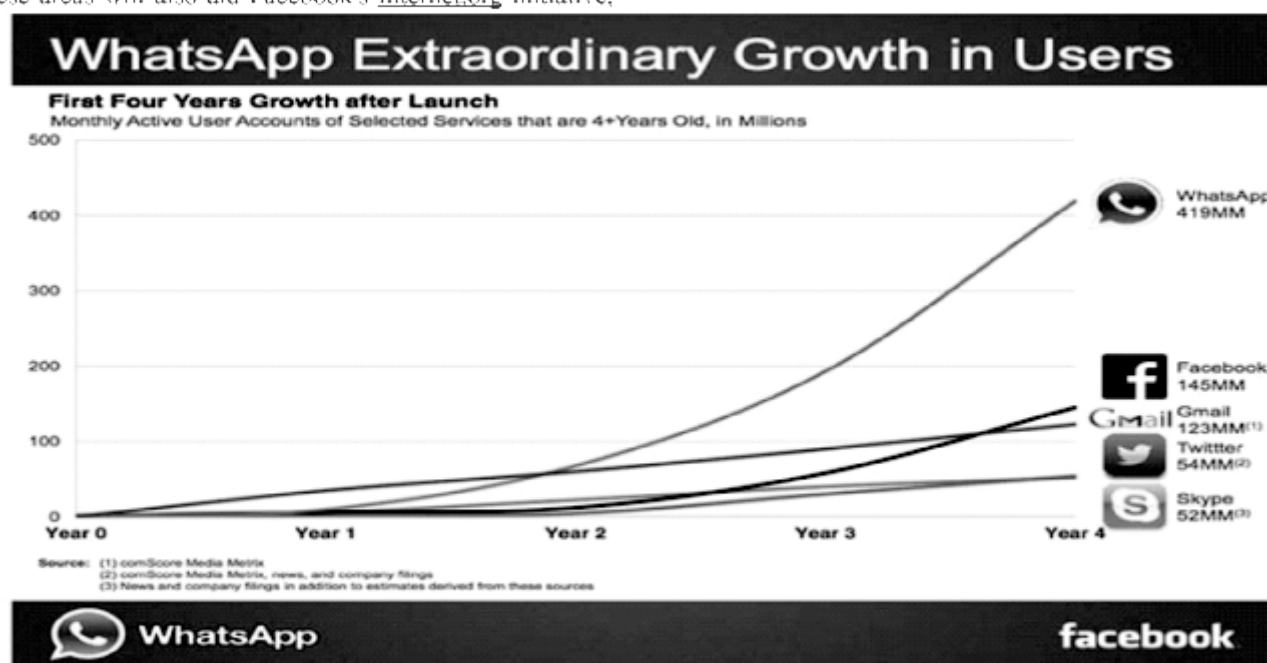

WhatsApp Extraordinary Growth in Users

First Four Years Growth after Launch
Monthly Active User Accounts of Selected Services that are 4+Years Old, in Millions

Fig. 3. Comparison in wharsapp, facebook Growth in Users

Though Face book is not a direct Competitor because Facebook is a social networking site & Whatsapp is a messenger application but it had an indirect competition with it. Before the advent of Whatsapp facebook was used to share photos, videos & thoughts and also to chat but now all these are available on Whatsapp. With its attractive features Whatsapp suppressed the use of facebook in few countries,

Whatsapp is facing the threat of soon being banned as its service is harder to monitor and cuts into the revenues of local telecom companies as it allows messages to

be sent over the internet for free. It has to continuously evolve and update its features to prevent the shift of consumers to other chat messengers.

WhatsApp Closing In On A Billion Users
WhatsApp's monthly active users worldwide
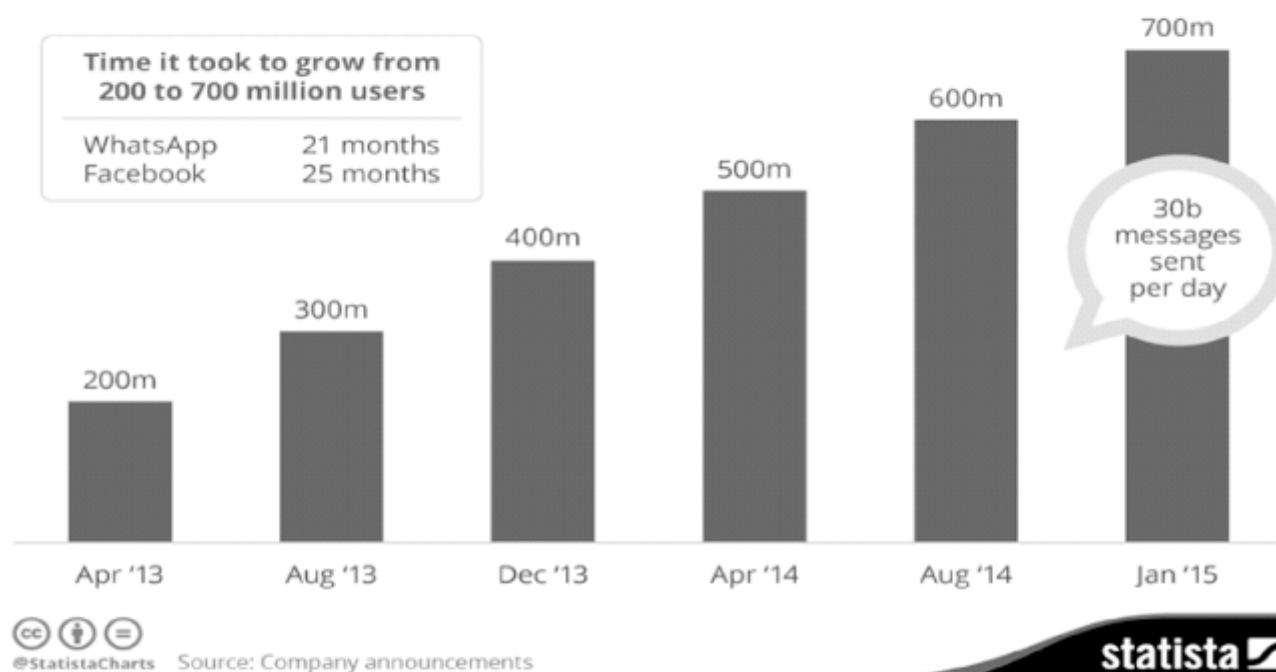
Fig. 4. WhatsApp Growth in Users

Analysis of Face book: Opportunities & Challenges

Opportunities

1. Rising number of people using Facebook with mobile devices Presently Facebook has more than 600 million users who use Facebook through mobile devices. Although this

group makes 60% of all Facebook users, the mobile promotion only accounts for only 14% income for the company. Facebook has an opportunity to form a platform that could be used to exhibit ads for mobile users and increase firm's income.

2. Broaden the horizons of revenue Facebook heavily relies on promotion on its social network as a source of returns, but with being the number of website in the world and more than 1 billion active monthly users, Facebook could utilize other

opportunities to attract the money.

Threats

1. Individuality thefts even today, identity thefts are ordinary in Facebook. The more identities are stolen the more denigration Facebook will receive strongly harm its brand for inability to protect user's confidential information.

2. Weak business model: Facebook's aim is to draw social network users, show the ads for them and charge the businesses for the ads displayed. Although Facebook's business model looks sound for an occasion, the company faces severe difficulties if some example, slowing expansion of online advertising, new social network, budge from advertising on Facebook to other websites, rising number of mobile users or failure to diversify source of income.

Analysis of Whatapps: Opportunities & Challenges

Opportunities

1. Market share leadership: High levels of competition among suppliers reduce the prices to producers. This is a encouraging fact for WhatsApp. —High Competition among suppliers‖ has a important impact. So an analyst should put more weight into it.

2. Cross Platform; WhatsApp Messenger works on various platforms and number of devices, no matter iPhone, BlackBerry, Android, Nokia S60.

3. Personalized Interface Whatsapp interface is quite simple and easy to handle. Whatsapp launches updates regularly to make its interface more appealing and user friendly but generally its interface depends on type of platform who are using.

4. Less Bandwidth Consumption after Downloading– With just texting option, whatsapp does not take much bandwidth. Only downloading may compel it to use high network

charges, but if you are texting only, then whatsapp takes very less bandwidth.

Challenges

1. Fast industry growth rate lead to product substitution When industries are growing revenue quickly, they are more likely to battle, because the total industry size is also growing. The only way to grow in slow growth industries is to steal market-share from competitors.

2. Related applications and free WhatsApp takes a subscription fee of 0.99S per year after 1 year of trial usage.

3. Less Identity Preservation Your profile picture is visible to every person having your contact number and using this app, whether known by you or not.

4. Need of Internet - You must have access to internet to send and receive messages for free and the messages are also not sent to the phone inbox. Only works with a data plan or WiFi.

The Road Ahead

Competing with a number of Asian-based messaging services (like We Chat (468 million active users), Viber (209 million active users and LINE (170 million active users.

While Facebook's acquisition of WhatsApp received many positive reviews from industry experts, some were still unsure whether the deal would prove to be smart move or not. Investors, especially, were anxious about the price and the fact that the purchase was being made mainly in shares, thereby diluting the power of other shareholders. As of February 2016, WhatsApp was over 1 billion users globally. Analysts were of the view that in order to validate the valuation of the deal, WhatsApp would need to generate around US$ 1 billion in annual cash flow by 2018.

WhatsApp will continue to operate independently within Facebook. The product roadmap will remain unchanged and the team is going to stay in Mountain View. Over the next few years, company has to work hard to help WhatsApp grow and connect the whole world. Facebook expect that WhatsApp will add to their efforts forInternet.org, their partnership to make basic internet services affordable for everyone.

WhatsApp will complement facebook existing chat and messaging services to provide new tools for community. Facebook Messenger is widely used for chatting with Facebook friends and WhatsApp for communicating with all contacts and small groups of people. Since WhatsApp and Messenger serve such different and important uses, both companies have potential to continue investing in both and making each great product for everyone.

Conclusion

Whatsapp is a great application that offers various benefits to the customer. It provides the best features that an internet messaging application can provide to us. With that, we can easily send enough unrestricted messages to Whatsapp friends. Facebook too provides excellent communication features and social feeds. The timeline likes and remainders are the standout features of Facebook. Facebook could have been even better, if the app would have provided the facility to send unlimited messages throughout the country or world for free to any number. From the analysis we find thatFacebook and WhatsApp have equally good facilities before the merge except that WhatsApp does not have audio and video calling which requires more bandwidth and technical support. By this merge it paves way to introduce those features. Also, the end user utility features like organizers, job search are yet to be developed in Whatsapp. The elder people are yet to get accustomed to Whatsapp. From our statistical analysis we found that, by this acquisition of whatsApp, Facebook stands sky high.

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