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Shodh Gyaan

Knowledge Through Research



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Shodh Gyaan

Knowledge Through Research

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From The Dean's Desk

Motivation and Frustration in Doctoral Programme

I have been part of the selection process of hundreds of doctoral students. They are generally motivated and seem to be anxious for getting admission. A new trend that has emerged is increasing participation from the industry. Practising managers want to enrol for doctoral degree in increasing numbers fully knowing that they have both job responsibility as well as that of family. True, they bring no objection from the employers and narrate full support from the family, they start feeling the pressure the moment course work starts. Similar is the case for working faculty pursuing this programme. The story of full time doctoral students is somewhat different. Fortunately, while doing doctorate, I belonged to the third category with scholarship. Despite that all was not hunky dory. I, too, at times had unbearable pain in reaching the destination, i.e. getting doctoral degree. There were highs and lows in this journey but I can tell with confidence that getting a doctoral degree is not a cake walk; there are moments of utter despair though there are some wow moments as well. The journey is, generally, a roller coaster ride. Three things that held me in stride were motivation, domain knowledge and the quest for learning.

I had written earlier in this column that the doctoral programme is a Chakravyuh in which around 50% of those who enter perish. In this issue, after touching upon the process of entry, I am describing in the following paragraphs, about motivation and frustration that I saw among the doctoral students from the days of admission process to the award of the doctoral degree. Later chapters deal with motivation and frustration.

The Roller Coaster Ride during Doctoral Programme

I recall the days when the candidates submit the application along with short synopsis for their research and the motivation for undergoing doctoral program. Generally, at that stage, they are clueless about their research. Some of them are not yet decided whether they will join the programme if selected. During They show

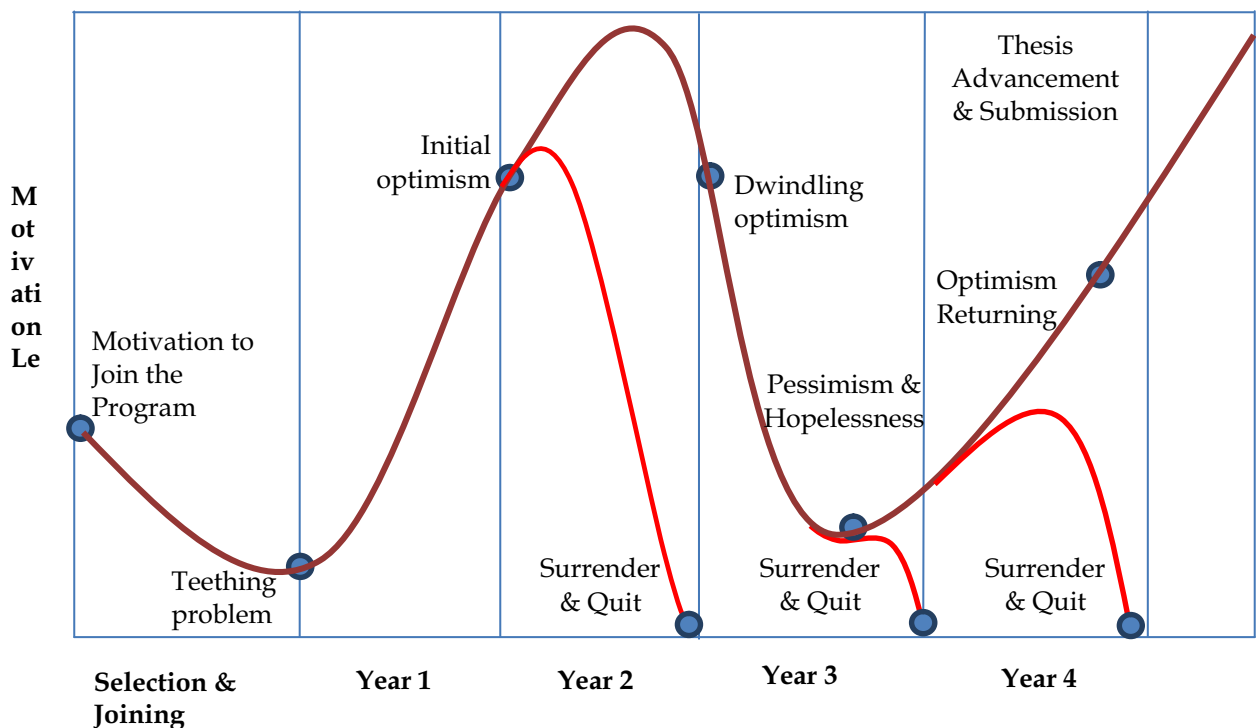


all commitment to join the programme little knowing that there are many slips between the cup and lip. The figure above shows the motivational level of the candidates during the doctoral programme which has peaks and troughs.

Selection and Joining Phase

The candidates apply for doctoral programme with certain level of motivation; the cause and level of motivation in different candidates being different. During selection and joining process, there is some

Phases of Optimism and Pessimism



anxiety in the candidates while some are yet undecided. They take a call on receipt of the selection letter after evaluating current situation and weighing pros and cons. Once they decide and join, the teething problems are over. They get a new and stimulating environment in which they get optimistic and their motivation level goes up. At that point, one gets a feeling of starting in a new organization; everybody seems to be nicer than in the previous organization. They start feeling that they are going to solve a big problem; they may bag a big prize and that their research will change the society little knowing that most of the thesis collect dust in libraries. However, it

does not last long as they go through the drudgery of attendance and evaluation for the prescribed/chosen courses.

Initial Years

As per schedule, the doctoral courses begin. The doctoral students get new classmates, new teachers – some adorable, some task masters and some repulsive. Lot of assignments and presentations need to be done. The courses like “Theory of Research” or “Philosophy of Research” go over the head. Those who did not have science or mathematics background find the courses on “Quantitative Techniques” or “Statistical Methods” difficult. Some of them, especially those who are in job



and have family burden, start bending under pressure. Majority recover from this pressure but a few of them yield under the pressure and quit doctoral programme at this stage itself.

This demotivates others who, too, lose the initial optimism. The peers and seniors give solace and the truncated doctoral batch holds on. Somehow, they complete the course work; very few with the initial gusto. They start wondering, we have already spent over a year but we are nowhere in our research. In addition, where the Institute/University or the Department does not provide guide suo-moto and the candidates have to propose their guide and the supervisory committee, they start getting worried; more so when the guide of their choice is not available. Optimism starts dwindling and pessimism starts setting in. At this stage most of them feel lost as they do not see any good research outcome in the near future and start realizing that the project they wanted to work on is a bit too big and will take long time to complete. They feel that they have wasted a lot of time exploring lot many phenomenon and doing a lot of useless little projects. Negativity might set in, leading the candidate into a mini depression. This phase is more difficult to sustain; the chicken hearted board out of the programme.

The Turnaround Phase

Those who get out of this trough would have their guide and thesis supervisory committee in place. They have people to handhold in case of depressive conditions. They start realizing that their doctoral work won't be as awesome as they thought earlier. However, we have written a case as the output of a course work that may go for publications and other research paper may come out based on the input from various other courses. Mature paper may have to wait for completion of thesis and post-doc work. They get firm grip on the thesis topic, prepare the thesis

proposal and present it before the research committee after approval from the supervisory committee.

The research committee rarely approves it in one go. It, generally, requires iteration once or twice based on the inputs given by the research committee and the action taken by the candidate and the supervisory committee. With the thesis proposal approved, the candidates again get into optimistic zone. They get deep into their thesis work and most of them succeed in defending the same. However, even in this phase there are some drop outs, some of the reasons being change of job, posting out station, marriage or pregnancy and the quitting or in rare case death of the supervisor.

Among my doctoral candidates, everyone had periods of motivation and frustration; wow moments were few and far between. Every candidate was different; the periods and depth of motivation and frustration varied from candidate to candidate. The main issue is how to remain motivated till the submission and defence of thesis.

How to Remain Motivated

Entry into Doctoral Program

Prevention is better than cure. It is, therefore, necessary to know your need and necessity to get a doctoral degree. Joining a doctoral programme just for the sake of it, sooner than later, will demotivate you. Ask questions like this to yourself even before applying for admission; why I need a doctoral degree? Do I have the resources to do it? Do I possess the skills needed? If not, how will I acquire it upfront? Do I have enough time to complete the course and research? If the answer to such question is in affirmative then only you should join the doctoral programme. Having joined the programme, never look back. Read, read, read and write, write, write. Keep yourself busy so that you have no time to get frustrated. Enjoy what you read



and write. I find my students struggling in writing a piece in the beginning; there are many flaws in what they write. Notwithstanding, they are asked to share it with their colleagues to get their comments which results in improving the piece. At times, I observe the comments and suggestions even more valuable than what I could have given. Once they get to certain level of writing, I ask them to make presentation to peer group. This improves their presentation and communication skills which ultimately helps them in presenting their seminars which is often required in doctoral programme. Reading, writing and making presentations are the basic and continuous requirements for them but they are not adequate. They need to develop other softer skills to keep motivated for long periods that a doctoral study and research require. Further, skills like time management, health enhancement, learning and using new software, blogging need to be developed to remain motivated.

The Course Work

Different universities/institutions have different course structure for doctoral programme but the period of the course work is relatively easy irrespective of which university/institution one has joined. It is organized, systematic and time bound. The course work is in year one when the candidates are motivated. Though motivational level differs from candidate to candidate, it rises as they are able to see their performance clearly through continuous evaluation and feedback. During this period, they have someone to fall back on, in addition to the peers and seniors. Once the course work which is driven by the faculty, except the course of independent study, is over, the candidates have to take command in their hand. The first thing that they are required to do is to make a choice of the supervisor and constitute their "Thesis Supervisory Committee." The supervisor and the committee are vital in the progress and success of the research work.

The Supervisor and the Committee

There is variety of supervisors; some of them are friendly but some are difficult to handle. If the candidate gets a knowledgeable and friendly supervisor, he/she is lucky. Most of the times, the candidates get a difficult supervisor. Such supervisors fall into one of the following nine categories:

- Hostile aggressive
- Complainer
- Silent unresponsive
- Super-agreeable
- Negativist
- Know-it-all
- Indecisive
- Super Busy

If one gets a difficult supervisor of any of the above types, he/she, sooner or later gets into frustration zone. Changing supervisor is not easy, therefore one needs to learn how to tackle them and avoid frustration.

How to Avoid Frustration

Dealing with the Supervisor

Once your supervisor has been decided, you have no option but to live with him till the submission of thesis and subsequent revision (if asked for) and viva voce. Of course, this scenario changes in the rare case of the death of the supervisor or his leaving the University/Institute. Even with the appointment of a new supervisor, the candidate-supervisor relationship issues do not change.

The hostile supervisor is generally antagonistic and impolite. He crushes all ideas of the candidate and makes him look like a fool. Therefore, the candidate should investigate not only about the knowledge of the supervisor but also his attitude and behaviour. However, if a candidate lands into such a situation, knowingly or unknowingly, he should not get emotional if he/she is humiliated by the supervisor. One needs to act to calm him/her down, acknowledge him/her opinions, and direct the conversation towards



solving problems. If the supervisor is a complainer, the candidate needs to listen to the complaints for a few minutes, and then direct the conversation towards solving the problem. If he/she is a silent or unresponsive type of doctoral supervisor, it might be a good idea for the candidate to take his/her thesis into own hand simultaneously making the supervisor know about research plan and progress, thus, giving him/her a chance to respond, if they so desire. Opposed to these, there are super-agreeable supervisors. Even in such case, one needs to complete the research work as much as one can with the help of peers and seniors. Negativist supervisors are dangerous; they bring down the morale of the candidate because they believe that nothing can improve the situation if the candidate gets into a problem. If one has a supervisor who is negative, the best course of action is to focus on the problem; get help from peers, other members of the thesis committee and even go beyond to other professors. Some supervisors are indecisive and procrastinate over problems encountered. They can be very frustrating because more often than not they ask you to change the topic or the methodology as soon as some progress is made on the same. In such case, it is better to rely on your peers and seniors to make progress on the research. One may consult even other professors and report to the supervisor about the progress made rather than waiting for his advice.

Yet another type of difficult supervisor is 'know-it-all' expert who believes that his/her way of taking the research forward is the only right way. They are of two types; the bulldozers and the balloons. The bulldozers have expertise and one would enjoy working with them but for their difficult personality. Balloons, on the other hand, have no expertise and are full of hot air. Doctoral students generally encounter the bulldozer category. To deal with them, it is very important to be prepared for meetings so that the candidate is able to discuss his/her research with confidence and gainfully

utilize the expertise of such supervisor. Sometimes, I hear from candidates that his supervisor is really great advisor but he/she has no time to meet and discuss the research with the candidate. Such candidates can earn mileage out of the name and fame of their supervisor but have to be particularly self-motivated to complete their dissertations. Some supervisors are micromanagers. They call the candidates off and on to question every detail of their research project. If a candidate gets stuck with a micromanager supervisor, he/she needs to be very assertive about his/her research work and stick to the scope of the research project. The candidate needs to set reasonable boundaries carefully listening to the supervisor and accepting the impositions that will improve the research.

To avoid any frustrations on account of the supervisor, candidates need to understand clearly that at the end of their thesis work, they are the expert in their narrow field. They should know more about their little field than their professor; no doubt, their supervisor has the overview of a broader field where their research project fits. Therefore, irrespective of the type of personality of the supervisor, always find and discuss the solutions of the problem you face. Remember that the supervisor is a catalyst in your research but he is not an expert who can teach you the 'ins and outs' of your field and decide for you.

Learning Rules of the Game

Many a times, frustration arises out of the ignorance of rules. The doctoral program has certain rules and regulations. Candidates have to observe them, irrespective of how great scholar a candidate is. I have observed that candidates, in general, are aware of the process of admission in the program; where they are not clear, they make numerous queries. Once admitted, their attitude changes; they take the rules and regulations for granted rather than abiding by it. Many universities have prescription for minimum attendance during course work. Some are detained



because of non-fulfilment of the same which becomes a big cause for frustration.

Remember that your goal is to get your doctoral degree; don't get into unnecessary arguments with the research office for tit-bits. Concentrate on your course work; choose the right supervisor and then throw

yourself heart and soul in the research. In case you have got a difficult guide, bear with him and Tackle the situation as stated above. Wishing you all success in your doctoral endeavour!

Dr. Arun Sahay



The Editorial

Dear Readers,

Seasonal Greetings!

We are delighted to bring you yet another exciting and worth reading journal for the year 2017, Shodh Gyaan Vol 4, Issue No. 2. Like previous Issues, this Issue, consists of contents from various management disciplines. It includes articles, research articles, book review and management thought from a renowned person of industry. Since the previous issue we have introduced a section "Thesis of the Issue" which consists of the summary of a thesis written by a research scholar of Birla Institute of Management, Technology. And the final article 'My FPM Journey' is shared by one of former research scholars.

The article "Demonetization: Part I - A History" gives a detailed history of demonetization in across the world. The next article "Modern Players of Balassa Samuel Son's Effect" examines the hypothesis of Balassa Samuel Son's Effect in light of the modern day economies. The following article, "The Faith Industry and the Business of Faith in India" forces us to rethink about the concept of faith from a marketing perspective and how it has grown as a business in India. The next article "Mutual Funds: Just the Right Avenue to Park Your Funds" provides an understanding towards a recently added avenue of investment, which is much debated and undermined. The last article "Connection between Job Satisfaction and Loyalty of Millennial Generation in the Information Technology Industry: A Review" gives an overview of how the current generation of employees perceive job satisfaction and loyalty towards their employees.

The next section "Thesis of the Issue" brings to you a thesis which has been selected for the Jadish Sheth Best Thesis Award in the year 2017, 'Influence of Socialization and Materialism on Consumer Decision-Making Styles'. This examines teenagers' consumer decision making styles in light of eight decision making styles profound by Sproles and Kendall.

The following section, like previous issues, brings to you a Management Thought which is an edited transcript of the interview of Shri Venkat Shridhar, Chief Executive Officer of Akshay Patra Foundation where he shares some insights of his journey to being a catalyst of social change.

The Issue finally ends with a book review on "How to Transform your Humble Digital Presence into an Authoritative Figure! 7 Quick & Simple Strategies Revealed" by Jonathan Seet, followed by the last article My FPM Journey which gives insights of the ups and down of a doctoral student

Assuring you of interesting and thought provoking content from the world of management.

Wish you a very happy reading!

Shreya Mishra
Editor



Demonetization: Part I-A History

Monika Sharma*

Introduction

Demonetization is a radical monetary step in which a currency unit's status as a legal tender is declared invalid. This is usually done when there is a change of national currency or replacing the old unit with a new one. For instance, such a step was taken when the European Monetary Union nations decided to adopt Euro as their currency. However, the old currencies were allowed to convert into Euros for a period of time to ensure a smooth transition through demonetization. In India, the move has been taken to curb the menace of black money and counterfeit notes by reducing the amount of cash available in the system.

Demonetization impacts the daily life of a common man in all aspects. At macro level, it impacts financial, trading, political, and social system of a country.

Previous Instances of Demonetization

Many countries had opted for it for different reasons, but not all of them have been successful

in their implementation and expected outcome.

1. Singapore, 1945
2. Fiji, 1969
3. Ghana, 1982
4. Nigeria, 1984
5. Myanmar, 1987
6. Zaire, 1990
7. Soviet Union, 1991
8. Australia, 1996
9. North Korea, 2010
10. Zimbabwe, 2015
11. The Philippines, 2015
12. Pakistan, 2106

As it is difficult to get the details of demonetization undertaken in the earlier mentioned countries which opted for it a long way ago due to the poor media coverage during those times, here's a brief for eight countries that have opted for it.

* Assistant Manager, Sales & Marketing, Maruti Suzuki India Limited.



1. Ghana, 1982



In 1982, Ghana ditched their 50 cedi's note to tackle tax evasion and empty excess liquidity. This made the people of the country support the black market and they started investing in physical assets which obviously made the economy weak.

2. Nigeria, 1984



During the government of Muhammadu Buhari in 1984, Nigeria introduced new currency and banned the old notes. However, the debt-ridden and inflation hit country did not take the change well and the economy collapsed.

3. Myanmar, 1987



In 1987, Myanmar's military invalidated around 80% value of money to curb black market. The decision led to economic disruption which in turn led to mass protests that killed many people.

4. Zaire, 1990



The Dictator Mobutu ran the demonetization drive which led to economic instability in the Zaire which won freedom in 1970 making it more vulnerable to foreign funding at that time. The country recovered from this in 2000.



5. Soviet Union, 1991



Mikhail Gorbachev ordered the withdrawal of large-ruble bills from circulation, to take over the black market. This move did not go well with the citizens and resulted in a coup attempt which brought down his authority and led to the Soviet breakup.

5. Australia, 1996



Australia became the first country to release polymer (plastic) notes to stop widespread counterfeiting. Since the purpose was to replace paper notes with plastic notes and only the material changed, it did not have any side-effects on the economy.

6. North Korea, 2010



The demonetization that happened in North Korea in 2010 left people with no food and

shelter. Kim-Jong II introduced a reform that knocked off two zeros from the face value of the old currency to banish the black market.

7. Zimbabwe, 2015



Zimbabwe used to have \$ 100,000,000,000,000 notes. The Zimbabwean economy went for a toss when the incumbent President Robert Mugabe issued edicts to ban hyperinflation by replacing their home currency with the US dollar and with at least seven other foreign currencies as legal tenders which are as follows: South African: rand, Botswana: pula, British: pound, Indian: rupee, Chinese: yuan, Japanese: yen, and Australian: dollar.

After demonetization, the value of trillion dollars dropped to 0.5 dollar and was also put up on eBay. The demonetization exercise cost Zimbabwe about 20 million American dollars.

8. Pakistan, 2016



Pakistan govt. announced, demonetization of Rs.5 and Rs.500 notes in June. People of Pakistan had one and half year time to exchange old notes and get newly designed notes (December 1, 2016). Providing one and half year messed up everything.



From above cited instances it is clear that countries opted for demonetization either resulted in collapsed economy or just changed their currency notes from paper to plastic. It has only been impactful whenever there was a change in the currency's unit measure, i.e. opting for other currency.

Demonetization in India

This is not the first time India opted for demonetization; it has occurred in India before also. Yes, it has taken place twice before Modi's 2016 demonetization, both instances with different objectives. It took place first in 1946 under Chintaman Deshmukh (the then governor) and again in 1978 under I. G Patel (the then governor).

Demonetization, 1946

It was first implemented in 1946 when the Reserve Bank of India demonetized the Rs 1,000 and Rs 10,000 notes that were in circulation during that time. Higher denomination banknotes of Rs 1,000, Rs 5,000, and Rs 10,000 were introduced after 8 years later in 1954.

Sir Chintaman Deshmukh (governor) felt that we may not get even as much as Rs. 10 crores as additional tax revenue from tax evasion and that the contemplated measure, if designed to achieve such a purpose, has no precedent or parallel anywhere. If value is going to be paid for value (no matter whether such value is in lower denomination notes), it is not going to obliterate black markets. His advice is that we should think very seriously if for the object in view (as he deduces from the declaration form) whether this is an opportune time to proceed with the scheme.

Provided Government are satisfied on the points of:

(i) Sparing harassment to the unoffending holders, and

(ii) A worthwhile minimum of results in the shape of extra tax revenue, he does not wish to object to the scheme as drafted, if government wish to proceed with it notwithstanding the administrative difficulties involved.

Demonetization, 1978

In 1978, demonetization was implemented for the second time with the objective to tackle the issue of black money which was quite substantial at that point of time. In January 1978, the Indian government demonetized Rs 1,000, Rs 5,000, and Rs 10,000 notes. The move was enacted under the High Denomination Bank Note Act, 1978 under which all "high denomination bank notes" ceased to be legal tender after January 16, 1978. The then Governor of RBI, I.G Patel was not happy about the Janata government's move to demonetize Rs 1,000, Rs 5,000, and Rs 10,000 notes.

Time given to the public to change their currency was from 16 to 24 January 1978.

A Times of India report (sourced in-house) published on 17 January 1978 mentioned as follows:

"A press note issued tonight said that the ordinance had been promulgated because there was reason to think that high-denomination notes were facilitating the illegal transfer of money for financing transactions which are harmful to the national economy. There has



been concern in recent months over the behaviour of agricultural prices particularly of edible oils. In spite of a bumper harvest agricultural prices are ruling much higher than after the poor harvest of 1976-77. Massive imports of edible oil have failed to bring down prices and the mustard oil price control order has failed miserably to give the consumer his requirements at the specified rate. There has been a feeling that a considerable amount of black money has gone to finance hoarding and speculation. The demonetisation of high denomination currency notes will hit black money hard”.

This ordinance resulted in a ripple effect on other markets such as gold and diamond where prices slumped by 5% to 10% within a week. In addition, the old notes were being exchanged at 70% discount in Bombay’s Zaveri Bazar.

No impact was measured for the simple reason because at that time no one really knew how much black money is in circulation and even more important, whether black money can really be defined in precise terms in all its shades.

Demonetization, 2016

On the eve of November 8, 2016 Prime Minister Modi, in his televised address to the nation, made Rs 500 and Rs 1,000 invalid, saying that it was aimed at curbing the “disease” of corruption and black money which have taken deep root. People holding notes of Rs 500 and Rs 1,000 can deposit the same in their bank and post office accounts from November 10, 2016 to December 30, 2016. All notes in lower denomination of Rs 100, Rs 50, Rs 20, Rs 10, Rs 5, Rs 2, and Re 1 and all coins continued to be valid,

and new notes of Rs 2,000 and Rs 500 were introduced. There was no change in any other form of currency exchange be it cheque, DD, payment via credit or debit cards, etc. The reasons given by the government are as follows:

1. To tackle black money in the economy. The move is estimated to scoop out more than R s5 lakh crore black money from the economy.
2. To eliminate fake currency and dodgy funds which have been used by terror groups to fund terrorism in India.
3. To lower the cash circulation in the country which “is directly related to corruption in our country.”

Following the announcement, there were huge crowds outside ATMs across the country as people lined up to withdraw currency of smaller denominations. Banks were advised to increase the cash withdrawal limit at ATMs from the existing Rs 2,000 to Rs 2,500 per day in the recalibrated ATMs. RBI extended weekly withdrawal limit of Rs 20,000 to Rs 24,000 and the limit of Rs 10,000 per day has been removed. The exchange limit over the counter has also been increased from the existing Rs 4,000 to Rs 4,500.

The main difference between then and now is that the higher denomination currency was barely in circulation, unlike the Rs 500 and Rs 1,000 notes of today.

Currency Circulation Across Countries According to CLSA Report <level 1>

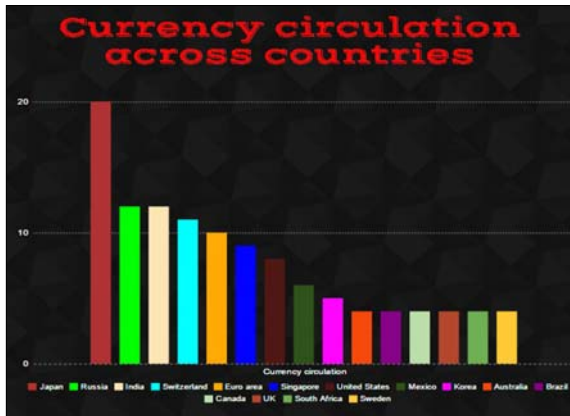


Figure 1. Currency circulation across countries
Source: Retrieved on Nov.14, 2016, from business standard

Currency circulation in India is 3rd highest after Japan and Russia which shows that in India money is moving fast from one hand to the other. Currency in circulation is the total value of currency that has ever been issued minus the amount that has been removed from the economy by the central bank. Currency circulation rate in India is 2.5%.

Cash based Transactions across countries according to CLSA Report

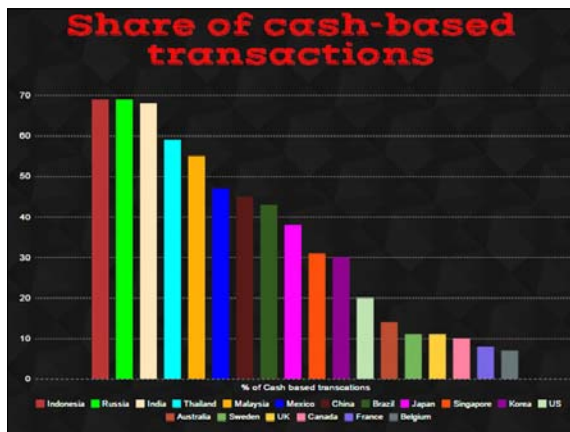


Figure 2: Percentage of Cash Based Transactions Across Countries
Source: Retrieved Nov14, 2016 , from business standard

In entire money circulation 68% are done through cash which is 3rd highest after Indonesia and Russia. Major contribution to these transactions are from villagers who are either not aware of technology or doesn't have any technical facility or both.

Emergence of Cashless Societies

AUSTRALIA: Over half (53%) of payments currently made in Australia are cashless. Australia will be cash free by 2022. Meanwhile, the government is readying a cashless welfare system that will allow the government to control what the money is spent on.

- BELGIUM:** In 2014, the Belgian government passed new restrictions on cash payments: cash can no longer be used to pay for real estate, and there is a 3,000 euro limit on cash payments for other assets (unless purchase second hand).
- CANADA:** In 2007, the Canadian government stopped allowing payment of taxes in cash at government service centers. In 2010, Passport Canada followed suit. In 2011, 56% of Canadians polled said they were happy to live in a bankster - controlled cashless society so the country killed the penny in 2012 and the Royal Canadian Mint started pipping the "MintChip" as a new form of electronic payment that will be "better than cash." The Mint ended the program in 2014 but the Great White North is still on track to be a cashless society in the coming years.
- CHINA:** The People's Bank of China, citing the need to "reduce costs, curb crimes and money laundry, facilitate transactions and



- boost central bank's control on money supply and circulation" set up a research team in 2014 "to study application scenarios for digital currency and strive for an early rollout."
4. DENMARK: In the 1990s about 80% of Danish retail purchases were made with cash, but these days it's more like 25%. But if the Danish government has its way, that number will be reduced to 0% by 2030. That's the year the Danish government has set for the complete elimination of paper money in Denmark.
 5. The European Union: The head of the EU Anti-Fraud Office Giovanni Kessler, came out earlier 2016 to call for abolishing the 500 euro note because they "can make the life of fraudsters much easier." He also noted that a more widespread adoption of electronic payment systems would be better for his office because "Traceability is paramount in fighting corruption and fraud."
 6. FRANCE: In the wake of the Charlie Hebdo attacks on 7th Jan 2015 the French government stepped up its war on cash. In March of the 2015, the previous French Finance Minister Michel Sapin declared it necessary to "fight against the use of cash and anonymity in the French economy" to combat "low-cost terrorism." As of September 2015 it was illegal for French citizens to make purchases exceeding 1,000 euros in cash.
 7. GERMANY: In a rather abrupt turnaround from a 2014 Bundesbank paper on "The Irreplaceability of Cash," the German Finance Ministry (perhaps egged on by the country's leading Keynesian economist) is looking into a 5,000 euro cap on all cash payments. Although Germany is still a cash-based society, things are changing; a 2014 survey found that 34% of the population makes purchases electronically already and 20% can envision making all their purchases via smartphone payment systems in the future.
 8. HONG KONG: When it launched in 1997, the Hong Kong Mass Transit Railway's Octopus Card was just the second contactless smart card system in the world (after South Korea's Upass). Although originally used to pay for journeys on public transit, it can now be used at convenience stores, vending machines, supermarkets, photo booths, and other retail outlets. In 2004, all metered parking spaces in Hong Kong were converted to cashless meters that required Octopus Cards for payment.
 9. INDIA: India is one of the most cash-dependent economies in the world with a cash-to-GDP ratio of 12%, almost four times that of fellow BRICS nations Brazil and South Africa. But it won't be for long if the Indian government has its way. In June 2016, the Indian Ministry of Finance posted a draft proposal to its website for facilitating the rise of cashless payments in the country. In his 2015 budget speech the incumbent Finance Minister declared as follows:
One way to curb the flow of black money is to discourage transactions in cash. Now that a majority of Indians has or can have, a RUPAY debit card. I therefore, propose to introduce soon several measure[s] that will incentivize credit or debit card transactions and dis-incentivize cash transaction.
 10. IRELAND: A 2013 paper from the Central Bank of Ireland lamented Ireland's slow adoption of electronic payments and over-



reliance on cheques, noting “Ireland could save up to € 1 bn per year by migrating to more efficient [i.e. electronic] payment instruments.” Later that year, the Central Bank launched a National Payments plan to help facilitate the transition and kicked off a € 1 million national marketing campaign to encourage the migration to electronic payments. The scale of the campaign surprised many, with the Irish Independent pointing out that, “It’s a major advertising spend in the current climate, where a big-promotion budget spend is considered to be in the region of € 500,000 outside of the big global blue-chips.” In Nov, 2015 the Cork City Centre Forum attempted to take the lead in the cashless transition by launching the “Cork Cash Out” campaign aiming “to encourage consumers to ween off cash and opt-in for electronic-only transactions instead.”

11. ISRAEL: In 2014, a special committee headed by the current Israeli Prime Minister Benjamin Netanyahu’s Chief of Staff Harel Locker released a report examining how to reduce the use of cash in the country. The report advocates reforms (including restrictions and limits on cash transactions) as part of a strategy whose aim is “reduced use of cash, reduced use of endorsed checks, and increased use of electronic means of payment.”
12. ITALY: In 2011, the newly appointed Italian Prime Minister Mario Monti made cash payments over 1,000 euro illegal. “What we need is a revolution in Italians’ thinking,” Monti told reporters as he announced the emergency decree which was put into law before it was even formally voted on in the parliament.

13. KENYA: In Aug, 2015 the Kenyan government awarded a contract to MasterCard to administer a smart card that can be used to pay for government services and receive welfare payments. Anne Waiguru of the Ministry of Devolution and Planning explained:

Uwezo Fund beneficiaries, Youth and Women Funds disbursements, National Youth Service, Social Welfare government cash transfers to families, government food subsidies, hunger safety net cash transfers and cash transfers to orphaned children will be disbursed through the cards.

Waiguru neglected to add that the card also gives MasterCard access to the biometric details of 170 million potential customers.

14. MEXICO: In 2013, the Mexican government banned cash payments of more than 500,000 pesos for real estate and more than 200,000 pesos for cars, jewelry, or lottery tickets.
15. THE NETHERLANDS: In 2013, the mayors of Almere, Rotterdam, and Maastricht engaged in a publicity stunt to promote a campaign encouraging the public to abandon cash. They spent a week without spending any cash, relying solely on debit cards for purchases. The campaign is part of a long-term trend away from cash and toward debit payments in many supermarkets and other businesses around the country.
16. THE PHILIPPINES: In the Philippines, a digital/virtual currency based on the Philippine Peso” its main selling point (according to the E-Peso’s own website) is



that, "Since E-Peso transactions are completely digital, everything will automatically be recorded onto the customer's account activity log."

17. SAUDI ARABIA: A MasterCard report on "The Cashless Journey" noted that by increasing the share of debit card transactions in the economy between 2006 and 2011, Saudi Arabia was moving at a faster than average pace toward a cashless society. Commenting on the report, Khalid Hariry of MasterCard noted as follows:

Saudi Arabia is indeed moving at a better than average pace on its cashless journey, which has been significantly spurred along by government leadership. Regulation mandating wages assignment of employees' to bank accounts has vastly increased access to electronic payment methods for the Saudi population over a short period of time. These changes, coming alongside initiatives to spur acceptance, and a push to migrate payments made during the Hajj and Umrah pilgrimages, can be expected to shift substantial share of consumer payments away from cash in the coming years.

18. SPAIN: Citing budgetary austerity and the need to clamp down on tax fraud the Spanish government banned cash payments of more than 2,500 euros in 2012.
19. SWEDEN: Stockholm's KTH Royal Institute of Technology released a report stating that the country is on track to completely eliminating cash transactions in the foreseeable future. Noting that there are now only 80 billion Swedish crowns in circulation in the economy (down from 106

just 6 years ago), the report highlights how digital person-to-person payment technology "Swish" (developed in collaboration with Danish banks) is already transforming the country's banking sector, where there are now entire banks that do not accept cash. Meanwhile, the Swedish public is being urged to stop using cash by no less a cultural icon than ABBA's Björn Ulveaus, who brags that the ABBA museum is now a cashless institution.

20. URUGUAY: Under the Financial Inclusion Law which took effect in May 2015 the Uruguayan government has banned all cash payments over \$ 5,000, thus requiring all property and vehicle purchases to go through the banking system. This is part of a wave of such legislation throughout Latin America hailed as a way of "giving the people what they need" (i.e. access to banking) even when (as the very same report notes) "those on the edges of the financial system are distrustful of banks" especially in Uruguay.
21. THE UNITED KINGDOM: In 2014, cashless payments surpassed cash payments for the first time in the UK, with research (from cashless payment provider Kalixo Pro) suggesting that the average Brit only carries £ 17.79 in cash at any time and one in four will walk away if a business doesn't accept card payment. London buses went cashless in 2014 and in Sep, 2015 the Bank of England's chief economist made the case for negative interest rates and abolishing cash.

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Modern Players of Balassa Samuel Son's Effect

Sirisha Vepada*

Abstract

This article illustrates one of the most popular hypothesis with respect to long-term real exchange rate movements is the so called Balassa-Samuelsan hypothesis, which conjectures that productivity increases in the tradeable sector tend to be higher than those in the non-tradeable sector, Since the differences in productivity are expected to be larger in high-growth countries, The Balassa Samuelson prediction should be most visible among rapidly growing countries. Although this hypothesis makes a prediction about the movement of the real exchange rate based on the common pattern among high growth countries, the original mechanism for high growth countries is not explained. The present article examines why some countries grow faster and whether the mechanism for high growth makes a difference in providing or refusing Balassa Samuelson hypothesis.

Keywords: Balassa Samuelson effect, purchasing power parity, economies, productivity, inflation

Introduction

The relationship between the exchange rate and economic development is certainly an important subject, from both a positive (descriptive) and a normative (policy prescription) perspective.

Several developing countries that have implicitly or explicitly fixed their exchange rates to the currency of another country (say, the U.S. dollar) and whose inflation rates are higher than that of the foreign country (the United States) often experience persistent current account deficits and eventual devaluations of their currencies. Devaluation often invites a recession and inflation and thus pushes the economy into an inflation devaluation spiral, causing a serious setback in economic development. Other

developing countries grow exceptionally fast and often face the opposite pressure on their currencies. A high economic growth rate is most likely accompanied by a high investment rate, and high export growth as well. Successful exports produce current account surpluses, resulting in nominal appreciation pressure on the currency unless the central bank intervenes in the foreign exchange market and accumulates foreign reserves. Even if the intervention maintains the fixed exchange rate, unsterilized intervention results in inflation, and the real exchange rate appreciates anyway. In the world of free capital mobility, another channel for appreciation exists. Fast growth often invites inflows of foreign capital. Some investors in industrial countries pursue high returns (even

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with high risk) as part of a diversified portfolio. Capital inflows put pressure on the (nominal) exchange rate to appreciate. For example, demand for the currency of an emerging market will rise when foreign investors plan to purchase bonds and stocks, because the local currency has to be obtained first. Put simply, successful economic development results in a currency appreciation with improvement in the standard of living, while failure in economic development often results in a sharp currency depreciation.

Countries with higher productivity growth also experience high wage growth, which leads to higher real exchange rates. The Balassa Samuelson effect is a scenario explaining, optimal inflation rate is higher for developing countries than it is for developed countries.

The growth of developing countries happens when they become more productive and by using land, labor and capital efficiently, leading to increase in wage growth in both tradable and non-tradable goods, making people to consume more goods and services, ultimately pushing up the prices.

As this process continues, the emerging economies develop becoming more productive seeing increased wages. When wages increase at a slower rate than productivity, countries wind up producing more than consumption. These countries have a current account surplus, when wages grow faster than the productivity rate, workers consume more goods and current account surplus falls.

Assume that an economy experiences improvements in productivity in the tradable goods sector. In the world of perfect competition, wages must response to an increase in productivity. Thus, wages in the open sector

go up. Since wages equalize across sectors, an increase in the wage level in the open sector leads to a rise in wages in the sheltered sector too. In the absence of any corresponding improvements in productivity in the non-tradable goods sector it leads to an increase in non-tradable prices. In the open sector in its turn prices are world-market determined, therefore a rise in the productivity in this sector cannot affect the price level developments for tradable goods. Thus, the overall inflation increases via the rise in non-tradable prices.

We can conclude that productivity advances in the open sector lead to an increase in non-tradable prices and thus, cause overall inflation. This is called the “internal transmission mechanism” from productivity growth in the open sector towards prices of non-tradable goods and overall inflation.

Balassa Samuelson effect is a hypothesis drawn by the Penn effect. Penn effect is an observation that consumer price levels in richer countries are systematically higher than in poorer ones. Now the difference in price levels is due to inter country differences in the relative productivity of the tradable and non-tradable sectors.

In today’s world the scenario of financial tools is helping change the way to measure efforts, money, investing by means of large amount of data extraction available online.

Purchasing Power Parity

Professor Gustav Cassel of Sweden explains money is valuable because it purchase goods. The conversion ratio between two national currencies should therefore be equalizing their “purchasing powers.” The purchasing power is inversely proportional to general price level (1/P). The higher the price, the lower is the purchasing power



of money, and vice versa. He called this the “purchasing power parity” or PPP.

Professor Cassel and John Maynard Keynes were both interested in computing the new correct exchange rates after the first World War. Their method (arrived separately) was to use the original exchange rate multiplied by the relative movement of price levels.

Globally today each region has developed having same kind of need with respect to the products and choice in them. These can be discussed as follows:

1. Be it India, the United States or China, every person is demanding same kind of products for utilization within economic value they can afford.
2. While the products and services of people are same, the power to buy is varied across these countries.
3. China distinguished itself as manufacturing state powering its exports.
4. India has its strength to unique products like spices, rice, food processing, pharmacy, and so on.

Theoretical Case

In PPP a developed nation has higher price tags compared to developing nation. While a US dollar is overvalued in Indian rupees for certain service so India can produce revenue in the US for products from its region.

Real exchange rate: This means that the exchange rate between two countries should equal the ratio of the two countries price level of a fixed basket of goods and services.

Suppose a basket of services has certain appreciation in an X country, its exchange rate is

calculated via following depreciation in the value of currency. The par in exchange rate could be also compensated with trying to increase X countries exports cancelling some of the overvalued currency rate.

This results in preparation into reducing power parity creating more ease of purchasing of services. This effects, daily wages of workers, quality of living, rise in consumption, minimizing the margin between the rich people consumption and poor.

Technology Replacing Traditional Services

Increase in inflation to some percentage is an effect caused by the behavior of people in a country. Below is the explanation of intermediate technology changes happening in all sectors across the world:

Now in the 21st century specially from 2010, automation, robotics, mobile applications, general awareness into economic conditions have changed the way of a traditional living into ease of operations, generation of wealth from limited to all people.

Generic example of this is: Before the creation of mobile applications in sectors like shopping, banking, communication, and so on most of the people were skeptical of computer knowledge and their investments to generate wealth. After the development of such applications, the lifestyle of people has changed and brought the ease in usage; this in turn generated the revenue to the communication industry and brought in more services and goods into a specific country, connecting globally through a mobile click.

This has developed interest in users by getting more and more comfortable with processes both new and familiar ones giving them a lament man time to produce schemes to wealth which a man



before was not aware. Unlike traditional methods like saving of gold and money user today understands better to invest, consume, and earn policies.

Supply and Demand

Supply and demand play a key role in deriving a country's economic stability, whenever the purchasing power of a man increases there will be a disturbance in the goods produced and sold, which is related to the wages of a man.

For example 50 years ago, oil was supplied by only five countries in the world. These five suppliers used to fix their own prices and sell the abundant oil but as the need of oil increased, the shortage of supply began. Later more countries joined in supplying the oil and began to shorten the price but when countries started developing they needed lots of oil leading to increase of prices which in turn increased the transportation prices through all means. A new invention was introduced for removing oil from under the earth's crust called "fracking" decreasing the cost of production.

The relativity of demand to supply is affecting the pricing levels leading to changes in inflation.

Bitcoins

Bitcoin is a digital currency created in 2009. Bitcoin offers the promise of lower transaction fees than traditional online payment mechanisms and is operated by a decentralized authority. Taking into consideration both technology and economic factors, the bitcoin exchange rate adjusts according to changes in the economic fundamentals and market conditions. The long-term bitcoin exchange rate is more sensitive to economic fundamentals and less sensitive to technological factors.

Demonetization

In 2016, the Indian government decided to demonetize INR 500s and INR 1,000. The two biggest denominations in its currency system, these notes accounted for 86% of the country's circulating cash. With little warning, the incumbent Indian Prime Minister Narendra Modi announced to the citizenry on November 8, 2016 about withdrawal of higher denomination currency notes. This was effective immediately and people of India had time until the end of the year to deposit or exchange them for newly introduced notes.

Chaos ensued in the cash dependent economy (about 78% of all Indian customer transactions are in cash) as long, snaking lines formed outside ATM's and banks, which were shut down for a day. The new rupee notes have different specifications, including size and thickness, requiring re-calibration of ATM's. Only 60% of the country's 200,000 ATM's were operational. Even those dispensing bills of lower denominations faced shortages. The government's restriction on daily withdrawal amounts added to the misery, though a waiver on transaction fees did help a bit.

Small business and households struggled to find cash and reports of daily wage workers not receiving their dues surfaced. The rupee fell sharply against dollar.

The government's goal (and rationale for the abrupt announcement) was to combat India's thriving underground economy on several fronts: to eradicate counterfeit currency, fight tax evasion (only 1% of the population pays taxes), eliminate black money gotten from money laundering, terrorist-financing activities, and to promote a cashless economy. Individuals and entities with



huge sums of black money earned from parallel cash systems were forced to take their large-denomination notes to a bank for deposit or exchange, to undergo this process by law an individual is in need to provide their personal tax information. If the owner could not provide proof of making any tax payments in cash, a penalty of 200% of the owed amount was imposed.

Alternative Funds

Soon after the announcement, people rushed to buy gold, a demand that drove prices up, in some cases even to a 60% premium, prompting the tax authorities to conduct surveys, according to the Business Standard. The government emphasized the need to furnish Indian Permanent Account Number (PAN) card details on purchases for accountability purposes, and many jewelry shops that were flouting the norms came under crackdowns. Simultaneously, rumors of a gold ban started to float, which led to agencies ramping up the volume of gold imports—to around 100 metric tons during November, the highest since 2015, as reported by Reuters.

Many Indians switched to alternative payment avenues—a big deal in a country of 1.2 billion with only 25.9 million credit cards and 697 million ATM cards as of July 2016. The biggest gainers were mobile wallet companies that offer ease of transactions through a large network of partners. Alibaba (NYSE: BABA)-backed Paytm saw a sevenfold increase in overall traffic and a tenfold jump in money added to Paytm accounts. It also saw the number of transactions double to 5 million a day.

Application downloads for Paytm increased by 300%. Paytm rival MobiKwik also saw its application downloads quadruple and a twenty fold increase in money added to the wallets,

reported by CNBC - TV 18 on November 13, 2016.

Prepaid cash cards were another option that customers found useful, and that meant good news for companies like ItzCash. Other alternatives include mobile payments systems linked to e-commerce businesses like Ola Money, Free Charge, Flipkart Wallet, and so on. Ola Money, the payment portal for popular transportation application Ola Cabs, reported a 1500% jump in money added to the accounts in less than 4 hours.

Interest in bitcoin also spiked. Sandeep Geonka, co-founder of Zebpay, told Investopedia that his bitcoin exchange was now adding about 50,000 new users per month.

According to Coinsecure CEO Mohit Kalra:

We are seeing an increased demand for bitcoin and India clearly has shortage of supply, making the demand and lack of liquidity push up prices of bitcoin as compared to global exchanges.

The virtual currency was trading at INR 55,735 in India in November (about \$ 836), compared INR 47,725 (about \$ 712) (Coindesk) elsewhere.

Long-Term Effects

Over 3 trillion rupees, or over \$ 44 billion in old currency, was deposited with Indian banks in just the first week after the demonetization. There was concern that the uncertainty and short-term liquidity squeeze would take some momentum off the Indian economy, the fastest-growing in the world; in particular, sectors like real estate, notorious as a harbor for cash dealings and black money, were expected to take a hit, with “luxury property prices dipping by as much as 25-30%,” said Ashwinder Raj Singh, CEO of Residential Services, JLL India.



But experts believed any slowdown would only be short-lived once the systems adjusted to the new normal, especially if the government heeded calls to lower interest rates by groups like the Federation of Indian Chambers of Commerce and Industry (FICCI). Credit rating agency India Ratings & Research maintained its GDP growth forecast for India at 7.8% for the financial year 2017, albeit with a downward bias. As the money was deposited in demonetization, sectors acting as harbor for unaccounted money halted creating chaos but giving out the original price format and genuine taxing. Pushing digital money from here on to keeping track of each minor sector in India gave resulting to individual awareness.

To conclude, in a fast developing economy like India, it depends on higher productivity of goods resulting in a steep rise in wages, which leads to higher consumption of goods, which increases the demand, resulting in higher prices of the goods. This effect shows the inflation figures on the higher side when compared with the developed economies or slower developing economies.

An economy of scale is achieved with high investment and high productivity. PPP distinguishes itself by exchange rate.

This report intends to explain factors influencing the productivity of a nation and a trial to leverage these aspects so as to simplify or reduce the PPP within the economies of the globe.

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The Faith Industry and the Business of Faith in India

Sanjeev Shukla*

Kuzma, Kuzma, & Kuzma (2009) in their paper, look at the success of “mega-churches” from a marketing strategy perspective and believe that, “Religion, in many respects, is a growing industry.” Peter Drucker (1998) described the United States mega-churches as the most important social phenomenon in the American society in the last 30 years. Marketing research, segmentation, positioning, branding, product development, and integrated marketing communications as well as distribution strategy are clearly understood and utilized in the marketing strategies of successful mega-churches (Kuzma, Kuzma, & Kuzma, 2009). Not much has been scientifically researched on the industry neither around religion, nor about the business or marketing of business of religion in India, but fiscal numbers are indeed substantial.

Global Brands Ride on Faith

From the historical and socio-cultural perspectives, the growth of quantum of economic activity and also wealth generated associated with religious entities has been

almost oxymoronic to India’s journey from “ancient” India to a “modern” India. Example of growth of megachurches in developed economies and socio-culturally advanced countries of course, do indicate that the same may not be anachronistic or contradictory. In fact, it’s a telling reflection of the inter-mingling of faith and marketing that, large western business houses or mega brands have been making efforts to leverage the same. Judith Leiber, a fashion brand introduced a handbag in India with the Indian God-Ganesha-theme, priced at a whopping Rs 260,000. Another global mega brand Lladro has several of its products like porcelain items based on Indian religious gods and goddesses (Buddhism and Hinduism). A goddess Saraswati figurine for instance, is priced at Rs. 760,000.

Faith is Music to the Ears

India is indeed the fastest growing smartphone market in the world and is likely to touch a milestone of over 400 million smartphones by the year 2020 (Statista, 2017). Music, particularly

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devotional content, is a large business. By few estimates it's over 40% of the overall mobile music industry (Pawar, 2012). Deloitte India estimates, the digital music revenues in India by the end of 2017, well over Rs. 13 billion or Rs. 13 hundred crores (Deloitte India, 2015). Digital world, including mobile product and service technology, is at the forefront of technology as well as marketing. Technological innovations, customer centricity, and other aspects of strategic marketing have thus, been proactive ingredients in leveraging faith for business.

Faith as Content Marketing

There was a time when an hour's slot was reserved for devotional or mythological programs on television every Sunday. Today, there are channels wholly devoted to religion and spirituality. Sanskar, Aastha, Sadhna, Shalom, God, MiracleNet the list is ever-growing! Such channels are the resort of those who cannot attend religious meets and are no longer confined to holy places in India. Most popular of such programs is the one by Baba Ramdev, viewed by crores across the country. The growth and market's acceptance of products by Patanjali, a business entity associated with Baba Ramdev could indeed be attributed to a certain extent with the bonding over religion that Baba Ramdev already has had. Pandey & Sah (2016) state as follows:

Baba Ramdev consistently organizes yoga camps across the country. These have been estimated to attract around 70 million people till date. Further many times this number also witness[es] these shows on television. Many Patanjali products are marketed by Baba Ramdev in these yoga camps along with details of their benefits and usage. This has proved to be an excellent marketing tool.

We are all, of course, aware of the popularity of serialized television programs on Ramayana, Mahabharata, Shiva, and so on.

Largest Market at One Place

The technology space, such as digital and mobile domains have been deploying advanced technologies for fulfilling the customers' demand in the faith industry and for leveraging the same for shoring up the revenues. The core space nevertheless, still remains to be the tangible product space of religious shrines and places. The last Maha Kumbhat Allahabad in 2013 is estimated to have generated business of over Rs. 1,200 billion or Rs. 12,000 crores. According to the official estimates of the government of India, more than 120 million or 12 crore people visited the city within a city (Kumbh Mela, 2013); just putting the numbers in perspective, if it were to be a country, it would have been in the top twelve countries in the world! That too, in a confined geography with similar values and singular faith marketers' dreams really, a market of the size of a Japan or a Mexico, in one confined space and above all, almost a homogeneous mass! From the local city economy to airlines to economies of several other product and service sectors has been boosted by what has been touted as the world's largest gathering ever. One of the largest MNCs in the world, the United States headquartered Unilever, has won global accolades for its innovation to market, i. e. its key hand-wash/soap brand, Lifebuoy (Unilever, 2013). As an indication of the importance of the religious congregation to its business, the innovation in a religious congregation is actually listed on its global website.

Temples or Corporates? Or, the Temple Brands

The other key points of congregation, the key temples in India are indeed ahead of several



organized and/or corporate business entities, i. e. both in terms of their turnover and their deployment of business and within the same sales and marketing strategies. One of the leading temples in India, the Tirupati Tirumala Devasthanam (TTD) in Andhra Pradesh, is expected to have a turnover of over Rs. 26 billion or Rs. 2,600 crores, according to the estimates of the trust which runs the temple (Correspondent, 2016). The temple offers various categories of worshipping and being up-close with the deity, much like various categories of any other product or service; for instance, variants of a car, classes in airline business, and numerous such customer-profile targeted offerings. The temple also makes revenues from the sales of the hair offered by the devotees at the temple, as a secondary product.

According to various estimates of media overall and several other observers, there are indeed several temples in India that have accumulated wealth ahead of various large corporate entities in the country. For instance, the Sree Padmanabhaswamy temple in Kerala has valuables worth about—hold your breath—US\$ 1 trillion! The temple had six unopened vaults; in just one of the six vaults, opened so far in 2011, the estimated worth of the valuables discovered was over Rs. 1 lakh crores. Just to put the wealth in perspective, India's GDP for 2015-16 was Rs. 136.75 lakh crores (Dobson, 2015; Babu, 2016) which means, the wealth in just one vault of one temple in the country is about 80% of the entire country's GDP!

The discourse here is not about the scale of wealth that these temples have accumulated or the ever growing revenues that they have. It points to the possibilities and potential of religion or faith, as an industry. It indeed has become a professionally managed business, i. e.

the ever growing business of faith. The TTD has 14,000 permanent employees with its own pension fund; its assets in the form of gold alone, of about 52,000 kilograms is duly deposited with banks (Tirumala Tirupati Devasthanams). The Golden temple in Punjab serves food to about 1 lakh people, daily. At the same time, the growth of the 'Faith Industry' is any other industry's envy. For most of the top ten to fifteen religious shrines in the country, growth rate in revenues as well as in number of devotees is over 20%!

The main Sai Baba temple not only has a website for scheduling darshan of the deity, which is perhaps de rigueur in this digital age, but also provides biometric access cards, membership, and also runs promotional programs like lottery for those donating clothes (Shri Saibaba sansthan trust).

Siddhivinayak temple in Mumbai offers live viewing of the pujas. One can also download aarti videos, Ganesh audios, jigsaw puzzles, and a lot more. Its prasada sales are reported to escalate to Rs. 2 crore a year (Shree Siddhivinayak Ganapati temple trust). Following the Siddhivinayak example, many temples in Uttar Pradesh and Uttarakhand, like the Kashi Vishwanath temple, might soon facilitate online viewing of pujas.

Beside websites of temples, there are also online portals such as eBay and Indiatimes.com that have various add-ons on faith—just click away. Indiatimes.com, for instance, has a full-fledged astro portal that includes making of janampatris, tarot reading, vastu, and fengshui. And then, there are online companies like the *T h i r u v a n a n t h a p u r a m - b a s e d* Hindupurohit.com that performs pujas in temples on behalf of their clients.



Brand Positioning or Positioning Statement and Brand Building in the Faith Industry

There are romantic heroes, action heroes, dancing superstars, the method actors; there are directors making make-believe films, realistic films, and historical films; there are soaps for removing the most stubborn stains, for keeping the colors of the clothes intact, for keeping hands soft. There are brands, their brand imagery and so, their brand proposition or positioning statement or BPS. BPS could be explained as follows:

Written description of the objectives of a positioning strategy. It states: (1) how the firm defines its business or how a brand distinguishes itself, (2) how the customers will benefit from its features, and (3) how these benefits or aspects will be communicated to the intended audience. (Business Dictionary).

It is interesting to recall as to how on Saturdays, a metal cut-out dipped in oil, supposedly reflects Shani Maharaj across all traffic-lights, across all cities, as one stops car at a red-light. That's really strategic, consistent, and sharp positioning of one of the strong brands from the faith industry. Ganesha for good beginnings, Laxmi for wealth, Durga for power, so on and so forth.

Corporates brands have sales and marketing personnel/teams to help build brands. The teams use communications, promotions, and so on. Word of mouth (WOM), testimonials and/or brand advocacy is seen as the most effective and most penetrative marketing tool. As Ed Keller (2007) says, "The evidence is abundantly clear: word of mouth (WOM) is the most important and effective communications channel." Ever wondered as to how, various brands in the faith industry have enlisted almost every second person on the streets as their brand

advocates. As more and more consumers gain access to powerful new media and information tools to compare brands, products and services, organizations in a range of industries are responding by developing advocacy-based strategies and practices. Priests in temples, the neighborhood priests, the key influences in the form of elders in the family, one reveres, the people who have benefitted with and from the usage, consumption, and/or the brand experience. There are millions of trustworthy and credible brand advocates, (that's the practice, we take their advice on various matters) who amongst various others approaches, are also powerfully leveraging one of the latest in marketing, the power of Storytelling (Park & Cho, 2010), to move a customer up the purchase process.

The business of faith or the faith industry is at the forefront of growth, as well as, of strategically taking various related businesses forward and upwards. Trust and commitment are important in influencing customers (Gounaris, 2005). Building a relationship of love between the customers and the brand (Roberts, 2005) is perhaps ultimate. However, given the performance of faith industry and/or the businesses driven by faith, we sure need to explore the power of the bonding of faith. There are a few studies on the mega-churches, particularly in the United States market (Elisha, 2011; Gramby-Sobukwe & Hoiland, 2009; Thumma & Bird, 2008). However, studies perspective from the Indian and in the context of India exploring, examining, and assessing impact and implication of faith and/or religion and of management of the religious entities as businesses are hard to come. Given the humongous scale of the wealth generated within the faith industry, the way faith is driving business of other industries suggest possibility



and potential of faith being a powerful driver of consumer behavior in India. Who knows, perhaps the most powerful driver in India. The faith industry and the business of faith sure, needs to be studied, extensively.

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Mutual Funds: Just the Right Avenue to Park Your Funds

Arpitha Reddy*

Mutual Funds, the name often followed by a most popular tag line “Mutual Fund Investments are subjected to market risks. Please read the documents carefully before investing.” Probably the most common instinct, how people relate or recollect it to be, unless they are completely aware of it. The National Stock Exchange of India Ltd. (NSE) defines mutual funds as a collective scheme which pools money from investors and invests in stocks, bonds, money markets, real estate, corporate social responsible activities, and so on based on the objective of the fund and managed by professional.

Among the plethora of investment avenues available, i.e. stocks, fixed deposits, bonds, money market instruments, derivatives, debentures, real estate, commodities, Electronic Traded Funds (ETFs), and mutual funds, why should an investor choose mutual funds only? And are mutual funds the right choice to park funds? Why? Why not? How to know which mutual fund to invest in? How to invest? Where

are they available? How to redeem them? These are few queries, which most of the investors usually have in mind.

Scott D. Cook, the director of eBay and Proctor & Gamble says “Mutual funds were created to make investing easy, so consumers wouldn’t have to be burdened with picking individual stocks.” (Cook, n.d.)

The expenditure is not just only on one particular aspect why should investment be? To elaborate, expenditure might include rent, installment, grocery, medical, travel, entertainment, and so on so forth, similarly the investment need not be confined to stocks or bonds or deposits or some other avenue, it can have a spread of options. Mutual funds have the features like spread of investment options which eases the risk. Apart from the diversity of investment avenues, they are managed by professionals, i.e fund managers. They are available to the investors at a very low investment which is as minimum as Rs. 500.

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They are also tax exempted. It is flexible to invest and liquidate (the US Securities and Exchange Commission, n.d.; Vyas, 2012; Kaur, Batra, & Anjum, 2013; Jayadev, 1996; Carlson, 1970; King, 2002; Chernenko & Sunderam, 2016).

Diversification

One of the favorable points of mutual funds is the diversification. The diversification is offered even for small amount of investment. The diversified selection of stocks, bonds and other avenues and their combinations depends on the type and objective of the fund (Jayadev, 1996). There is a broad classification of funds and equity, bond and balanced funds. The equity mutual funds choose different stocks and at least 65% of their average weekly net assets should be invested in stocks. These are risky funds and so the returns are expected to be slightly more than other funds. They can be divided further based on the sectors and market capitalization. The bond or income funds invest in the short-term bonds, long-term bonds, T-bills, commercial papers, government securities, call papers, etc. They are less risky funds and returns are not very high. The balanced funds are the funds which invest both in stocks and bonds. The diversification helps investors spread and reduce the risk and get relatively better returns (Carlson, 1970).

Professional Portfolio Management

The investments should be made with care and continues monitoring about the respective companies financial statements and its performance needs to be tracked. The investors would not usually get enough time to keep a track of them. Addition to it, financial numbers would only explain few aspects but comparing it with other products, market impacts, and lot more aspects with respect to performance

cannot be managed by investors alone. But, in mutual funds offer professional portfolio management is available. The fund managers are the well-qualified finance professionals. They use their knowledge and experience to invest in the right avenues. And fund managers are not alone; there are a team of finance analysts working who meet and put all the finance data together including the analysis on the data (King, 2002).

Liquidity and Flexibility

An investor who invested in shares cannot sell the shares and get money, if there is no buyer. In case of bonds, investors have to wait till the maturity period to liquidate. But, mutual funds can be liquidated by redeeming the units at the particular day's close price of shares. Thus, the investors can liquidate quickly and easily (King, 2002; Chernenko & Sunderam, 2016). The National Bureau of Economic Research also explains that investors have the flexibility to buy and sell the units of mutual funds at their convenience. This flexibility is available for the open-ended mutual funds, as they do not have any lock period like closed-ended funds (Vyas, 2012; Kaur, Batra, & Anjum, 2013).

Taxation

Taxation is different for stocks, bonds, deposits, and mutual funds. The tax is exempted on selected mutual funds schemes example equity linked saving scheme provided the investment last for more than 12 months and on scheme redeemed before 12 months or the short-term funds 15% tax will be applicable (Ivković & Weisbenner, 2009). Taxation should be observed from capital gains, security transaction, and dividend point of view. The mutual fund investors also have indexation benefit. The indexation is the benefit of avoiding



inflation effect on returns (National Stock Exchange of India Ltd., n.d.). To illustrate, consider an investor who bought ten units of a mutual funds for INR 10 each, after 4 years the price of unit increased to INR 35 each. That means investor has got return of INR 25 on each unit. But, due to inflation effect of 10% (assume) the adjusted price per unit becomes INR 11 ($10 * (1 + 10\%) = 11$). And now the profit of the investor is not INR 25, the investor actually gets INR 24 ($35 - 11 = 24$). But, in indexation the tax will be calculated on INR 24 instead on INR 25. But, the funds with indexation are taxed at 20% while with no indexation are taxed by 10% in long-term schemes.

To get a lucid understanding on mutual funds, it is necessary to know how did the concept of mutual funds started and how did it evolve?

The world's first ever mutual fund was introduced by Adriaan van Ketwich, a Dutch merchant around 1770 in the Netherlands. It was a closed-ended fund named "Eendragt Maakt Magt" (which means – unity creates strength) initially with 2,000 units. This concept originated due to financial crisis. Slowly, the mutual fund concept started spreading its wings, it reached England, France, and the United States around 1890 (The History of Mutual Funds | IFIC.ca, n.d.).

The Boston Personal Property Trust was the first American closed-ended mutual fund. Later, in the early 20th century, the open-ended mutual funds came to light. The first open-ended mutual fund was created by Massachusetts Investor Trust (MITTX) on March 21, 1924, the D day. It was the first modern day mutual fund (Levitt, 2014).

The MITTX launch gave birth to mutual fund industry; there were ups and downs in the same

down the lane and soon ended mutual fund industry due to the crash of stock market in 1929. It was just a pause to kibosh of mutual fund industry till the Securities and Exchange Commission (SEC) was created in 1933 under the Securities Act. Post World War II, America began to boom and so did the mutual fund industry with more than 250 mutual funds by 1951, out of which more than 100 were being operated and the rest being created (Levitt, 2014).

In India, mutual funds started in the year 1963. Under the Act of Parliament, the Unit Trust of India (UTI) was created by the Reserve Bank of India (RBI). It launched its first scheme in 1964. Later in 1978, the control of UTI was taken up by the Industrial Development Bank of India (IDBI). Slowly the public companies like the Life Insurance Corporation (LIC) and government banks like the State Bank of India (SBI) started non UTI mutual funds. The notable change took place in 1993, with the entry of private players into the mutual fund industry. The Securities Exchange Board of India (SEBI) revised the 1993 regulations and submitted investors protected guidelines in 1996. Currently, the same guidelines are being followed (History: Mutual Fund Industry in India | Unit Trust of India, n.d.).

The current role of mutual fund industry seems to be very significant throughout the world. This is proved by the numbers it has achieved. The total assets invested in mutual funds worldwide are 40.4 trillion US dollars by the end of fourth quarter of the year 2016. The major share of worldwide mutual funds lies in the American market. The American market has 52%, European market has 35%, while Asia Pacific and Africa constitute 13% shares (ICI: Release: Worldwide Regulated Open-End Fund Assets and Flows, Fourth Quarter 2016, 2017).



The average Asset Under Management (AUM) of the Indian mutual fund industry is INR 19.11 lakh crore as of April 2017. This is almost twice the AUM recorded in 2014 which was INR 10 lakh crore. It is also six times the AUM recorded 10 years ago, which was around INR 3.26 lakh crore (Indian mutual fund industry's avg. assets under management (AAUM) are at all time high! ₹ 19.11 lakh crore (INR 19.11 trillion, n.d.). The mutual funds in India contribute only 7% in the gross domestic product (GDP) as of 2015. There are around 2,100 mutual schemes available in India (The Economic Times, 2016).

How Does a Mutual Fund Operate?

The definition of mutual fund says, it pools investors' money and invests in different investment avenues and investors own units of the fund and get returns. Is that all? Operation of mutual fund is not just confined to the definition. There is a procedure on how it operates. Assume the operation of mutual fund to be a coin. One side of the coin is how is it originated and managed. The other side is how is it available to the investors and traded.

Origination and Management Side

The sponsor who invests capital and wishes to start a mutual fund approaches the market and mutual fund regulator. The regulators check the trustworthiness, integrity, net worth, consistent finance business experience, and financial literacy of the sponsor and once the regulator is convinced, the sponsor forms a trust with few authorized people or firms and forms or appoints an Asset Management Company (AMC).

The trustees are legally authorized to sign the contract on behalf of the trust. This trust is called the Mutual Fund. The trustees do not manage the fund, they only keep a watch on the way

money is being invested and is it in line with the objective of the fund in order to protect investor's interest.

The custodian is appointed by the board of trustees for the safe keeping of the physical securities, receipts, and to keep a track of the corporate actions like rights, bonus, and dividends. The custodian is also responsible for the clearance and settlements of transactions on behalf of mutual funds.

The fund is managed by the AMC and should be approved by the regulator. The AMC has got professionals to manage the fund, i.e. the fund manager, auditors, analysts, etc. The AMC charges the fees for the services it is providing for managing the fund. It creates new schemes under the fund and manages them (Laha, 2012).

Availability and Trading Side

The AMC issues the new schemes and the new schemes launched are called the New Fund Offer (NFO). Often the daily newspapers are hit by NFOs to reach out to the market for inviting the potential investors. The distributors will have the application forms and offer documents. The Registrars and Transfer Agents (RTA) take the responsibility of handling the investor's records right from NFO forms to exit forms, including know your customers (KYCs) forms, price, loads, returns, units allocated, etc. The distributors get the application forms from the investors along with checks or demand drafts which are forwarded to RTAs; the RTAs then convert the physical information to electronic form of information. The forms are sent to the custodian where they are usually stored and the check or demand draft is sent to the bank where mutual fund has an account. Once the check is cleared the units are allocated to the investor. It is the same procedure for investors who invest in the scheme even after the NFO period (National



Stock Exchange of India Ltd., n.d.). The mutual funds can also be bought online, and from traders and trading firms (How to sell & buy mutual funds online | Kotak Securities®, n.d.).

Now we understood that mutual funds are the one of the appropriate avenues to park the funds. How do the investors choose the right mutual fund?

It is actually complicated to generalize. No two persons are same and similarly, no two investors are the same. The selection of a mutual fund depends on the investors profile, interest, and risk appetite. But, every investor should keep few following things in mind before investing:

1. The investor should be clear on the financial goal and interest. They can be few aspects like the purpose of investment, time frame (based on their needs) and have any intentions to accommodate any well fare aspects. For example, social cause in your investments by investing in social responsible funds, which fund in Corporate Social Responsible (CSR) projects.
2. The investor should do a rigorous market survey, to make sure which scheme is appropriate among numerous schemes available in terms of all the aspects like fees and returns. This is applied even if the investors are buying the schemes from banks.
3. The investor should keep a track on the invested funds through the factsheets. The company provides for that fund as it is a mandate by regulators. The factsheets would give a glance about the facts of the fund including objective, Net Asset Value (NAV), Assets Under Management AUM, inception, performance, risk indicators, fund managers details, etc.
4. The investor should also keep observing the company's performance. The performance

of the company also plays a vital role and it is equally important observe it.

5. The investor should be aware of their own risk appetite. There can be capital loss or interest loss associated with investments and choice of selecting the funds like equity funds, bond fund, balanced funds, etc., should be made in order to keep investments safe. It is good to choose the schemes in such a way that, even if the investment in one particular scheme is lost, the other should be able to over the loss.
6. The investor should also be aware of rules created by regulators. Having knowledge of the regulator rules on the mutual funds will help investors be aware of their rights, fraudulent schemes, and choose the safe investment.
7. Tax related information on the scheme, should also be understood beforehand. This would help investors to understand, the amount of return they earn, under which tax bracket they fall, and the tax percentage applicable to the returns.
8. The investor also must be aware that permanent account number (PAN) card, personal details, dematerialize (DEMAT) account are mandates according to the SEBI. They should also read all the offer documents thoroughly. The tag line initially dealt in this article "Mutual Fund investments are subjected to markets. Please read the documents carefully before investing." is not an exaggeration or manipulation. It is a reality!
9. The investors' should have a glance on the performance of the funds before investing. The past performance can be considered for the volatility of the fund; it should not be misunderstood that funds which have performed better in past will perform better in future also.



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Connection Between Job Satisfaction and Loyalty of Millennial Generation in the Information Technology Industry: A Review

Aditi Mudgal*

Abstract

Employee engagement has emerged as a popular Human Resource activity/concept. It is the level of commitment and involvement of an employee towards the organization and its values. An engaged employee is aware of business context, and works with colleagues to perform better and deliver results. An engaged employee is usually satisfied, motivated, and interested in doing the job. Employee engagement develops positive attitude also called job satisfaction among the employees toward the organization. This review of literature focuses on various factors which lead to employee loyalty and tries to find a relationship between job satisfaction and employee loyalty and employees intent to stay. Proper attention on retention strategies will increase the organizational effectiveness in terms of higher productivity, profits, quality, customer satisfaction, employee retention, and increased adaptability. Job satisfaction and employee loyalty are intricately interlinked; they are always attached to factors motivations—extrinsic and intrinsic, positive attitude, and drivers of engagement. The literature review also touches the points of working style, attitudes of millennial and their career patterns, details on switching jobs frequently and exploring the reasons behind it.

Keywords: Employee engagement, employee loyalty, job satisfaction, millennial generation, motivation, intent to stay, employee loyalty in millennial

Paper type: Literature Review

Introduction

The concept of employee engagement is a measurement of how happy employees are with their respective jobs, working environment, and how productive they are. Engagement is a tool to satisfy employee, if an employee is not happy, these engagement practices won't result positively. Managing engagement levels of employees is useful for any organization to control attrition and turnover cost, as actively engaged workers are more productive and stay loyal to the company. Organizations with high employee engagement levels are more

productive and more profitable than those organizations with low levels of employee engaged.

Literature Review

Matzler & Renzl (2006) investigated the effects of individual-oriented positive psychology intervention on positive emotions, self-efficacy, and work engagement developed through interpersonal trust. They concluded that interpersonal relationships if harmonious may result in healthy and conducive environment

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and thus generate satisfaction within employee, which further develops employee loyalty. Organizational loyalty can be achieved with the help of supervisor support, conducive work environment, teamwork, fringe benefits, training, job security, and job satisfaction. However, the factors of satisfaction, supervisor support, teamwork, and working environment play crucial roles and significantly affect employees' loyalty (Khuong & Tien, 2013). Similar factors influence an employees' job satisfaction; however, fair compensation is found to be the most influential (Neog, Bijoya, & Barua, 2014). Apart from earlier stated factors employees remain loyal and committed to their employers because of diverse intrinsic and extrinsic motivational factors which include belief in the mission and vision, promotion potential, pay and benefits, and recognition (Smith, 2015).

Though job satisfaction is an important ingredient for employee retention, a satisfied employee may not always stay. Assuming, if there are other alternatives given to a satisfied employee, what would they do? It is found that job satisfaction as an expression of the experienced preference for the present job against available alternatives; the propensity to stay in the present job is simply related to the residual of a job satisfaction equation (Levy-Garboua, Montmarquette, & Simonnet, 2007). Also, the intent to leave may depend on issues with person organisation fit (P-O fit) and job stress apart from job satisfaction and organizational commitment (Rizwan, Arshad, Munir, Iqbal, & Hussain, 2014). The tenure of employee in the how engaged an employee could be in a job may depend on the tenure that person spends in the organization. In the early months engagement is low which may increase with time, however, it may depend on the

organizational culture, career planning, and organizational support which may decide for how long an employee may stay engaged (Bhatnagar, 2007). Training is also found to be crucial to employees. Employees who perceive they have the opportunity to develop new skills are more satisfied with their jobs, more loyal, and more likely to stay with the organization (Costen & Salazar, 2011). Also a study of public sector employees in Turkey found that training and personal development has a major impact on satisfaction apart from working conditions (Turkyilmaz, Akman, Ozkan, & Pastusak, 2011). One of the reasons an employee may lose the element of commitment and satisfaction is burnout and this can be explained through the relationship between job demands and exhaustion. Hence, in order to have a thriving employee the organization needs to focus on the employee's need satisfaction (Broeck, Vansteenkiste, De Witte, & Lens, 2008).

With the change in generation, the concept of job satisfaction and organizational commitment is changing and so the intent to leave may also change. What they meant to the generation X of baby boomers, might not be the case with the millennial employees. For millennial, creative and inclusive work environment and being in-control matters. They are more likely to leave from authoritarian environment (Buckley, Viechnicki, & Barua, 2016). Eisner (2011), pointed the inability of the management to gauge the generational gap that lies between generation Y and its other counterparts. There is a necessity to address this gap which may result into conflicts between different generations. Hence, understanding the needs and behavioural patterns of generation Y is vital for future organizations to retain them (Eisner, 2011). A Price Waterhouse Coopers (2011) report highlights the characteristics of the



newest generation of workers. It looks at the ambitions, motivational drives of the millennial generation who perform and put the purpose before pay, their agenda behind working is driven by passion about the kind of work which sets them apart from other generations. This paper helps in understanding miniscule details and characteristics and behaviours belonging to the new generation workforce.

A white paper research (Pew Research Centre, 2010) compares the values, attitudes, and behaviours of millennial with those of today's older adults. Changing attitudes toward work is captured. This may help in guiding organization to equip themselves with the evolving workplace and workforce dynamics which will take place with the entry of this new generation as the workforce. It depends on a worker's personality, needs, and expectations, which are influenced by the generation they were born into. Implementing mentoring programs and making specific changes in job design and work environment according to millennial' needs and expectations could increase millennial satisfaction and commitment (Courtney, 2016).

Findings

The investigation in this area is predominantly analysed and quantified through quantitative research. There is a considerable amount of subjectivity and perception ambiguity as to the concept of engagement in terms of retention or productivity. Hence, every article found relevant is considered and reviewed.

Conclusion

Job satisfaction is linked with the emotional, cognitive (hygiene factors, motivation extrinsic and intrinsic) and physical aspects of work and how these factors integrated. Employee

engagement is a long-term process and linked to core tenants of the business like values, culture and managerial philosophy, job satisfaction, and employee loyalty. An organization should facilitate the process which has a positive effect of engagement through every business activity that they do. A close study of review of literature reveals that organizations need to communicate the importance of individual contribution to successful business outcomes. Organizations therefore have to develop such cultures where employees are not scared to offer upwards feedback and have candid communication at all the levels. Employers need to understand their employee's expectations and future plans. This has important implications for recruiting managers to ensure that the meaning and purpose of the role are clearly defined. After reviewing research, it can also be concluded that high levels of job satisfaction may lead to improved employee commitment and involvement toward respective jobs and thus creating a motivated workforce—that will work together to achieve the common goals of the organization.

Limitations

The activity of reviewing literature is majorly confined to published articles available on internet. The job satisfaction as a construct is widely researched in western organizations and comprises very few studies conducted in the Indian context and industries. Moving forward with the review of literature, every dimension of employee loyalty and its interlinking with job satisfaction is considered as relevant, with other constructs in play like motivation, retention, and intent to stay. To study the pattern and behaviours of millennial at work few survey and whitepapers are considered relevant too, due to the nascent stage of this research topic, it was difficult to find any paper reflecting on the current topic.



Future Scope of Study

Further research is required to provide organizations with better understanding of the millennial employees' behaviour and attitude as well as relationship between job satisfaction and its implication on employee loyalty. Exploratory studies in this arena may be fruitful for the policymakers and decision takers to harness optimum benefits from employees' hidden talents. Understanding the attitudes and expectations of employees of millennial generation will help these employees keep satisfied and loyal to firms.

Table 1: Exclusion and inclusion factors of papers

Inclusion Factors	Exclusion Factors
Focus on constructs like millennial, loyalty, job satisfaction, job involvement, motivation	Books
Journal articles, thesis	Reviews, commentary, editorial, opinions
Studies, articles, whitepapers	Non-English
Contributing and relevance to employee loyalty	Papers including non-relatable construct like organizational growth and performance
Definitions and conceptual study papers on millennial generation and work behaviours	
Study done on job satisfaction and employee loyalty in every industry	

Source: Constructed/developed by the author.

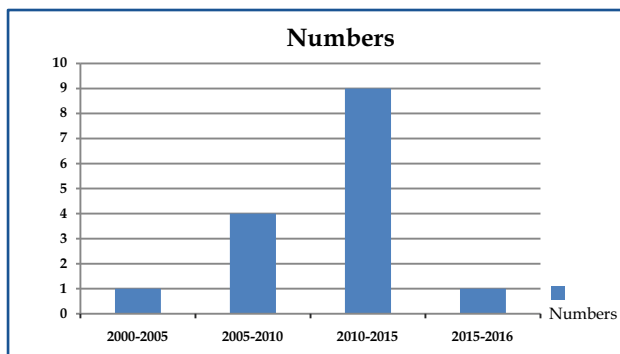


Figure 1: Year-wise Paper distribution of paper used

Number	Qualitative/Quantitative	Tools
14 papers	Quantitative	Structural equation modelling, survey Cronbach alpha, regression analysis, correlation, t-test, and Anova test, exploration factors analysis (EFA)
1 paper	Qualitative	Descriptive coding and grounded theory

Table 2: Methodologies of the papers

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IMPORTANT DEADLINES

- Submission of Case Abstract by : April 30, 2017
- Submission of Manuscript by : June 30, 2017
- Decision on Acceptance of the Case/Paper by : August 31, 2017
- Registration of Author-delegates by : September 30, 2017
- Registration of Non Author delegates by : November 15, 2017

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Thesis Executive Summary

Influence of Socialization and Materialism on Consumer Decision-Making Styles of Indian Teenagers in the Central Board of Secondary Education schools in National

Sartaj Chaudhary*

Introduction

The study of literature suggests that consumers approach shopping with certain decision-making traits that combine to form decision-making styles which are more permanent than shopping behaviors. The teenagers are major consumers and influences in their current capacity as well as in future as adults. The attachments with brands that they develop as teenagers may stay with them in their adulthood. The top three categories of products used by this large segment of Indian teenagers (115.3 million, 2013) are fast food, mobile, and sports apparel.

Unfortunately, the teenage segment has not received adequate attention of researchers. Further, in the present era of heightened consumerism, the combined influence of socialization and materialism on the consumer decision-making styles (CDMS) of teenagers becomes a very attractive topic of research.

*Completed PhD from Birla Institute of Management Technology, under the guidance of Prof. A.K. Dey

Relevance of the Research

Spillage is a commonplace phenomenon in marketing communication. No matter how narrow is the target and how precise is the scope of communication, ultimately some of the marketing spends will reach out to the segment of audience who have no interest in the products being promoted. This may be as a result of selection of wrong message or the choice of improper vehicle used for reaching out. The purpose of this study is to help marketing managers, planners of advertisement and communication, and copy writers to achieve alignment of "What to say?" and "Why to say?" with what the teenage audience wish to hear so that they display favorable purchase behavior.

The approach has been developed through multiple stages. First, starting with the Consumer Style Inventory (Sproles & Kendall, 1986), socialization from various scales (Moschis & Moore, 1979; O' Guinn & Shrum, 1997; Rich,

* Completed PhD from Birla Institute of Management Technology, under the guidance of Prof. A.K. Dey



1997; Kasser, Ryan, Couchman, & Sheldon, 2004) and the scale proposed by Richins (2004) for the materialism, the latent constructs of CDMS, socialization, and materialism have been determined. Second, the antecedents that can influence these three have been assigned. Third, the effects of product categories—fast food, mobiles, and sports apparels—on CDMS were probed. Fourth, the influence of socialization agents such as father, mother, friends, siblings, celebrities, television and the Internet on the characteristics of CDMS was estimated. Fifth, influence of materialistic values on CDMS and socialization were measured separately. Finally, by building a second order Structural Equation Model involving CDMS, socialization and materialism, direct and indirect effects of socialization agents on CDMS and materialism, and that of materialism on CDMS have been estimated.

Research Design

Like any good research, this study also derives its strengths from its research design. These strengths are representative sample, large sample size, and use of appropriate analysis methods.

Representativeness of sample is ensured by collecting responses of students studying in grades 8 to 12 in their respective schools, in a period of lecture (in a controlled environment free from noise), in the presence of teacher and the researcher. All doubts were clarified. Prior permissions were obtained from principals of the selected Central Board of Secondary Education (CBSE) schools in national capital region (NCR). The responses of the school selected for pilot study were excluded from the final analyses.

By deploying multistage cluster sampling 1,286 responses were collected from six schools, who

permitted for the conduction of survey (purposive sampling): four in Delhi and one each in Haryana and Uttar Pradesh. In a school, grades and sections were selected by random draw of lots for allocating different product categories. In a section, all the students participated in the survey. After dropping the incomplete forms, 1,216 responses were carried forward for analysis.

Exploratory Factor analysis helped in reducing the dimensions into smaller groups. Internal consistency was checked with values of Cronbach's Alpha more than 0.6. Higher values of Composite Reliability together with strong factor loadings established convergent validity. Discriminant validity was checked by calculating average variance extracted which was detected to be more than the square of the inter-construct correlations. Further, acceptable model fit parameters of Confirmatory Factor analysis proved that the factors extracted were significantly independent of each other. Prior to applying Structural Equation modelling tests for detecting outliers; univariate and multivariate normality and multicollinearity were considered and these were found to be within acceptable limits.

The Structural Equation modelling is a unique analysis tool that can measure the effects between latent constructs by estimating all the relationships simultaneously by exercising due control on error variances.

Findings and Recommendations

Indian teenagers displayed only six CDMS as compared to eight propounded by Sproles & Kendall (1986). Boys and girls show different consumer decision-making styles. The CDMS is found to be dependent on the product category. Marketers should fine tune their messages while



communicating to boys and girls for different product categories.

Education of parents and mother's occupation affected CDMS. Age, number of friends, siblings, family structure, and hours on television had positive effect on socialization but the Internet had negative effect. The materialism was affected profoundly by age, gender, and father's occupation.

The intensity of effects of socialization agents on the different characteristics of CDMS as well as on different values of materialism were noticed. Finally, in a model combining all three, the socialization had an over powering effect on CDMS making the effect of materialism insignificant.

Theoretical Implications

The study established that socialization and materialism influence CDMS of teenagers. It further found that materialism does not mediate between socialization and CDMS. Three parsimonious scales for CDMS, socialization, and materialism have been developed and tested. Effects of antecedents on CDMS, socialization, and materialism could be established.

Managerial Implications

Separate communication messages should be developed to influence CDMS for different product categories. As boys are habitual brand loyal marketers there is a need to devise reminder advisements and loyalty programs to attract and retain them. Girls are impulsive, so attractive point of purchase offers and accessories may be more effective.

Advertisements can create a positive attitude for products through celebrity endorsements.

Marketers of value-based products should target special promotion schemes at mothers because they influence the price value consciousness of teenagers. Internet and friends have emerged as the highest influencers in habitual brand loyal characteristic. Girls were found to be less "luxury oriented" and "happiness seeking" as compared to boys, marketers should tune their marketing communication to girls accordingly.

Limitations and Scope for Future Research

In order to generalize findings teenagers of other segments of society should be studied covering whole of India. Pan India study covering rural and urban teenagers who could converse in any language should be commissioned that would be helpful in understanding this segment. The scope of this study does not include buying behavior. Negative impacts of materialism and relationship between self-esteem and materialism has not been probed. Future research in this direction would be useful for the society. Other environmental factors like the school, the locality, teachers, and culture influencing the CDMS, socialization, and materialism of teenagers may be probed.



MANAGEMENT THOUGHT

Shri Venkat Shridhar

Chief Executive Officer
Akshay Patra Foundation

About Shri Venkat Shridhar

Shri Venkat Shridhar is presently CEO of Akshay Patra Foundation. He has over 23 years of work experience and has been associated with leading multinationals like Philips, ABB, Webex Communications (now CISCO), etc. Prior to joining Akshaya Patra he was Vice President – Sales, Webex Communications.

Interview Transcript

Ques: It will nice to know from you about what is Akshay Patra’s long term vision and strategy?

Ans: Vision is that no child in India should be deprived of education because of hunger. Strategy is how we can use technology, missionary spirit and professionalism for solving the biggest problem the world faces. We wanted to create a demonstrable, replicable model which can be utilized by like-minded individuals and institutions so that we can make sure that no child goes to bed hungry and thereby missing out on the benefits of education. We also want to extend all our leaning to like-minded institutions all across the world. If somebody is hungry, he/she can be exploited and put into crime.

Ques: After hearing your Foundation Day address, all of us are deeply inspired and would like to know, how can the youth be motivated to join the NGO’s and work towards such noble causes?

Ans: We should be able to inspire any youngster about his/her purpose in life. Even if money is important, you also want to see the society happy, since you are a part of it. So, if you are able to inspire them that by working not for profits, you may earn less than what a corporate gives, but the satisfaction that you will get out of transforming the society is immeasurable. That’s how I quit corporates and picked up this as this gave me existential purpose to life. And specially, if you are able to give a corporate assignment, a challenging assignment to a youngster, money becomes secondary. Ultimately everyone is working for happiness.

Ques: Does Akshay Patra have any plans of recruiting aspiring MBA graduates? The fresh pool of talent could be inducted in the development sector. May be this will act as an incentive, and they would find it easier to work in organization like yours?

Ans: We did recruit some BIMTECH grads a few years back and I’ll be happy to recruit youngsters who have a desire and passion to transform the country.

Ques: Regarding the corporates that are a part of your venture, how do they provide their services and support to the organization? Is it confined to providing the logistics, or funding? Is it just a part of their CSR effort or are they seriously working to bring a change??



Ans: There are various ways Corporates support us. One, of course is through funding, whether they fund our capital or running expenditure. Many corporates and their executives volunteer with us. Many corporates give their knowledge to us, whether it is in operations research or logistics.

Ques: How can we increase the reach to reach the maximum to reach the maximum number of students, i.e. efficient supply chain?

Ans: If governments, organizations, corporates and well-meaning individuals come together and drop a plan that I will make sure that no child in my district goes to bed hungry, they start with a purpose that no child around me should go to bed hungry, then we can all come together and solve this problem. While CSR is important, but more important is Individual Social Responsibility as corporates is ultimately formed of individuals.

Ques: Since the current government is laying stress on digitization, how is Akshay Patra planning to incorporate that to take the entire process a step further?

Ans: We are working with various leading technological companies like Accenture for incorporating technology in whatever we do, in our processes and systems. For e.g.: the way ingredients are made in Akshay Patra, is done, the way production happens. We plan to use sensors in Akshay Patra kitchens. We have plans to create smart kitchens because as I said in the talk, a paisa saved in Akshay Patra, the cost of meal translates into Rs.30 Lakhs, which is food for about 4500 children.

Ques: Would you like to share the major shortcomings and bottlenecks that Akshay Patra faces?

Ans: The first bottleneck is the indifference of the people. How can I let any child die in my neighbourhood or in my country? First thing that

we should do is to fight the indifference. We have to be compassionate. Second is the need to increase collaboration between government, non-profit organizations, corporates and public, all coming together to solve three or four major problems that the country faces, whether it is cleanliness, hunger and education.

Ques: What are your views regarding the dearth of infrastructure, be it the lack of availability of teachers in government schools, their absence, inefficient distribution network etc. Are these another set of challenges hampering the organization's work?

Ans: Even when it comes to the main program, our responsibility ends with feeding or delivering the meal to the school. Then the school takes care of distributing the food to the children. In many schools, the infrastructure is wanting and that exposes the students and school to food safety issues. So infrastructure is very important and government must ensure proper infrastructure availability in these schools. For e.g. many girl children do not attend schools owing to a lack of proper toilets.

Ques: Who has been the most significant contributor in enhancing Akshay Patra's work? Government, corporates, missionaries or individuals?

Ans: I wouldn't name one because everyone has played their role and we have reached kind of an equilibrium. Unless the different stakeholders come together with the sole objective of solving the problem, we cannot reach the equilibrium. I would equally give credit to all.

After all it's a team work and team work works.



Ques: What are the values that should be inculcated in today's youth to motivate them to work towards such causes and where are they lacking?

Ans: Suppose we are going on a road, I stop you and ask you where are you going and you do not know. I'll say what type of a person is this. Then I stop another person and ask him the same question and he replies that he doesn't know but he follows all the rules and regulations. So what is missing in both these persons is the goal in life. So if the youth are given proper encouragement to have a goal or purpose in life and then they are motivated, we can transform the country. Education should connect with jobs, job linked

vocational training should be there for people to get jobs. It should not be just for getting a degree, but for learning something but implementing it and spreading the learning.

BIMTECH Interview Team

Sheena Agarwal (PDGM 16-18), Indroneel Ganguly (PGDM15-17)"

Under the guidance of Prof. Saloni Sinha, Business Communication, BIMTECH, Gr. Noida.



"How to Transform Your Humble Digital Presence into an Authoritative Figure! 7 Quick & Simple Strategies Revealed"

BOOK REVIEW

Dr. Nidhi Phutela*

Details of the book:

Jonathan Seet

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Author's Website JonathanSeet.net

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[How-to-Transform-Your-Humble-Digital-Presence-Into-An-Authoritative-Figure](#)

This book, authored by Jonathan, a trainer in the field of copywriting, Search engine marketing (SEM), Google Adwords, Neurolinguistic Programming, etc. has showcased the reason for building an effective online presence that is not covered in other texts on the subject. Very beautifully, the author highlighted the reason for the company's/ individuals digital presence, like – digital touch point, continuous interaction, etc. Hence, this book will be a reference point for having an effective online presence.

The author's discussion on the factors for people not going online is a succinct presentation of three missing essentials (Investment, Planning and Idea of getting started). Additionally, not having one's own website is another myth. Rather, the prospect is keen to know about "Who are you? and What are you offering me?" (Pg. 6). The more robust the digital presence is, more the chances for increasing conversion thereby building more credibility.

Later, the author shared as to how the message can fairly reach across the right set of audience.

Reaching the message is a real big challenge for the company and how to strategize is another big issue. The author introduced "P.O.T Formula" (Pg. 11). This recipe of internet sales master plan requires only three ingredients – platform, offer and traffic for achieving success.

Platforms may be free or paid! But, the thought put forward was that the customer's reach should be made as easy as possible. The main principle to reach this goal will be through faster loading of the platform and simplicity in the user interface. Presence should not be confused with having more number of fancy pages. Rather, try to make it simple but significant. So, to start with, one can have focus on five critical pages – home page, about page, services page, contact page and landing page. The company can lay stress on have less, do more and be more.

The author portrayed significant features of all the five pages. To point a few:

- Home Page: More like a navigation map, with an objective to provide directions to the

* Asst. Prof. in Marketing, Centre for Management Studies, Symbiosis.



main page. This page should be able to attract the audience.

- **About Page:** In-depth knowledge of your company and the kind of services it is providing. How the company is different and why the customers should consider you fairly depend on this page.
- **Services Page:** Apart from the range of services the company provides this page must refer to detailed information about each service along with the associated promotional offers.
- **Contact Page:** People, who take active interest in you, will definitely try to contact you. Hence, it is a must to have correct and complete contact information on the website.
- **Landing Page:** With an intended conversion goal, this page is considered very important for the client to land on. It basically helps in following up with every single person interested in our website.

Platforms must be supported by providing ‘good offers’. A ‘good offer’ should be certainly the one which grabs or catch holds of everybody’s attention and irresistible. Every time we think of good offer, slashing of prices comes up in the mind! But, the author very beautifully pinpointed options other than slashing of prices, likewise, free trials, early bird bonuses, video training, etc to name a few (Pg. 21). Having a good platform with real-time good offers will be of no use unless you have traffic on your website. Very beautifully the author picked few examples of the ready customers can be attracted to your website.

This book is a must read for those who have certain myths for ‘successful marketing plans’. How marketing plan can be framed and how the results can be achieved, are well explained in the text. The book follows a consistent progression from sections dedicated to reasons for failure and how you can get rid of the same.

In today’s world, where everyone is tech-savvy and up-to-date, the book may sound quite monotonous with the description of only the basic tactics. But, that is where the beauty lies! His seven simple effective marketing strategies are a must for every marketer, no matter the size of his business. This book is a good introduction for those marketers who are unfamiliar with this literature. The author added short story based articles to grab hold the interest of the audience.

With real good insights the author has presented a crisp book for every marketer to understand how a firm (big/ small) can stand upright and shine amongst the others not just offline but online as well. Mastering the basic principles is the stepping stone to success, is what Mr. Seet wants to convey.

Details of the Author:

Jonathan Seet started his career as a financial planner before entering the world of internet marketing. He is a renowned and certified trainer in the fields of copywriting, search engine optimization, Google Adwords, etc



“My FPM Journey”

Amrendra Pandey*

1. Motivation behind starting this journey of research

The real motivation behind pursuing fellow programme is management was to enrich my understanding about financial economics and to strengthen my career as an economic researcher.

2. FPM over PhD

I just wanted to pursue doctoral degree at a place which provides me conducive environment. And since, BIMTECH was also a place where I competed my masters, I knew the institute well so, I chose BIMTECH. For me debate between FPM vs PhD is fictitious one created by some people to show their importance.

3. Course Work

First year Course work was designed to give us exposure to research. We were taught research methodology, philosophy of research, literature review, writing research paper and advanced research methodology. The courses intended to give researchers in

depth understanding about fundamentals of research. Since, the FPM was still evolving at the time I completed my course work, there were many flaws related to pedagogy and course resource. But, I am happy to note that in subsequent batches the course work has evolved.

4. Work life Balance

As a researcher I did not pursue my research as my work, so it did not burden me. For at least last two and half years of my thesis writing research was integral part of my life. I enjoyed doing it and intend to pursue life long research career.

5. Zeal for 3-4 years

Due to lack of a guide my initial two years were not that much productive and I started loosing my focus from research, but once I had a guide I made up for the lost time. Zeal was intrinsic since I had myself chosen to do doctoral studies and was satisfied with the choice. Guide support was very much important when it came to fruitful research. In

* Faculty of Economics at Birla Institute of Management Technology



this case I was fortunate to get a guide like Dr. Jagadish Shettigar, who gave a direction to my research.

6. Changes in You

After doctoral degree I have become much more humbler than before and have started questioning my own conventions and beliefs in more scientific manner. I have also developed a healthy reading habit.

7. Advices to future researchers

With my own limited personal experience I can just say that there is no perfect path for a researcher to pursue. Choose your own way and stick to it. But the most crucial part of doctoral research is choice of thesis

supervisory committee. I believe researchers should not hurry in deciding their committee. The researchers must spend sometime with the probable guides and only after detailed discussion they should propose their committee.

8. BIMTECH as a destination for doctoral research

A researcher needs freedom to try and fail in his pursuit of research. BIMTECH had provided me with complete freedom to in research endeavor . It also provided me complete freedom in deciding my thesis committee. This freedom is the biggest plus point for doctoral research at BIMTECH.

BUSINESS PERSPECTIVES

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Simplify the Tax Rules to Make it a Success

K N Govindacharya

Agriculture is a subject that gets least priority in management studies

Devinder Sharma

Employees' Turnover Intention in Indian Retail Industry-An Exploratory Study

Priyanka, S.K. Dubey

Time Varying Volatility in the Indian Stock Market

Gurmeet Singh

**Factors Affecting Growth of Medical Tourism in India:
An Exploratory Factor Analysis**

Santanu Mandal

Surging India-Thoughts That Inspire

Anita Tripathy Lal

If you don't know what your passion is, realise that
one reason for your existence on earth is to find it.

— Oprah Winfre



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