
An Analytical study of Consumer Relationship Management in Banking Sector: An Empirical Study on SBI

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Introduction

Gone are the days when the Business transactions were a key to success in any business project/venture, where as the hitherto traditional system of marketing has failed to deliver the expected results in the recent time. Modern business world widely recognizes the satisfaction of the customer which is called by Green Leaf and Winner (2002). CRM as a significant business policy which is a highly important factor to achieve great returns in business transactions/projects. It would not be an exaggeration to say that "Customer is the King". These days according to the banks and financial institutions productivity is measured in terms of established concept of CRM. This concept is based on the integrated business activities to discover, create and satisfy 'customer's need. This term CRM is further related to three-pronged integrated business activity; Operational, Collaborative and the last one is Strategy. Whereas the operational aim is to deal with sales, marketing and services, the collaborative policy is to interact with the customer's mind set and the last one, strategy, comprises of software packages to adopt the CRM practices in the bank and other categories of financial institutions & corporations.

Under this concept, the banking sectors tend to adopt an aggressive growth strategy in order to achieve the desired level of revenue growth. In this connection, the state of Delhi contributes more for the development of economy in comparison with other adjoining states. The banking industry in general, to compete in the global market, strives to stimulate the domestic demand so as to invest the capital in other newly emerging areas. While sticking to the principles of customer's satisfaction and cost reduction. The state Bank of India out of the entire body of the nationalized banks provides several facilities to its customers by way of prompt services, effective strategy and technology. With a wide area of network at its disposal, its findings and achievements in the annual turnover during the last few financial years have been considered quite significant for this study.

METHODOLOGY:

In this Context a total number of 125 sample customers were selected for this study and factor analysis was used as an indicator for measuring of each responding factor of each respondent to evaluate the CRM practices adopted by the bank. These factors were selected strategically from the responses of the respondents collected

which were mostly related with banking services, physical facilities, the employees attitude and behavior, ability, technology and professionalism adopted by the bank for utmost care of the customers and encourage them for a promising attitude and environment to retain them. It enhances the customer satisfaction about the product marketed by the State bank of India and has an impact directly and indirectly.

EMPIRICAL ANALYSIS:

In measuring the age and occupation the customers of State Bank of India, their age was divided into six sub-groups and occupational groups as Student, Businessman, Housewife, Govt. employee, Professional and Employees of private sector. Similarly for an in depth study, the age group of the customer have been divided into six categories as: below 22, 22-32, 32-42, and 42-52, 52-62 years, and above 62 years. As age is the most influential factor in taking a product decision, it has been taken here as a dependent variable for all the analysis.

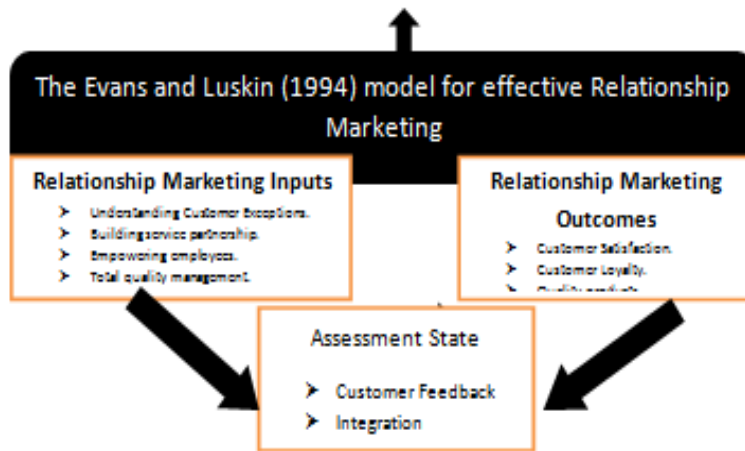
In this paper an attempt has been made to analyze the customer satisfaction on the basis of the performance of banks by interpreting the result of 125 samples customers chosen from the State Bank of India covering the SBI Banks from the State of Delhi.

While judging the quantum of satisfaction of the customers, it has been correlated with different factors related to age, sex, occupation, income, profession and the categories of their respective accounts, tenure of their transaction, account with other banks, visit to bank etc. considering the individual statement of the sample respondents.

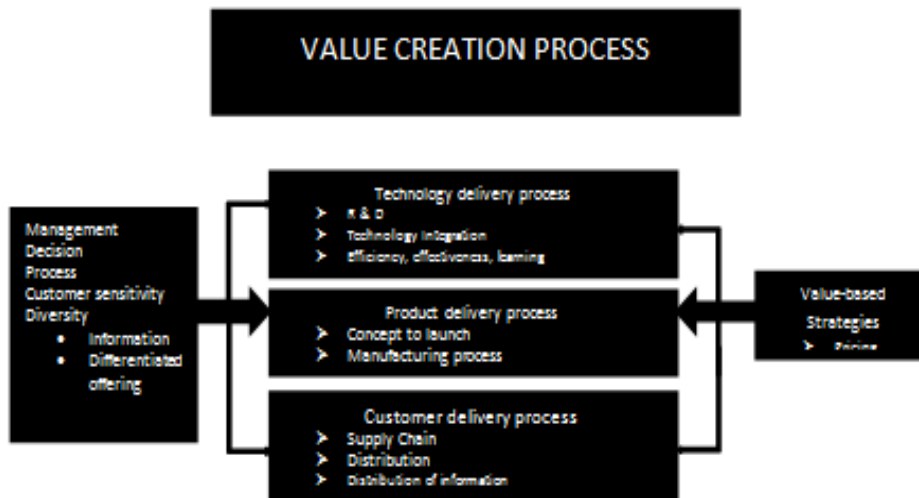
In our proposed study, sample customers were selected from all the account holders from different major branches as well as the customer of loan account and other personal finances categories. We have also included account holders from current accounts, saving bank accounts, term deposits. Further, advances given to customer under different schemes have also been included as home loans, short term housing loan, personal loan, car loan, education loan, travel loan, property loan, loan to pensioners etc.

ASSESSMENT OF PRODUCT PERFORMANCE OF STATE BANK OF INDIA BASED ON CUSTOMER'S SATISFACTION

To study the effectiveness of banking industry in both directly and indirectly, we have taken into consideration its major components, which have the impact on customer satisfaction. Similarly, technology has an impact on customer satisfaction and here an in-depth study has been carried on to measure the factor wise test, at different significant level.



CRM is a new business philosophy based on trust and value. The core function of CRM is the value creation process.



ESTABLISHING RELATION OF CUSTOMER’S AGE & THEIR RESPECTIVE OCCUPATION

Table-1 reveals the relationship between the age groups of the customers of State Bank of India and their occupational status. Here each factor is divided into sex groups and the occupational groups have been classified into Students, Businessmen, Govt. employees, Housewives professionals and employees of private sector undertakings. Similarly for an in depth study, the age groups of the customers have been divided into six categories as: below 22 years, 22 to 32 years, 32 to 42 years, 42 to 52 years, 52 to 62 years and above 62 years. As age is the most influential factor in taking a product decision, it has been taken here as dependent variable for all the analysis. The demographic feature such as sex, occupation also influence that decision on choosing the right bank and right product according to the customers need. Here, in this study, the occupational relation with age groups has been cross tabulated to find out the group wide relation.

Table-1

Age No	House wives	Students	Professionals	Private sector Employees	Govt. Employees	Business Men	Total
	5	11	16	19	31	43	125
Above62 6	1	-	-	-	-	-	1
Below22 11	-	-	-	-	-	-	1
52-62 18	-	-	-	1	-	-	1
42-52 22	-	-	1	-	-	-	1
22-32 28	-	-	-	-	1	-	1
32-42 40	-	-	-	-	-	1	1
Total 125	1	1	1	1	1	1	6

The study indicates that (table-1), out of total responses of 125, 6 customers are above 62 years old and 5 among them represent housewives. Similarly, 11 respondents are students and all are belong to the age group of below 22 years. Further, among 22 sample customers, 16 represents professional belonging to the age group of 42-52 years, whereas 19 respondents belong to employees of private Sector and 18 among them are in the age group of 52-62 years. Similarly, 31 sample customers represent Government employees and 28 among them are in the age group of 22-32 years. Lastly, among 43 respondents (businessman), 40 are in the age group of 32-42 years. So, it is concluded that the maximum customers of State bank of India represents to businessman category next to Government employee. As most of the samples belong to the business category, it represents a high demand on current account and loan in the bank than any savings bank account.

ESTABLISHING RELATION OF CUSTOMER’S AGE & THEIR MONTHLY INCOME

The income is most important for banking affairs as bank is meant for money. So, income and age are most significantly related to each other. Here, to measure the relationship, age has been cross tabulated with income per month shown in table-2.

Table -2
 Age and Income per month of customers (Cross Tabulation)
Income per Month (in Rs.)

Age No	Below Rs. 10,000	Rs. 10,000 to 20,000	Rs. 20,000 to 30,000	Rs. 30,000 to 35,000	Rs. 35,000 to 40,000	Rs. 40,000 and Above	Total
	8	16	21	22	27	31	125
Above 66	1	-	-	-	-	-	1
Below 22	-	1	-	-	-	-	1
52-62	-	-	-	1	-	-	1
42-52	-	-	1	-	-	-	1
22-32	-	-	-	-	1	-	1
32-42	-	-	-	-	-	1	1
Total	1	1	1	1	1	1	6

In the above table, total number of both the factors have been classified into six main groups and no missing cases arise in the measurement of cross tabulation. From the suitability point of view, the income per month of the customers have been categorized into six groups as less than Rs. 10,000, Rs. 10000 to 20000, Rs. 20000 to 30000, Rs. 30000 to 35000, Rs. 35000 to 40000 and above Rs. 40000 and categorization of age as previously discussed.

The study shows that 11 respondents are in the age group of below 22 years and 8 among them earn below Rs. 10000 per month. Similarly, 28 customers are in the age group of 22-32 years and 16 among them earn Rs. 10000 to 20000 per month. Whereas 21 respondents earn Rs. 20000 to Rs. 30000 per month and 6 among them are in the age group of Rs. 30000 to Rs. 35000 per month and are in the age group of 42-52 years. Similarly, 27 customers earn Rs. 35000 to 40000 per month and 18 among them are in the age group of 52-602 years. Lastly, 40 are in the age group of 32-42 years and 31 among them earn above Rs. 40000 per month. So it can be concluded that the maximum customers of State Bank of India, are having an income of above Rs. 40000 per month next to the customers having income of Rs. 35000 to 40000 per month. So if it is correlated with the previous table (table-1) it will signify that the business man and private sector employees mostly prefer to open account in State Bank of India.

ANALYSING RELATION OF AGE TO DIFFERENT KINDS OF ACCOUNT OPERATED

Table-3 reveals the relationship between the age group of the customer of State Bank of India and the kinds of account they are operating. The age groups of 125 respondents have been categorized in six heads as previously discussed. According to the need and interest of the customers, the preference in opening of account arise and it of having the account as fixed deposits, loan, recurring deposit, SB, Current Account and any other short term deposits.

Table-3

Age and kind of Account Operated (Cross Tabulation)

Age No	Loan	Any Other	RD	SB	Current	Fixed Deposits	Total
	3	8	18	23	31	42	125
Above6 2 6	1	-	-	-	-	-	1
Below2 2 11	-	-	1	-	-	-	1
52-62 18	-	-	-	1	-	-	1
42-52 22	-	1	-	-	-	-	1
22-32 28	-	-	-	-	-	1	1
32-42 40	-	-	-	-	1	-	1
Total 125	1	1	1	1	1	1	6

Table -3 indicates that, out of 6 respondents of the age group 62 years, 3 among them have taken loan from the bank. Whereas 22 customers from the age group of 42 52 years, 8 customers are having other types account like (NRI Account, DEMAT Account, Short Term Deposit Account etc.) in the bank. Further, 18 respondents have recurring deposits (RD) at different branches of State Bank of India and 11 among them are in the age group of below 22 years. Further 23 customers are operating Savings Bank Account in State Bank of India and 18 among them are in the age group of 52-62 years. Further, out of 40 customers of the age group 32-42 years, 31 respondents are having current account in the state bank of India. Similarly, out of 42 customers, those are operating fixed deposit in State Bank of India, 28 numbers of customers have fixed deposits in State Bank of India next to the current account deposits. From here, it is observed that most of the customers prefer State Bank of India for its lower interest rate in loan and higher interest rate in deposit accounts than other banks.

4. AGE AS A MOTIVATING FACTOR FOR OPENING OF DIFFERENT KIND OF ACCOUNTS

Table-4 reveals the relationship between the age group and motivating factors. Out of that, it has been observed that the customers are motivated for opening of their account in four ways as by their relatives, self motivated, by manager or employees of the banks and by their friends.

Table -4

Age as a motivating factor (Cross tabulation)

Age No	Relative	Self	Manager/ Employee	Friend	Total
	17	28	37	43	125
52-62 19	1	-	-	-	1
42-52 22	-	1	-	-	1
22-32 28	-	-	-	1	1
32-42 41	-	-	1	-	1

Total 125	1	1	1	1	1
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The above table indicates that, the respondents of the age group of 52-62 years, 17 have been expressed that they are motivated by their relatives to open the account in State Bank of India where as in the age group of 42-52 years, 28 respondents were motivated by self., sometimes even in some areas, there is no second option for customers. So they are forcefully influenced to open accounts in the available bank in their locality. Further, age groups of 32-42 are marked motivated by the employees of the branch. Similarly, in the age group of 22-32 years, their friends i.e. 43 out of 28 respondents motivated maximum. Now it is concluded that, maximum Bank of India by their friends and employees of the bank.

5. **THE RELATION OF AGE TO PERIOD OF TRANSACTION IN THE BANK**

The period of transaction shows the customers satisfaction towards the bank as well as the retaining capacity of the bank. So here, it has been measured with six categorization of the period as below 3 years, 3-6 years, 6-9 years, 12-15 years and above 15 years.

Table-5
Age to period of transactions (Cross tabulation)

Age No	(Below-3)	(3-6) years	(6-9) years	(9-12) years	(12-15) years	(Above-15) years	Total
Above62 6		1					1
Below 22 11	1						1
52-62 18				1			1
42-52 22			1				1
22-32 28					1		1
32-42 40						1	1
Total 125	1	1	1	1	1	1	6

The analysis in the table-5 indicates that, out of 9 customers, 6 are in the age group of above 62 years, those are having transactions 3-6 years with the bank. Further, out of 11 customers from the age group of below 22 years, 4 customers, those are having transactions within 9-12 years, 18 customers from the age group of 42-52 years. But maximum of 41 customers are having account more than 15 years in the bank and 40 out of them are from the age group of 32-42 years. So, maximum customers are old customers for State Bank of India and it implies the retaining capability and worthiness of the bank, which indicates a good CRM practices applied by the bank.

CRM PRACTICES BY STATE BANK OF INDIA

The services provided by State Bank of India and customer satisfaction have been measured by factor analysis. Here, the 15 service factors are included for measurement as: Behavior of front executives (counter). Friendliness of employees, Customer Friendliness attitude, Ambience of Bank, Physical environment of Bank, Facilities provided by bank, location of bank, location of ATM, Consumer friendly schemes, promptness in services, Ability to help the customers, contact program of customers, knowledge of customer redress, ability of employee for serving the clients and the familiarity of the Website. Factor wise test would signify the importance towards customer's satisfaction. These factors have been taken from the overall study. Different respondents have opined differently on the under mentioned factors related to the branches of State Bank of India. So by taking all the 125 sample customers, the results have been derived.

Table-6 indicates the commonalities of the analysis by using Principal Component. Commonality indicates the proportion of variance in response to factors, which have been explained in the table 10. Here the initial value of each factor is 1.000, but the extraction values shows highest i.e. 0.994 which represents the customer friendliness attitude and ability of help the customers, next to the value 0.993 which represents the contact program of the customers have not been given weight age to the location of bank along with the friendliness of the websites.

Table-6

CRM Practices by SBI	Initial	Extraction
Behaviour of front executives (counter)	1.000	.992
Friendliness of Employee	1.000	.906
Customer friendliness attitude	1.000	.994
Ambience of Bank	1.000	.975
Physical environment of bank	1.000	.991
Facilities provided by bank	1.000	.993
Location of Bank	1.000	.873
Location of ATM	1.000	.932
Consumer friendly schemes	1.000	.963
Promptness in services	1.000	.963
Ability to help customers	1.000	.994
Contact program of customers	1.000	.993
Knowledge of customer redressal	1.000	.961
Ability of employee for serving	1.000	.981
Familiarity of the Website	1.000	.865

Extraction Method: Principal Component Analysis.

Table-7 indicates total variance with the initial eight values and sum of squared loadings. Here it shows total variance is of 7.450, 5.642, 3.932 and 2.072, those are of above one value. Further in the extraction sums of squared loadings, the value represents are the same also and there is no difference in value arises. As the fifth factor is of below one value, it is not taken for measurement according to the importance given by the sample respondents. This means the customers of State Bank of India have given more importance to four factors out of the total fifteen factors. In order to find the individual importance of factors, it will be portrayed in the component matrix in table-8.

Table-7

Showing the total variance of factors

Component	Initial Eigen Values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative	Total	% of Variation	Cumulative %
1	7.450	37.250	37.250	7.450	37.250	37.250
2	5.642	28.212	65.461	5.642	28.212	65.461
3	3.932	19.659	85.121	3.932	19.659	85.121
4	2.072	10.358	95.478	2.072	10.358	95.478
5	0.904	4.522	100.000	100.000		

Extraction Method: Principal Component Analysis.

Table-8

Component Matrix of factors (a)

Factors	Component			
	1	2	3	4
Altitudinal Approach of Tope executives (counter)	.365	.526	-.327	.641
Friendliness of employee	.806	.560	.062	.091
Customer friendliness attitude	.453	-.768	.254	-.204
Ambience of bank	-.848	.117	.409	.243
The kind of environment prevalent in the Bank	.806	-.560	.062	.091

Facilities provided by bank	.084	.895	-.277	-.311
Approachability of the Bank	-.272	.089	.874	-.384
Availability of customer's facility.	-.199	.461	.834	.060
Consumer friendly scheme.	.879	.398	.156	.198
Promptness of services	-.664	-.313	-.226	.507
Readiness to help	.365	.526	.327	.641
Contact program of customers	.453	.768	.254	-.204
Knowledge of customer problems & the ability of redressal by the Bank	-.848	.117	.409	.243
Ability of the employee for providing prompt services	.806	-.560	.062	.091
Amiability of Website	.784	.895	.277	.311

Extraction Method: Principal Component Analysis. (A4 components extracted.)

Table-8 indicates that the analysis of the component matrix's of the total 15 factors. But out of these factors only 4 factors have been extracted for analysis. Components matrix emphasizes the aggregate value of the components of the total 15 components. But as 4 components are having the values more than one and these are correlated with the factors as friendliness of employee, consumer friendly schemes, ability to help the customers and the friendliness of web site. Here the customers have expressed their satisfaction as per their expectation on these factors. So, from the above analysis, it is estimated that the CRM practices adopted by the bank is somehow successful and it has been maintained strategically to retain the customers as well as to provide better service to satisfy them in the competitive environment. So it is concluded that as other components are insignificant, these have not been taken here for any further analysis. So, customers of the bank are very much pleased and satisfied with the above four factors only out of the total 15 factors. So bank must maintain this degree of attention on the other factors those which are having insignificant values for better responses and motivation.

CONCLUSION

A total of 125 customers were selected as sample for the study and the factor analyses were used as an indicator for measuring of each responding factors of the respondents for evaluation. These factors were selected from the responses of the respondents and were mostly related to banking services, physical facilities, the employee attitude and behavior, ability

Further, it was revealed from the study that, the maximum customers of state Bank of India represented the businessman category followed by Government employees. Further, from the monthly income and opening of account point of view, business man and private sector employees mostly prefer to open account in State Bank of India and their income per month ranged between as Rs. 35000 to 40000 and above Rs. 40000. Similarly in the regional study of customers, it was divided into six categories as rural, semi urban, urban small town, city and metro areas. Further, it was observed that maximum number of customers have fixed deposits in State Bank of India, next to current account deposits. It was also observed that, maximum number of customers have been motivated for opening of account in State Bank of India by their friends next to the motivation of employees and managers of the bank. It was also found in the study that, maximum customers are having more than 15 years of accounts in State Bank of India followed by the another group whose accounts are operational from 12-15 years. So, maximum customers are older customers for State bank of India and it is the credit worthiness of the bank, which clearly indicates the capacity to retain the customers and CRM practices applied by the Bank.

In the factor wise analysis for CRM practices, the Components matrix showed the aggregate value of the 15 components. Out of that, only 4 components were having the values more than one and these were correlated with the factors as friendliness of employee, consumer friendly schemes, Ability to help the customers and the familiarity of the website. Here the customers have expressed their satisfaction as per their expectation on these factors than other factors. So, from that data it is estimated that the CRM practices adopted by the bank is somehow successful and it has been maintained strategically to retain the customers as well as to provide better service to satisfy them in the competitive environment so, it can be concluded that the strategy adopted by SBI to maintain a

good CRM practice in the Bank is quite successful and implies a growth in the direction of customer accumulation.

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Impact of CRM in e-tailing industry In India: A Customer Perception Study

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Introduction

In view of the global competition, there are greater pressures on Retail Industry in India to bring greater satisfaction to the consumers. With the passage of time there has been a change in the strategy of Indian Retail Industry as they strive to become more competitive. It has become more imperative to define new standards of quality and services with the changing technology and environment in India. Indian Retail Industry has been divided into two category i.e. un-organized and organized. Unorganized retail offers unique services to its clientele i.e. Door delivery, personalized services and sometime credit facility by the small Kirana shops established in approximately 500 sq. feet area. The Big Mega Malls, Super stores, Big Bazaars Specialty stores, e-tailing etc. are the latest formats of organized Retailing. E-commerce and E-tailing is one of the sunrise industries in India and becoming more and more prominent among the people. E-tailing is growing because it helps consumers to save time and efforts. One of the significant reasons for its growth is access to internet users numbering more than 2.5 billion. In India demographics changes, changing in life styles and exposure to international brands are also key motivators of E-tailing.

E-Retailing or E-tailing offer an opportunity to cater to consumers across geographies, no operational timings, unlimited shelf space, and all this with miniscule quantity of infrastructure. In developed countries like India, this business model is a very good and easy way of growth.

It is proved beyond doubt that Retail is India's largest industry, which is accounting for over approximately 10% of the country's GDP. In India organized retailing contribute only 4.1% of the total market while 95.9% unorganized retail sector cater the needs of the Indian population. This industry provides around 8% of the employment in India. Yet it is the beginning only the retail sector in India is exploding and good trends are visible. Indian Industry has ambitious plans to grow at a very fast pace and it is expected that retail business will grow 13 per cent annually from US\$322 billion in 2006-07 to US\$590 billion in 2011-12. As per the experts, organized retail will result in the creation of world class infrastructure in India.

In spite of above boosting trends in retail industry, as researcher we believe that it is need of day and the retailers has to be more efficient, more systematic, more accurate and more profitable. For this Retailers should begin to see the benefits of customer relationship management. automation and innovation. Advance Technology or IT can change the means of competition with the help of Laser barcode, scanning, and instant checkout, online grocery shopping and automated operations. The detailed product data with demand forecasting available in a software modules and online payments collection are important milestones in the growth journey of Retail Industry. The Information Technology and Telecommunication has forced the retailers not to focus on capital expenditure budgets for the growth but to use the application software to increase efficiency and profitability. Special software has been designed to cover the specific requirements from sales point of view, supply chain management, customer relationship management, and assortment and so on. Software Companies like Oracle and JDA Software have understood the growing interest of utilizing IT in the retail business.

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JDA Software has catered software needs to nearly ten acquisitions in the last seven years for Textile, Food, and Consumer Goods Industry. This is the starting of the trends and as per the experts, the software market is expected to grow from \$474.8 million in 2005 to \$731.9 million in 2010, which means it will grow at compound annual growth rate of 9%. The Ecommerce market is expected to touch 9210 Crore INR in 2007-08, E Tailing or e-retailing market is only about 1150 Crore INR according to a survey conducted by Internet and Mobile Association of India and Indian Market Research Bureau (IMRB).

The internet industry in India has experienced a tremendous growth in the last decade especially in urban and semi urban areas. There is now a reason that e-tailing should not flourish with the growing number of internet users. The increase in use of internet in the general public is very glaring i.e. a jump of 700% has been noticed in the last six years. Out of 21.4 million online users in urban areas in India only 10% are active buyers. In India most commonly purchased merchandises through internet marketing are electronic items, cloths, gift items etc. The Future Group offers more than 50000 products in 185 categories and is expecting revenue of Rs.300 crores. It also offers home delivery services in more than 1500 cities across India.

In spite of all these encouraging factors indicating chances for higher growth of e-tailing activities in India still considerably large number of population is not exposing to internet and its use. As per data 96.7 per cent Indian especially in the rural areas are not using internet and are far away from the e-tailing. Despite the vast awareness of organized retail formats the dependence of the rural poor for day today needs continues on Kirana Stores, Weekly Bazaars in their locality.

Statement of the Problem:

The study focuses on important dimensions of relationship Customer Relations Management, which plays very crucial role in the growth of e-tailing in India. The study encompasses various practical approaches like understanding of customer needs and focusing on their satisfaction has its impact on the growth of e-tailing in India. The study also suggests various measures to improve the level of growth in the organized retailing especially e-tailing. In view of enormous competition all over the world, this study also explores the possibility of greater attention and effort on Customer Relationship Management.

Objective of the Study:

The objective of this study is to understand the impact of customer relationship management CRM contributing in growth of e-tailing.

Sampling Frame and Design

Primary data required for this study has been managed through well designed questionnaire issued to the randomly selected samples, Personal Interview and telephonic interview. The random sampling method has been used for the purpose of this study considering their availability and approachability from different part of the society. The sample has been selected from National Capital Region.

Sources of Data

The Researcher has used both primary and secondary data to have better and clear focus on the objectives of the study.

Primary Data

Primary data has been collected from the constant user of e-tailing and retailers through a well structured questionnaire. The questionnaire focuses on the applicability of Consumer Relationship Management (CRM) from customer preferences and also from Retailers preferences. Similarly the questionnaire also focuses on role of Advance technology in the growth of organized retailing from customers' preferences and also from Retailers preferences. The details of the respondents have also been collected for record purposes.

Questionnaire Design:

To find out the authentic data to meet the objectives of this study, four variables were identified, which were quite relevant to the topic. These variables were also selected based on the literature survey and discussions with the experts and academicians. Based upon these variables a questionnaire has been designed. The questionnaire has been pre-tested with the help of prominent academicians and practioners and their suggestions were incorporated as per the need of the study.

Secondary Data:

Secondary data has also been collected from important sources i.e. Websites Journals, Newspapers, Magazines, Articles, Books etc. to have the proper theoretical background of e-tailing in India.

Data Collection:

A total 150 No. of questionnaires was distributed to different segments of the society through personal contacts, through e-mails. Only 120 completed questionnaires have been received from the respondent, which represent 80% of response rate. Only 20% respondents have not submitted their responses pertaining to the questionnaires.

Data Analysis:

The analysis of the data is done after tabulation of the collected data. The interpretation and tabulation of the data is done very careful to avoid any chance of error. The question wise responses received have been tabulated, interpreted and percentage calculated to achieve the objectives is given in Table 1 as under:-

Table No-1.1

Question wise responses received from the sample

Question	SA	A	U	D	SD
1. Do you agree that e-tailing is more popular than other organized retailing formats?	10	30	-	80	-
2. Do you agree that CRM is not being given due importance in Retail Industry in India.	-	70	20	30	-
3. Do you agree that perfect coordination between Information Technology and consumer Relationship Management is very important for the growth of e-tailing?	80	40	-	-	-
4. Do you agree E-tailing in India has bright scope in future?	60	40	20	-	-

(1)‘SA’ stands for strongly agree (2) ‘A’ for agree, (3) ‘U’ for uncertain, (4) ‘D’ for disagree and (5) ‘SD’ for strongly disagree, CRM for customer relationship management.

Inferences:

After collecting and analyzing the data, the researcher has to accomplish the task of drawing inferences followed by report writing. Data analysis has to be done very carefully, otherwise misleading conclusions may be drawn and the whole purpose of doing research may get vitiated. It is only interpretation that the research can expose relations and processes that underlie his findings.

The collected data has been analyzed and some important Question-wise inferences and interpretation are given below:-

Inference-1:

Do you agree that e-tailing is more popular than other organized retailing formats?

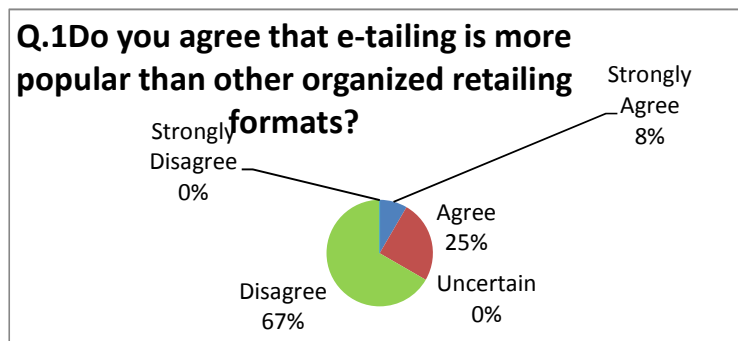


Figure.1

The responses received from the respondents revealed that 67% of the respondents have disagreed that e-tailing is more popular than other organized retailing formats.

Inference-2:

Do you agree that CRM is not being given due importance in Retail Industry in India.

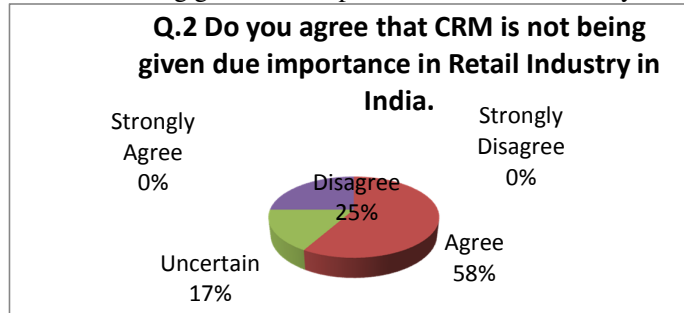


Figure-2.

Out of total data collected 50% disagree and 33% strongly disagree that CRM is not given due importance in retail industry in India while 17% respondents have agree with this view.

Inference-3:

Do you agree that perfect coordination between Information Technology and consumer Relationship Management is very important for the growth of e-tailing?

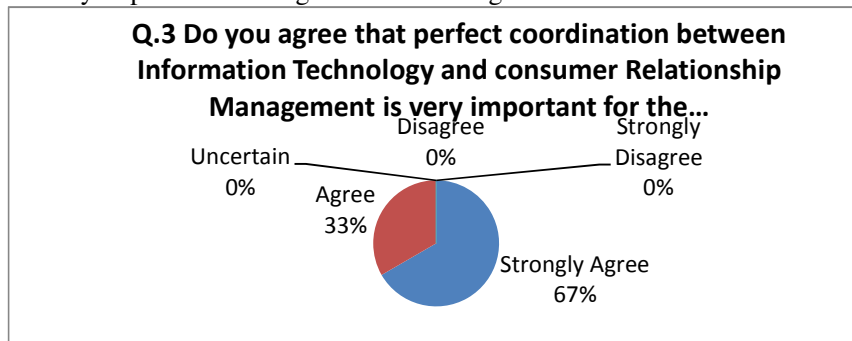


Figure-3.

Since 67% of respondents are strongly agree and 33% agree that there is significant contribution of relationship between IT and CRM towards growth of e-tailing hence Alternate Hypothesis is accepted.

Inference-4

Do you agree E-tailing in India has bright scope in future?

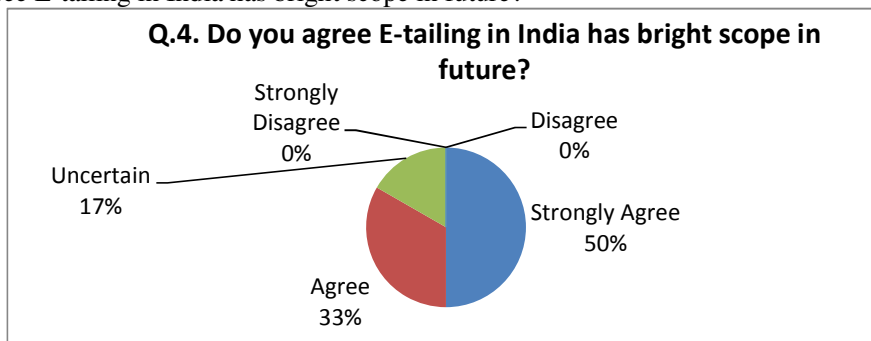


Figure-4.

Since 50% of respondents are strongly agree, 33% are agree and 17% uncertain about India having bright scope in future, hence it is predicted that e-tailing in India has enormous and bright scope.

CONCLUSION

E-tailing as the name suggests, is marketing through internet or e-mails. This age of advance technology or Information Technology has opened up new possibilities across the world. As per the latest statistics 400 million people access internet regularly in India. This study has revealed that the role of Customer Relationship Management in e-tailing especially in the age of automation and innovation are very crucial and important for the growth of any business. No doubt the future of retail industry in India is promising, the market is growing, government policies are becoming more favorable and emerging technologies are facilitating operations. The conclusion of the study are as under:-

- That e-tailing or internet marketing is not so popular as other organized Retailing formats as voted by majority i.e. 67% of the respondents.
- That the Consumer Relationship Management is very important in the growth of e-retailing supported by 80% of the respondent. But still 53% respondents feels that customer relationship management is not being given due importance in retailing in India. It means that there is large scope for the retailers to progress in this direction.
- That Coordination between IT and CRM is very important for the growth of retailing and e-tailing.
- That E-tailing has a great growth potential and has a bright scope in future as 83% respondent have strongly agreed that internet marketing is a sunrise area in India

Though the above trends are very encouraging towards having bright future of internet marketing or e-tailing in India but at the same time there are some feed back against e-retailing are:-

That other Retail Marketing formats have been viewed better than internet marketing because in Retail Marketing consumer can see and inspect the samples or goods in physical before purchasing the same. But in e-tailing we cannot check or verify the quality of the product or services. Internet marketing can facilitate quick searching and order placing with e-payments but other important aspects of retailing such as delivery of goods, post sale services, customer satisfaction and relationship to be managed efficiently. The future of E-tailing depends on the use of internet by younger generation.

RECOMMENDATIONS:

While making recommendation, it is pertinent to mention here that in India internet marketing or e-retailing is just the beginning and it has already received much exposure. It is hard to believe that internet is just a decade old in India. The greater use of internet has resulted number of online marketing companies cropped up in the country and is a proof of how well the industry is flourishing. As internet is growing so the trend of online marketing. It is strongly felt that there is great scope of internet in the rural India. Government of India should take some definite steps for proper IT education for further growth of Retail industry in rural areas. It is strongly recommended that broad band connections to be increased in semi urban and rural areas. This will surely enable the purchasers in these areas to use E retailing. Another important recommendation for the growth of e-tailing is that mobile connectivity to internet should be enhanced that in turn will increase the market for e commerce. Companies should try and promote e-commerce by physical advertising also (ICICI has done excellent work in this area by even keeping a demo computers in the physical premises allowing customers to have a physical experience to promote e-banking

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Integrating IT in Accounting Education and Research: The Opportunities and Challenges

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**Dr. Sudipti Banerjea

Introduction

In the age of information and increasing use of technology, market requirements for accounting graduates are changing rapidly. **McCall (1988)** observed that accounting education has been affected by computer technology and the integration of computers in the accounting curriculum is still an evolving process. There has been an overwhelming momentum for academic institutions, in particular for commerce faculties, to integrate computing in their degree programmes. **Bromson et al. (1991)** pointed out that this momentum has been accelerated by the accounting professions' reaccreditation requirements. This is demonstrated when **McCall's (1988)** quoted the American Accounting Association's 1985 objectives for integrating computers in the accounting curriculum: '1. *to teach accounting more effectively; and 2. to provide students with the prerequisite computing skills*'. Although more computing has been inserted in the degree programmes, the pedagogic implications of this has been unclear. **Wilson (1988)** observed that the results of empirical tests generated inconclusive and conflicting results of the effects of computers on learning accounting concepts. Part of the inconsistency rests with the fact that these experiments used different types of tests to measure achievement and different types of computers and programmes. **Bromson et al. (1991)** observed that it is no longer adequate to simply refer to *computers in accounting* since the use of computers in accounting can include *computer-aided learning, computer simulation and modelling and computerised accounting information systems*.

A Brief Review of Literature

The International Education Guideline (IEG) 11 issued by the Education Committee of the **IFAC (1995, 2003)** considered that "Information Technology is pervasive in the world of business" and "competence with this technology is imperative for the professional accountant". **Ahmed (2003)** observed that the issue of integrating IT skills in accounting education has been a continuing concern of many parties including professionals, educational bodies as well as accounting educators all over the world.

Academics like **Dearing (1997)** and professional organizations like **IFAC (1995, 2003)** called for IT-competent graduates and voiced concerns over whether accounting education efficiently and effectively prepare accountants to meet the challenges.

They acknowledged the need for greater development of higher-level transferable skills including IT skills in accounting programmes. The impacts of dynamic nature of IT on accounting practices have forced accounting education to reform its programmes in order to keep pace with changes in the profession. IT skills have become another mandatory skill for practicing accountants (<http://www.nysscpa.org/trustedprof/405a/tp7.htm>), besides other generic skills such as leadership skill, communication skill and general business knowledge. Researchers, business leaders, professionals, and educators as well as academic organisations have initiated relevant measures and made rigorous efforts to strengthen IT integration in accounting education. These efforts include, but not limited to, alternative uses of computer in accounting education.

Dearing (1997) informed that, there are professional accounting bodies and academic organisations, such as BAASIG accounting education, that encourage and provide some guidance to integrate IT in leading role in assisting institutions to exploit the potential of information and communication technology (ICT) for learning and teaching.

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accounting programme. For example, **Dearing (1997)** recommended establishing professional Institute of Learning and Teaching in Higher Education which, among its functions, is to take a Last but not the least, there are some educators [including but not limited to **Sangster (1992)**] like **Ahmed (2003)** who reported on their actual experience in integrating IT in the accounting units they taught. Despite these highly motivated and rigorous efforts, accounting education has been criticised for not developing graduates with appropriate IT skills required by employers and a growing gap exists between what accountants do or need and what accounting educators teach For example, **Ahmed (2003)** found low levels of IT skills/knowledge (competency) integration in the accounting degree programmes in the UK, the USA, China and Australia respectively.

The Dilemma of Integration

A fundamental question that is often asked is whether IT could enhance students' learning or not. Many educators frequently raise this issue while expressing their opinion regarding IT skills' integration in their teaching. They would consider integrating IT in their teaching if use of IT helps them add value to students' learning process such as promoting their understanding of the academic concepts. Otherwise, they would prefer other approaches instead of IT. However, some of the educators are simply in favour integrating IT because of their strong interest in it and belief in its benefits although the benefits are not clearly identified at the initial stage. Their past experience shows that integrating IT does help enhance students' interest and understanding of the conceptual discussions. Meanwhile, another important factor which becomes very important towards integrating IT in teaching is the interest of the educator. Highly interested educators seem to integrate IT in teaching and witness it as something feasible, financially and operationally. Some of the educators also propose that somebody should set a role model or play the role of a catalyst who could motivate others to follow the suit. Besides setting an example, they could share their knowledge and expertise with others. This would motivate the educators who want to integrate IT in their teaching but have a lack of knowledge and skills to do that. Further, fulfilling the expectations of students of IT is another factor that motivates educators to include IT in their teaching. Educators believe that students are looking for developing some IT skills while pursuing a degree programme that could give them some value addition for getting a job. Considering that, some educators feel motivated to incorporate IT in their teaching. Finally, availability of IT-based support also motivates educators to use IT in their teaching. Educators find that the benefits offered by IT motivate them to use it in teaching. Some of them enjoy the benefits of time saving and managing resources as well as communicating with students. In general, all of these factors directly impact the integration process. Thus, it is evident that educators play a major role in the process of enhancing development of IT skills in accounting education. Integrating IT as an educational support tool focuses on using IT as a teaching/learning strategy to improve the learning experience and gain efficiencies in terms of supporting teaching staff. The question is whether the latter approach really helps students in developing the IT-related skills.

Williams (1991) observed that IT as an educational support tool [such as the use of Computer Based Instruction (CBI) or Computer Assisted Instruction (CAI)] is sometimes dismissed as part of integration since it is more *appropriate to refer to* as 'use' of technology rather than integration.

Sangster (1992) identified staff resistance to innovation (due to the issues such as conflicting demand on staff time, learning methods unacceptable to students, long-serving members of staff and unwillingness on their part to accept other than traditional teaching methods); **Gazely and Pybus (1997)** identified limited resources both in terms of staff and infrastructure; **Aisbitt and Sangster (2005)** identified problems relating to technology infrastructure experienced in integrating internet-based on-line assessment (such as software incompatibility, access problems and inadequate technical support); **Allen (2000)** identified overcrowded accounting academic programmes and lack of institutional supports; and **Kelly et al. (1999)** identified resistance to change, dominant use of scientific methods in accounting education which train rather than educate and passive knowledge acquisition, etc., as the major reasons which come in the way to the integration required.

The Process of Integration

Sangster (1992) found that a holistic integrated approach is suggested and recognised by some professional accreditation bodies. For example, the Board of Accreditation of Accountancy Educational Courses (BAAEC) gives accreditation to the courses with no separate computing

subjects. The approach considers the development of IT skills in the whole programme instead of in individual units and focuses on helping students acquire the IT knowledge and skills relevant to understanding the role of IT in business. In other words, it is the collective work of all related parties instead of individual educators' work. Moreover, the skills and the way IT is used to develop those skills should relate to subject knowledge development. However, is this ideal approach feasible? In reality, the holistic approach is not financially and operationally feasible and requires long-term commitment. **Aisbitt and Sangster (2005)** demonstrated that partial and interim initiatives are encouraged and meaningful integration is emphasised in a sense related to accounting knowledge and close to accounting practice. Alternatively, educational technology like CAI can be incorporated in the syllabus so that students can work with spreadsheets and databases. The two dimensions of integration were suggested by **Sangster (1992)** for the optimum benefits of IT--integrating IT skills and integrating IT as an educational support tool. **IFAC (1995)** observed that success of the implementation of IT integration in accounting curriculum depends on, *inter alia*, adoption of integration across curriculum approaches and identification of the right skills to develop high interest and commitment on the part of the most senior policy-makers. **Aisbitt and Sangster (2005)** felt the need for clear communication of the requirements, called for commercial software team commitment and focused on strong evaluation and feedback instruments. **Gazely and Pybus (1997)** focused on meaningful subject areas and academicians' interest in, and positive attitude towards, IT skill.

Concluding Observations

Inadequate knowledge and understanding of the changing nature of IT and its tremendous capabilities as well as the fixed time frame for accounting programmes make it impossible to integrate all the required skills needed to develop competitive advantage. Accounting education, just like other education programmes, is based on the aim to promote learning how to learn and to ensure life-long learning. Basic, but highly demanded, IT skills at the entry-level should be given priority for integration. Educators become the major focus to ensure both initiatives and implementation towards development. Therefore, educators should be motivated and willing to give effort and time in order to learn and implement new things in their teaching. One of the possible ways is to develop university policy. That policy should put emphasis on the importance and needs of development of IT skills and innovations by reinforcing the IT skills' development in the curriculum, training the educators to acquire the relevant IT skills and knowledge and offering attractive benefits for educators who put efforts to generate IT-related innovations. The said training should guide educators to develop the required instructional design and implement it. Inclusion of reflection sessions in the training process is a good approach to ensure that educators perceive matters in a way that guides them towards designing and implementing the required instructional methods. The emerging substantive theory suggests that the factors like university policy, employers' expectation and other universities' practices are strong external determinants for development of IT skills. The theory also suggests that some internal factors (particularly, the availability of highly motivated and interested educators) are also important determinants. No doubt, a well-designed technology-based curriculum requires proper planning, skills, and disposition. In search for the best teaching output in accounting education, faculty should continually look for some applications that are most likely to enhance students' learning.

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**PERCEPTIONS OF BENEFICIARIES TOWARDS INSTITUTIONAL
FINANCE FOR TRIBAL DEVELOPMENT – A CASE STUDY**

***Dr. M. Gangadhar**

****Dr Chinnapa**

Introduction:

There are number of schemes and programmes, but also a number of agencies touching upon various facets of tribal life. Wide publicity is being given to the achievements in the field of tribal development by issuing press statements which have become a regular feature now. Typical Government press note on Tribal Development gives the number of individuals benefited under various sectors with details like loans and scholarships given, Hostels and Ashram Schools opened, number of houses constructed, etc. While making these claims the question about the perception of the tribals towards institutional finance for their development needs to be properly understood by the government and its agencies. The perception of tribals about the financial institutions is presented in this paper.

Meaning of Perception:

Perception is the basic cognitive or physiological process. It is the chief mechanism by which people come to know about their surrounding milieu. Perception is the process of understanding the information received from the environment. It is the intellectual process through which a person selects the data from the environment, organizes it and obtains meaning from it. Perception is defined as “the process of selecting, organizing and interpreting or attaching meaning to events happening in environment”. According to Joseph Reitz, Perception includes “all those processes by which an individual receives information about his environment – seeking, hearing, feeling, testing and smelling.

Objectives of the Study:

The following are the important objectives of the study “Perception of Beneficiaries towards Institutional Finance for Development of Tribal’s”:

1. To know the meaning of the term Perception.
2. To study the distribution of beneficiaries according to age, sex, occupation, ethnicists, literacy, marital, income, sources of income, shelter and utility services.
3. To understand the perception of the beneficiaries about Government schemes.

Methodology of the Study:

Beneficiaries are distributed according to the age, sex, occupation, ethnicity, education, marital status, income level, sources of income, nature of shelter, utility, health and economic status to know their perception about institutional finance provided by the government from the time to time. Three hundred beneficiaries are selected for this study among the revenue divisions. The structured schedule was administered to elicit the opinion of the respondents. Hundred beneficiaries were interviewed in each of the three revenue divisions namely, Nagarkurnool, Wanaparthy and Narayanpet. To evaluate their perception, simple averages and percentages were calculated. Nevertheless, depending on the necessity, the Chi-square, F-test and ANOVA have been used.

Distribution of Beneficiaries:

The selected beneficiaries are distributed as follows:

Age-wise Distribution: This distribution is very much useful to know the perception of beneficiaries’ according to their experience in the form of age. In general, it can be known that the perception of the beneficiaries below and above 40 years of age may not be the same relating the institutional finance. It can be expressed that the higher age group beneficiaries have more experience than the lower age group beneficiaries. The age-wise classification of beneficiaries is presented in the following table.

Table-1: Age-wise Distribution of Beneficiaries

Age (in years)	Nagarkurnool	Wanaparathi	Narayanpet	Total
18-25	5 (5.0%)	7 (7.0%)	4 (4.0%)	16 (5.3%)
26-35	15 (15.0%)	13 (13.0%)	16 (16.0%)	44 (14.7%)
36-45	45 (45.0%)	42 (42.0%)	40 (40.0%)	127 (42.3%)
46-55	30 (30.0%)	26 (26.0%)	32 (32.0%)	88 (29.3%)
56 and above	5 (5.00%)	12 (12.0%)	8 (8.0%)	25 (8.3%)
Total	100 (100.0%)	100 (100.0%)	100 (100.0%)	300 (100.0%)

Source: Compiled from the Questionnaire.

Table-1 indicates that the combination of age groups identified and interviewed from each revenue division of Mahaboobnagar district of Andhra Pradesh. The combination of age group indicates that the beneficiaries from 36-45 age groups are around 40 percent from each revenue division. In this study this age group plays an important role in expressing their opinion on the institutional finance. The next important role played by the age group of 46-55 and followed by the 26-35, 56 and above and 18-25.

Sex-wise Distribution: The constitution of India has guaranteed equality between men and women. This study also gives the importance to the women beneficiaries by including them in the sample selected from the three revenue divisions. The perception of men and women may differ significantly in general. Therefore, this type of grouping and classification of beneficiaries may tell us about the working and usefulness of the schemes introduced by the concerned departments in particular and government in general.

Table-2: Sex-wise Distribution of Beneficiaries

Name of the Mandal	Male	Female	Total
Nagarkurnool	74 (74.0%)	26 (26.0%)	100 (100.0%)
Wanaparathi	72 (72.0%)	28 (28.0%)	100 (100.0%)
Narayanpet	76 (76.0%)	24 (24.0%)	100 (100.0%)
Total	222 (74.0%)	78 (26.0%)	300 (100.0%)

Source: Compiled from the Questionnaire.

Out of the total 300 respondents, 222 (74%) are males and 78 (26%) are females. The statistical figures pertaining to revenue division's population of Nagarkurnool, Wanaparathi and Narayanpet indicates that the male and female population is approximately the ratio 70:30. Therefore, the men and women respondents selected from the three revenue divisions are in a similar ratio. Anyhow, based on this proportion the men respondents are more than the women respondents. The men respondents play an important role in expressing their perception about the institutional finance arranged by the relevant department for tribal development.

Occupation-wise Distribution: Broadly speaking various occupations can be classified into three categories, viz., primary, secondary and tertiary. Agriculture, forestry, animal husbandry, fishing, poultry farming, mining and quarrying are considered to be primary occupations. Manufacturing industries and small-scale and cottage industries are included in the secondary sector. Trade, transport, communication, banking, insurance, etc., are included in the tertiary sector. But in this study, we have classified the occupation of beneficiaries into two categories viz., traditional and non-traditional. Many tribal habitations are in the hilly and forest areas and they are dependent for majority of their activities on forests. Tribals continue to live in forest areas. Some of them survive only on the collection of Minor Forest Produces (MFPs). Collection of MFPs is included in the traditional category and the remaining activities are considered as the non-traditional.

Table-3: Occupation of the Beneficiaries

Name of the Mandal	Traditional	Non-traditional	Total
Nagarkurnool	41 (41.0%)	59 (59.0%)	100 (100.0%)
Wanaparathi	52 (52.0%)	48 (48.0%)	100 (100.0%)

Narayanpet	56 (56.0%)	44 (44.0%)	100 (100.0%)
Total	149 (49.6%)	151 (50.4%)	300 (100.0%)

Source: Compiled from the Questionnaire.

From the table-3, it can be drawn that the beneficiaries selected from the traditional and non-traditional category is more or less equally distributed. Out of 300 beneficiaries 149 (49.6%) are traditional and 151 are non-traditional. When we observe the distribution of beneficiaries in the Wanaparathi and Narayanpet division are more than traditional but in Nagarkurnool it is not true. Nagarkurnool division is more modern than the other revenue divisions. Therefore, we can say that the tribals' nature of work for their livelihood is changing from time to time. This is because of the enactment of the Forest Conservation Act 1980, their rights to collect MFPs and other forest produce has been restricted considerably. In view of this the National Forest Policy, 1988 stipulates that all agencies responsible for forest management should ensure that the tribal people are closely associated with the regeneration, plantation, development and harvesting of forests so as to provide them gainful employment. This gives the change of tribals' occupation from traditional to non-traditional category.

Ethnic or Race-wise Distribution: There are over 700 Scheduled Tribes notified under Article 342 of the Constitution of India, spread over different States and Union Territories of the country. Many tribes are present in more than one state. According to the 2001 census, the population of Scheduled Tribes in the country was 8.43 crore, which is 8.2% of the total population of the country and the tribal population in Andhra Pradesh is 5.96% of the total population of the state. The population of Scheduled Tribes has been on the increase since 1961. The beneficiaries covered in this study are Erukala, Lambada, Chenchu and Yanadi. These are highly populated scheduled tribes in the selected three revenue divisions of the Mahaboobnagar district and the same is presented in the following table.

Table-4: Race-wise Distribution of Beneficiaries

Name of the Caste	Nagarkurnool	Wanaparathi	Narayanpet	Total
Erukala	62 (62.0%)	58 (58.0%)	50 (50.0%)	170 (56.7%)
Lambada	35 (35.0%)	33 (33.0%)	32 (32.0%)	100 (33.3%)
Chenchu	2 (2.0%)	7 (7.0%)	11 (11.0%)	20 (6.7%)
Yanadi	1 (1.0%)	2 (2.0%)	7 (7.0%)	10 (3.3%)
Total	100 (100.0%)	100 (100.0%)	100 (100.0%)	300 (100.0%)
		<i>df</i>	<i>Calculated Value</i>	<i>Table Value</i>
X ²		6	13.754	11.07

Source: Compiled from the Questionnaire.

Table-4 shows the ethnic group composition among the three revenue divisions. From this table it can be observed that the Erukala is the major ethnic group in the study. This is because of the population of Erukala is residing more in the northern revenue divisions of Mahaboobnagar district. Out of 300 beneficiaries 170 (56.7%) are from Erukala, 100 (33.3%) from Lambada, 20 (6.7%) from Chenchu and 10 (3.3%) from Yanadi. The greater number of respondents representing from Erukala and Lambada ethnic groups are from Nagarkurnool and Wanaparathi revenue divisions. But the highest number of Chenchu and Yanadi ethnic population is from Narayanpet revenue division. Therefore, in this study the Erukala and Lambada ethnic groups are to play an important role in the expression of their opinion about the institutional finance for the development of tribals. Further, to critically evaluate with Chi-Square test it can be found that there is a significant difference between races ethnic, when the table value is 11.071 and calculated value is 13.754.

Literacy-wise Distribution: Education can contribute significantly to tribal development in a variety of ways. By widening the horizons of knowledge of the tribals, it can enable them to overcome ignorance and superstitions. Adoption of new agricultural techniques and new methods of production is rendered easier if the tribal farmers and laborers are educated. Education can be oriented as to impart skills and attitudes useful in improving the quality of family life. In labor surplus economies like India, education can help rural tribals in acquiring skills to set up cottage industries on their own

so that the disguisedly unemployed tribals can be fruitfully employed in the villages / hamlets themselves. The literacy rate for the total population in India has increased from 52.2% to 65.38% during the period from 1991 to 2001 whereas the literacy rate among the scheduled tribes has increased from 29.62% to 47.10%. Among ST males literacy increased from 40.65% to 59.20% and among ST female literacy increased from 18.20% to 34.80% during the same period. The ST female literacy is lower by approximately 20% as compared to the overall female literacy of the general population.

Table-5: Literacy-wise Distribution of Respondents

Mandal	Illiterate	Literate	Total	Primary	Secondary	Graduation	P.G.	Total
Nagarkurnool	68 (68.0%)	32 (32.0%)	100 (100.0%)	17 (53.1%)	6 (18.8%)	5 (15.6%)	4 (12.5%)	32 (100.0%)
Wanaparathi	78 (78.0%)	22 (22.0%)	100 (100.0%)	12 (54.5%)	5 (22.8%)	4 (18.2%)	1 (4.5%)	22 (100.0%)
Narayanpet	80 (80.0%)	20 (20.0%)	100 (100.0%)	17 (85.0%)	2 (10.0%)	1 (5.0%)	-	20 (100.0%)
Total	226 (75.3%)	74 (24.7%)	300 (100.0%)	46 (62.1%)	13 (17.6%)	10 (13.5%)	5 (6.8%)	74 (100.0%)

Source: Compiled from the Questionnaire.

Table-5 reveals the literacy level of tribals in the selected three revenue divisions of the Mahaboobnagar district. Out of 300 sample respondents 226 (75.3%) are illiterates and 74 (24.7%) are literates. The literacy rate of the selected tribals is less than the national general and tribal literacy rate. Hence, it can be concluded that the one fourth of sample respondents are literates and the three fourth of them are illiterates. Perception of the illiterate respondents can play an important role in institutional finance for tribal development. Among the literates most of them are completed only the primary education and very few of them completed their under and post graduation. The highest number of illiterate respondents are found in the Narayanpet revenue division and followed by the Wanaparathi and Nagarkurnool revenue divisions. This trend indicates that the institutional finance arranged by various institutions may not be known to them because they are unable to read the news papers and understand the different announcements through the radio and television programmes. Therefore, the government has to initiate compulsory education to the children of the tribals in these three revenue divisions.

Marital Status-wise Distribution: Marital status explains the status of respondents in the society. Married men or women having maturity in understanding differ when we compare with the unmarried people. This type of categorization helps to know the perception of the respondents according to their marital status. This gives an indication of the success of different institutional financial arrangements in the past and changing requirements of respondents in the future expressed by the young respondents. The number of respondents distributed in the three revenue divisions according to their marital status is presented in the following table:

Table-6: Marital Status-wise Distribution of Respondents

Marital Status	Nagarkurnool	Wanaparathi	Narayanpet	Total
Married	72 (72.0%)	70 (70.0%)	74 (74.0%)	216 (72.0%)
Unmarried	4 (4.0%)	5 (5.0%)	6 (6.0%)	15 (5.0%)
Widow	14 (14.0%)	12 (12.0%)	10 (10.0%)	36 (12.0%)
Widower	10 (10.0%)	13 (13.0%)	10 (10.0%)	33 (11.0%)
Total	100 (100.0%)	100 (100.0%)	100 (100.0%)	300 (100.0%)

Source: Compiled from the Questionnaire.

From the table-6, it can be observed that out of 300 respondents 216 (72%) are married, 15 (5%) are unmarried, 36 (12%) are widows and 33 (11%) are widowers; married respondents representing above 70% of the total respondents are selected from three revenue divisions; The second highest number of respondents reporting is from the widows in all the three regions; The third position occupied by the respondents are from widowers from the same revenue divisions; The lowest number of respondents is sampled from the category of unmarried respondents; The representation of respondents from each group showing the similar ranking in all the three revenue division; and finally, it can be concluded that the married respondents contribute to the expression of their perception about the different schemes introduce by the government from the time to time.

Income-wise Distribution: It is important to understand the impact of development exercise on the economic welfare of the tribal in a proper perspective. There are glaring income inequalities in India and these are increasing in recent years. The government is no longer serious about reducing income inequalities. Tribals are economically very poor compared to other communities in the country. However, the income generated by the tribals is from the traditional and non-traditional activities. The generated amount of income is grouped into various income intervals and the same is presented in the following table:

Table-7: Income-wise Distribution of Respondents (Per month)

Monthly Income	Nagarkurnool	Wanaparathi	Narayanpet	Total
Up to Rs.1500	26 (26.0%)	36 (36.0%)	51 (51.0%)	113 (37.7%)
Rs.1500 – Rs.3000	28 (28.0%)	34 (34.0%)	39 (39.0%)	101 (33.7%)
Rs.3000 – Rs.6000	32 (32.0%)	22 (22.0%)	8 (8.0%)	62 (20.6%)
Rs.6000 and Above	14 (14.0%)	8 (8.0%)	2 (2.0%)	24 (8.0%)
Total	100 (100.0%)	100 (100.0%)	100(100.0%)	300 (100.0%)
	<i>Df</i>	<i>Table Value</i>	<i>Calculated Value</i>	
X ²	6	12.591	28.695	

Source: Compiled from the Questionnaire.

Table-7 shows about the income-wise distribution of sample respondents from the selected three revenue divisions. Out of 300 respondents 113 (37.7%), 101 (33.7%), 62 (20.6%) and 24 (8%) are from income level of up to Rs.1,500, Rs.1,500 – Rs.3,000, Rs.3,000 – Rs.6,000 and Rs.6,000 and above respectively. Except Nagarkurnool, Wanaparathi and Narayanpet divisions are showing similar income distribution of respondents. Below Rs.3,000 income level of respondents are 214 (71%) and the 86 (29%) respondents are from the above Rs.3,000 income level. Hence, it can be concluded that the more number of respondents are having the less monthly income and this amount is not sufficient to meet the monthly expenditure of the respondents. Therefore, more amount of institutional fiancé is required to the tribals living in these selected three revenue divisions of the Mahaboobnagar district. The calculated Chi-Square Value is 28.695 and the table value is 12.591. There are significant differences in monthly earnings in the three revenue divisions of Mahaboobnagar district.

Source-wise Income Distribution: Income levels of the tribals are covered in the above discussion. But here we have to concentrate on the various sources of their income. For the purpose of study the sources of income are identified and classified into Traditional Occupation, Labour, Agriculture and Self Employment. This information is presented in the following table:

Table-8: Source-wise Income Distribution of Respondents

Source of Income	Nagarkurnool	Wanaparathi	Narayanpet	Total
Traditional Occupation	41 (41.0%)	52 (52.0%)	56 (56.0%)	149 (49.7%)
Labour	16 (16.0%)	26 (26.0%)	32 (32.0%)	74 (24.7%)
Agriculture	29 (29.0%)	18 (18.0%)	11 (11.0%)	58 (19.3%)
Self-Employment	14 (14.0%)	4 (4.0%)	1 (1.0%)	19 6.3%)
Total	100 (100.0%)	100 (100.0%)	100 (100.0%)	300 (100.0%)

Source: Compiled from the Questionnaire.

Table-8 represents the source-wise income distribution of sample respondents in the selected three revenue divisions of Nagarkurnool, Wanaparathi and Nayayanpet. Hundred respondents each from the above three revenue divisions are selected for the study. Half of the respondents' sources of income is from the traditional occupation and the remaining half of the respondents sources of income is from non-traditional activities like- labor, agriculture and self-employment. Among the non-traditional sources of income labor and agriculture put together contributing 44 percent and the remaining 6 percent is from self-employment. Hence, the number of tribals is converting their traditional occupation to non-traditional because of the changing environment in the country.

Shelter-wise Distribution: After food and cloth another important necessity good is the shelter. Shelter is required by everyone to protect themselves from rain and sunshine. Tribal's required shelter to protect themselves from not only the rain and sunshine but also from the wild animals especially those who are living in the forests for their livelihood. The nature of shelter depends upon the income levels of tribals in the country as well as in the selected revenue divisions of the study. The nature of shelter of respondents of the study is categorized into Permanent / RCC, Temporary / Rent and Thatched. The same is presented in the following table for the purpose of study:

Table-9: Shelter-wise Distribution of Respondents

Type of shelter	Nagarkurnool	Wanaparathi	Narayanpet	Total
Permanent/ RCC	25 (25.0%)	18 (18.0%)	12 (12.0%)	55 (18.3%)
Temporary/Rent	20 (20.0%)	16 (16.0%)	14 (14.0%)	50 (16.7%)
Thatched	55 (55.0%)	66 (66.0%)	74 (74.0%)	195 (65.0%)
Total	100 (100.0%)	100 (100.0%)	100 (100.0%)	300 (100.0%)

Source: Compiled from the Questionnaire.

Table-9 reveals that out of 300 respondents' 195 respondents have thatched shelters; only 55 respondents have the permanent shelter; the remaining 55 respondents have the temporary shelter; among the selected revenue divisions of Mahaboobnagar district, Narayanpet revenue division respondents are very poor in comparison to the other two revenue divisions; with this background, it be suggested that the institutional finance is to be provided for the purpose of construction of permanent houses.

Utility Services-wise Distribution: Access to electricity is a basic amenity in today's context. Among the population segments, the coverage of electricity at household level varies significantly between scheduled castes / scheduled tribes and other households. At the national level, nearly 23 percent of scheduled tribes and 28 percent of scheduled caste households had access to electricity against 48 percent for other households in 1991. As per Census of India, if a household has access to drinking water supplied from a tap or a hand pump / tube well situated within or outside the premises, it is considered as having access of safe drinking water. Millions of people in the country suffer from water borne diseases on account of lack of access to safe drinking water. Proportion of households having access to safe drinking water was lower than the national average in Andhra Pradesh. In terms of population segments, the access to safe drinking water varies between the Scheduled Caste and Scheduled Tribes households. In case of Scheduled Tribes the access to safe drinking water is considerably lower. In this study we are also interested to know how many respondents have these utility services. For this purpose the collected data is presented in the following data.

Table-10: Utility Services-wise Distribution of Respondents

Name of the Revenue Division	Electricity Facility			Water Facility		
	Yes	No	Total	No	Yes	Total
Nagarkurnool	66 (66%)	34 (34%)	100 (100%)	42 (42%)	58 (58%)	100 (100%)
Wanaparathi	51 (51%)	49 (49%)	100 (100%)	30 (30%)	70 (70%)	100 (100%)
Narayanpet	42	58	100	16	84	100

	(42%)	(58%)	(100%)	(16%)	(84%)	(100%)
Total	159 (53%)	141 (47%)	300 (100%)	88 (29%)	212 (71%)	300 (100%)
	<i>df</i>	<i>Table Value</i>	<i>Calculated Value</i>	<i>df</i>	<i>Table Value</i>	<i>Calculated Value</i>
X ²	2	5.991	11.8	2	5.991	15.487
Source: Compiled from the Questionnaire.						

From the Table-10 it can be observed that out of 300 household respondents, 159 have electricity facility and 141 do not have the electricity facility in their houses; among the selected three revenue divisions the highest percentage (66%) of respondents are from Nagarkurnool and have the electricity facility unlike the other revenue divisions; the least (42%) electricity facility was recorded in the Narayanpet revenue division; out of 300 respondents, 212 households have access to safe drinking water; only 29 percent of the respondents do not have access to the safe drinking water from the three revenue divisions; among the three revenue divisions 84 percent of households are from Narayanpet and have access to safe drinking water and finally, it can be concluded that for the households from three revenue divisions, the utility services are improved because of institutional financing and it can also be proved through chi-square test.

Perception of the Beneficiaries towards Government Schemes:

Government is according high priority to the accelerated development of tribals by implementing various welfare and developmental programs which help the tribals lead better quality of life in terms of health, nutrition, education and employment etc. During 2006-07, the Government of Andhra Pradesh has taken a landmark decision in issuing comprehensive guidelines for implementation of economic support schemes through village organizations of tribal community. The responsibility of planning, implementing and monitoring of economic support schemes have been delegated to empower local tribal community in designing and implementing programs suitable for their development and also to inculcate a sense of owning and responsibility right from the beginning. Central and State Governments formulated and implemented different schemes for the tribal development on the one side but on the other side how many of them know about the schemes implemented by the governments is uncertain.

Table-11: Awareness of Beneficiaries towards Government Schemes

Awareness About	Nagarkurnool	Wanaparathi	Narayanpet	Total
Institutional Finance:				
Yes	72 (72%)	61 (61%)	52 (52%)	185 (62%)
No	28 (28%)	39 (39%)	48 (48%)	115 (38%)
Total	100 (100%)	100 (100%)	100 (100%)	300 (100%)
		<i>df</i>	<i>Table Value</i>	<i>Calculated Value</i>
X ²		2	5.991	8.486
Development Schemes:				
Yes	86 (86%)	65 (65%)	52 (52%)	203 (68%)
No	14 (14%)	35 (35%)	48 (48%)	97 (32%)
Total	100 (100%)	100 (100%)	100 (100%)	300 (100%)
		<i>df</i>	<i>Table Value</i>	<i>Calculated Value</i>
X ²		2	5.991	27.459
Membership in Co-operative Society				
Yes	58 (58%)	69 (69%)	74 (74%)	201 (67%)
No	42 (42%)	31 (31%)	26 (26%)	99 (33%)
Total	100 (100%)	100 (100%)	100 (100%)	300 (100%)
		<i>df</i>	<i>Table Value</i>	<i>Calculated Value</i>

χ^2		2	5.991	6.057
Margin Money				
Yes	72 (72%)	61 (61%)	52 (52%)	185 (62%)
No	28 (28%)	39 (39%)	48 (48%)	115 (38%)
<i>Total</i>	<i>100 (100%)</i>	<i>100 (100%)</i>	<i>100 (100%)</i>	<i>300 (100%)</i>
		<i>df</i>	<i>Table Value</i>	<i>Calculated Value</i>
χ^2		2	5.991	8.486
Source: Compiled from the Questionnaire.				

From the Table-11, It can be analyzed as follows:

Awareness about Institutional Finance: Out of 300 respondents 185 (62%) respondents have the awareness about institutional finance and the remaining 115 (38%) respondents are not having the knowledge about the institutional finance provided by the Government to the Scheduled Tribes. Among the selected three revenue divisions, respondents from Nagarkurnool are having more (72%) awareness about the institutional finance. Only 61 and 52 percent respondents from Wanaparathi and Narayanpet revenue divisions are having the knowledge about institutional finance. But the remaining respondents from the above two divisions are very poor in knowing about the institutional finance provided by the government to them. This situation has to be changed and everybody has to know about the institutional finance provided to them from the time to time. The success of different schemes of institutional finance depends on the number of respondents availed by it.

Awareness about Developmental Schemes: Out of 300 respondents 203 (68%) respondents have the knowledge about the developmental schemes introduced by the government. But the remaining 97 (32%) respondents expressed that they do not have the idea about the developmental schemes. Among the three revenue divisions 86%, 65% and 52% of respondents from Nagarkurnool, Wanaparathi and Narayanpet revenue divisions respectively have the knowledge about the development schemes? The remaining 14%, 35% and 48% respondents do not know about these schemes from the same revenue divisions. Hence, it can be concluded that the respondents from Narayanpet revenue division are very poor in their awareness about the developmental schemes introduced by the government and other agencies than the other revenue divisions. Here, it has to suggest that the government, non-government organizations and other agencies must educate the scheduled tribes about the developmental schemes available to them from the time to time.

Membership in Co-operative Society: Out of 300 respondents 99 (33%) respondents do not have the membership in co-operative society and the remaining 201 (67%) respondents are having the membership in co-operative society. 58 percent, 69 percent and 74 percentage of respondents from Nagarkurnool, Wanaparathi and Narayanpet revenue divisions are having the membership in co-operative society respectively. Hence, it can conclude that the majority of respondents do not have the membership in co-operative society.

Awareness about Margin Money: Out of 300 respondents 185 (62%) respondents have the awareness about margin money / subsidy and the remaining 115 (38%) respondents are not known about the margin money / subsidy offered by the government / financial institutions to the schedule tribes. Respondents from Narayanpet revenue division have less awareness about the different schemes offered to them by the government and other agencies than the other revenue divisions. Hence, it can indicates that the government, financial institutions, political leaders, community leaders, mass media, NGOs and others take the initiation to educate the schedule tribes about the different schemes.

To study the awareness among the beneficiaries Chi-Square test was conducted and found that significant difference. While cross checking the data about the institutional finance, development schemes membership in co-operative society and margin money they are aware about the schemes.

Conclusion:

This study categorized the beneficiaries into age, sex, occupation, ethnic, literacy, marital status, income, sources of income, shelter and utility services. The beneficiaries' perceptions about different schemes are studied by selecting the important aspects like institutional financing, development

schemes, membership in co-operative society, etc. Finally, it can be concluded that the beneficiaries have some sort of awareness about the different schemes but they do not have the complete knowledge about the total number of schemes introduced by the government and other agencies to them.

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Enhancing Quality of Teaching and Performance

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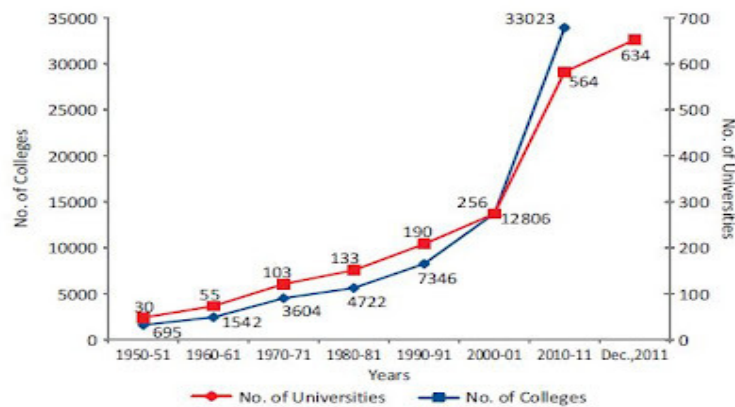
Introduction

The Education and Skill Development Services Sector broadly comprises of School Education, Higher Education and Industrial / Technical Training including Vocational Training. It should be noted that while in general, 'skill development'

The higher education system in our country comprises of Colleges, Universities and other institutions providing education, which leads up to graduate degrees or beyond.

Growth of Higher Education

Growth of Higher Education Institutions

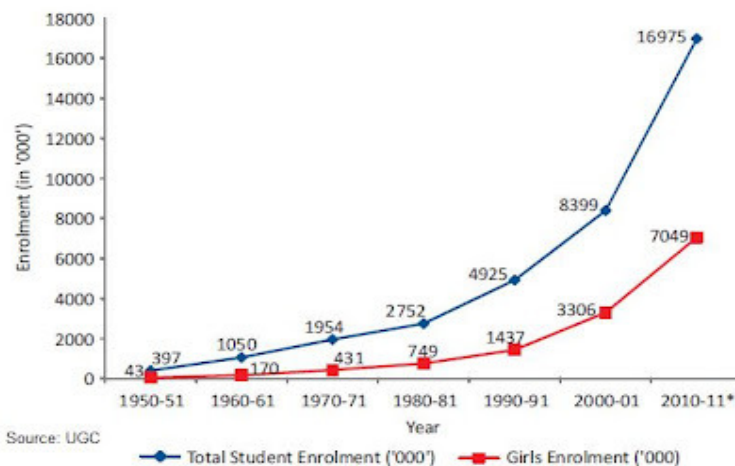


Source : MHRD / UGC

1. Massive Expansion in No. Of colleges:

India added nearly 20,000 colleges in a decade from 2000-01 to 2010-11. In 2000-01 12806 colleges were there and in 2010-11 these gone up to 33,023. Also the No. Of universities have increased from 256 to 564 in the same period.

Growth of Students Enrolment ('000') in Higher Education



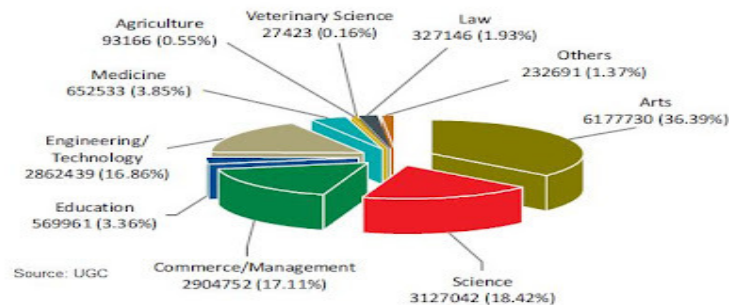
Source: UGC

2. Lesser growth in students enrollment:

Although number of students enrolled in higher education doubled from 8.4 million to 17 million in the decade 2000-01 to 2010-11, it grew a slower than the number of colleges

Students Enrolment for Higher Education in 2010-11

Faculty-wise Students Enrolment in Higher Education 2010-11*



From the above figure it is clear that, maximum students have enrolled for traditional courses that are 71.92% of the total enrolment for the Higher Education.

In order to promote economics and industrial development in a country, the essential requirement is the capacity to develop skilled man power of good quality in adequate number. According to population projections based on the 2001 Census figures, in 2011 nearly 144 million of India's Population will be between the age group 18 to 23 – the target age group for Higher Education. At the beginning of India's Independence there were 20 universities and 591 colleges while the student's enrollment was 0.2 million. After Independence the growth rate has increased like anything. Now India has possesses highly developed higher education system. India's Higher Education System is the third highest system in the world. First No. is of China and at the second No. is of United States in the terms of enrollment. However in terms of number of institutions, India is the largest Higher Education System in the world with 33,023. institutions including 564 universities. But in spite of this fact we are not in a position to provide quality education for the following reasons.

II. Drawbacks of the Current Higher Education System in India and Suggested Improvements

The entire system is beset by a variety of problems. The problems given below, are the ones which directly or indirectly affect quality of teaching in higher education.

- 1. Exclusivity:** Even today, the gross enrolment ratio for higher education is very low indicating that higher education is not as inclusive as it could be.
- 2. Wrong Attitude:** The education system looks at students as products rather than clients. Due to this, the approach is based on quantifiable targets, like number of students graduating every year, rather than quality based parameters. Dr. D. S. Kothari Commission on Education had recommended in the year 1964 that the Government should spend at least 6% of Gross Domestic Product on education but till today in 2012-13 also we could not reach to this target.
- 3. Lack of Accountability:** The Government agencies, institutions of higher education as well as the teachers are not required to show results.
- 4. Lack of Infrastructure and Equipment:** Many institutions do not have adequate teaching infrastructure. For technical courses in engineering and medicine this makes meaningful teaching impossible.
- 5. Reality Disconnect:** Most of the syllabi and teaching methods are either outdated or at least, not grounded in the needs of the job market. So the graduates and post-graduates are not equipped with the knowledge and skills required by industry. Industry-Academia linkages are not well developed.

6. Lack of Quality Research: There is very little quality research in our educational institutions. Due to this very few Indian papers are cited in other research work. There is also considerable plagiarism.

7. High Student-Teacher ratio: Due to this, students do not get the personalized attention they require. It leads to a higher drop-out rate for students from disadvantaged backgrounds.

8. Cosmetic Changes: Often, changes in the syllabi, pattern of grading and the system as a whole, are superficial, merely to prove that the system is dynamic. They may be described as, "sound and fury signifying nothing."

The authorities must encourage research among teachers and students. The Student-teacher ratio must be reduced to 30:1. If this is done, teachers can be asked to co-author research papers with students, even at the under-graduate level. With such experience at the under-graduate level, the quality of research work produced by post-graduate and doctoral students will definitely improve.

There must be accountability at every level and even senior teachers must be regularly asked to upgrade knowledge. Refresher courses must be compulsory after every five years, not just thrice in the entire career. The syllabi must be framed in consultation with industry and syllabi must not be allowed to get outdated. Any change in syllabi must be substantive. Often such changes are merely a juggling of topics between different years, which only benefits the text-book publishers. Members of Committees who suggest pointless changes, must be removed from such Committees. If changes instituted by the UGC or University authorities can be shown to be cosmetic, the authorities must be held accountable.

III. Total Quality Management and Higher Education

The concept of Total Quality Management (TQM) was developed by Dr. W. Edwards Deming and others. It aims at achieving consumer satisfaction and thus ensuring long term success and improvement in quality. In this sense one must look at long term requirement of customers (students), which is not to merely pass with good marks, but the further requirement that the education provided enables them to get appropriate employment. If a student has to work in a menial job after graduation or even post-graduation, it is not appropriate employment; since it does not compensate the student for the time and money spent on education.

Dr. W. Edwards Deming developed 14 principles of TQM.

They are discussed below with respect to higher education providers in India.

1. Constancy of Purpose: There must be a well-defined mission statement with long-term goals. This statement goals must become a part the thinking of every employee.

2. A Student Oriented New Philosophy: A student oriented philosophy is needed. Every employee, teacher or non-teaching staff member, must actively attempt to provide better services to the students. This includes education as well as administrative services. For example, before the recent additional examinations in our College, we opened four cash counters to accept student fees and accepted fees till 5:30 p.m. in the evening. Similarly our College now announces the dates of class tests and even dates of result declaration since the last two years for the convenience of students.

3. Cease Dependence on Mass Inspection: In education, the focus must be on teaching rather than testing. With excellent teaching, the quality of students will obviously improve. Students must be tested to understand how much they know, rather than what they do not know.

4. End Lowest Tender Contracts: If you pay peanuts you get monkeys. In self-financing programmes, the College may pay higher salary to an exceptional teacher, an approach which our Institution has adopted.

5. Improve Every Process: There must be improvements in all processes over time. Every employee must learn to think of improvements in the process of providing higher education. In our College the examiners now discuss the answer-papers to find common mistakes of students. This enables superior teaching to the next batch of students so that they may not make those mistakes.

6. Institute Training on the Job: It is common knowledge that new teachers can be trained better if senior teachers observe their lectures and point out areas for improvement. However, new teachers should also be allowed to observe lectures of senior lecturers so that they get pointers and sometimes they may also suggest improvements. No false sense of seniority must be allowed to stand in the way.

7. Institute Leadership: It is not only the leadership skills of the principal and departmental heads that are important, but leadership skills of everyone down to the junior most peons. The relationship with clients in education (students) is unlike that in other businesses. Students must become partners in the functioning of the Institution. This year we initiated an inter-college festival, which was handled completely by students who developed managerial and leadership skills.

8. Drive Out Fear: Innovative teaching methods must be encouraged. Even if they prove unsuccessful the initiator must not be penalised, otherwise there will be no innovation. Students must also be encouraged to look upon the College administration as a group of individuals, rather than a monolithic entity or “the establishment.”

9. Break Down Barriers: Barriers between different categories of employees must be broken by get-togethers so that there may be better communication and less of formal procedure.

10. Eliminate Exhortations: Rather than exhorting employees about the mission statement and goals, they must be encouraged to treat the goals as their own. Only then will they try to develop innovations to further those goals.

11. Eliminate Arbitrary Numerical Targets: Merely setting targets will not help. Very often data is fudged to meet targets. The processes must be improved so that the targets can be achieved.

12. Permit Pride of Workmanship: Every component of the education process; management, principal, teachers, non-teaching staff and even students must be encouraged to take pride in their work. This may be achieved by giving greater operational independence as well as fulsome praise for achievements.

13. Encourage Education: The entire staff and students must be educated regarding the concept of TQM. If this is done they will better understand the importance of their tasks to the Mission of the Institution and may actively suggest improvements.

14. Top Management Commitment and Action: The top management must be committed to the TQM philosophy and it must take action to ensure TQM within the Institution. A pro-active approaches needed otherwise the whole exercise may be reduced to a farce.

S. J. Lea, D. Stephenson and J. Troy, state that, students centred learning includes the following tenets :

1. Increased responsibility and accountability on the part of the students.
2. Active rather than passive learning.
3. Emphasis on deep learning and understanding.

4. An increased sense of autonomy in the learner.
5. An independence between teacher and learner.
6. Mutual respect within the learner-teacher relationship.

His Excellency, Honourable President of India Mr. Pranab Mukherji,

insist that the development of appropriate learning experiences are essential in teaching-learning process. “ Adaptation and application of new technology has to be an integral part of curriculum development for all stages of education. New methods and teaching aids must equip the younger generation to learn more, explore more and contribute more to the society”

The Higher Education System ensures the quality of the education process with the help of accreditation agencies established for the purpose. The main agency which accredits universities and colleges in general education is the National Assessment and Accreditation Council [NAAC] established by the UGC in 1994. In case of Technical Education similar function is done by The National Board of Accreditation [NBA] set up by AICTE in 1994 and for Agricultural Education by the Accreditation Board [AB] set up by ICAR in 1996.

IV. Conclusions

In conclusion, one may say that systemic changes by the authorities can bring about much needed changes. However, expecting systemic changes for the better may be a forlorn hope.

This does not imply that nothing can be done. Each College can begin to carry out improvements by adopting minor incremental changes. Individually, none of the changes will create much difference, but collectively the changes can bring about great improvement in quality of higher education in India. In this respect, the concept of TQM can yield high dividends. The paper has shown that the process works through actual examples of improvements initiated by our Colleges.

It is also necessary for Colleges to interact with each other so that positive changes in any one institution are gradually adopted by the entire system. If all this is done the system of higher education in India will definitely improve for the better.

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A Study of Legal Metrology in the Perspective of Consumer Protection With Special Reference to Weight and Measure Standards in India

Dr. Varsha S. Sukhadeve

Introduction

With a rapid modernization of trade and industry all over the world, the off take of packaged commodities has received an impetus because of the ease with which they can be transported and marketed. When any commodity, which is sold by weight and measure, is put in a package, it become difficult for the consumer to ascertain the weight or measure of the net contents of the package because he/she has no means to weigh or measure such contents unless he /she has opened the package or adopted other means to ascertain the net contents.

The International Organization of Legal Metrology (OIML) has therefore recommended the regulation of the indication of net weight and measure of a commodity contained in a package. All the advanced countries have enacted legislations regulating trade and commerce in packaged commodities. As a member of International organization of Legal Metrology (OIML) in India, the standards of weights and measures (Packaged Commodities) Rule 1977 were brought in force under the provisions of the weights and measures Act 1976.

There is also a need for uniformity in the packaging of the same of similar commodities. It often found that the same commodity is packed in a large variety of sizes. This practice results in confusing the consumer as to the economics of his/her purchase by depriving him/her of the facilities of comparison of the prices of packages containing the same commodity of equal weight or measure. The proliferation of net weight or measure, which is detrimental to the consumer, requires control and regulation in such a way as to ensure that the more commonly used commodities are packed in sizes of uniform denominations.

With a view of attracting consumers, the packers have, taken resort to deceptive packaging of commodities without disclosing adequately the net weight or measure of the commodity contained in the package. This practice is not only likely to cause loss to the consumer but is also likely to generate unfair completion. The packaged commodities rules also put a curb on such practices.

History and Origin of Legal Metrology In India

In order to study the impact of weights and measures standards on packaged commodities it's important to understand the science of measurements i.e. Metrology and it's history and origin in India. The contents of pre-packages must be measured in order to quantify the amount of product inside. And there the metrology plays a role. It allows producers and authorities to accurately check the sizes and weights of all pre-packed products.

With the application of legal and statutory provisions to the weights and measure standards devices and net weights and declarations on packaged commodities the term ,”LEGAL METROLOGY” comes into existence. Therefore to understand the implication of weights and measures standards on the packaged commodities it's important to understand the Legal Metrology.

The subject Legal Metrology from ancient times till the modern time was popularly known as Weights and Measures. The Legal Metrology and Weights and Measures is therefore the synonyms terms and in practice alternatively used by the Statutory Organizations, Government and Common Man in all over the world and in India.

Metrology

Weights and measures, units and standards for expressing the amount of some quantity such as length,

capacity or weight and the science of measurement standards and methods is known as Metrology (OIML 1972).

Metrology involves all aspects theoretical and practical of measurements independently of their uncertainties and in all fields of science and technology (OIML 1972).

Particularly it has to do with.

- The theory of measurements
- The measurement units and their physical realization
- The methods and procedures of measurements
- The characteristics of measuring instruments
- People and organizations involved in measurements.

Legal Metrology

There are several definitions of legal metrology, formal and informal, which are not contradictory although they differ slightly. The International Organization of Legal Metrology, OIML, on its Internal web page, tells us that: legal metrology is the entirety of the legislative, administrative and technical procedures established by or by reference to public authorities, and implemented on their behalf in order to specify and to ensure, in a regulatory or contractual manner, the appropriate quality and credibility of measurement related to official controls, trade, health, safety and the environment (OIML1986).

The International Vocabulary of Terms in Legal Metrology, published by OIML itself, defines legal metrology as that part of metrology relating to activities which result from statutory requirements and concern measurement, units of measurement, measuring instruments and methods of measurement and which are performed by competent bodies (OIML 1986).

The Academic of Sciences of the Institute de France, establishes that legal metrology, the modern form of weights and measures control, is the activity through which the State decides to take regulatory action over certain categories of measuring instruments (those used for commercial transactions) or over certain measurement procedures (public, health, public safety, environmental protection) (OIML1984).

The Physikalisch-Technische Bundesanstalt, PTB of Germany States that the metrology controlled and regulated by State resolution is qualified as, "Legal Metrology". Legal metrology covers those areas where there is a special public interest for correctness in measuring devices and the corresponding values. These areas cover all official measurements carried out. For instance, for customs and taxes matters or traffic surveillance or, particularly, commercial transactions that involve weighing devices, electric meters,

Instruments to measure liquids, etc. It also looks after aspects related to health and environment protection (PTB 1995).

The field of knowledge relating to measurements is known as metrology, which embraces all the theoretical as well as practical problems in relating to measurements. That part of "Metrology" which relates to units of weights and measures, methods of measurements and which is conformed with statutory provisions to safeguard the public, from the point of view of security and accuracy of measurement is Legal Metrology.

Therefore from all the definitions it is concluded that the Metrology is the Science of Measurement. It includes theoretical & practical problems, the realization of the units of measurement and their physical representation as well as measuring instruments & their field of application. Legal Metrology is the name given to all applied metrology subjected to regulations by law or government decree. And the extent of legal metrology varies from one country to another. In most countries legal metrology covers measurements in the protection of the individual from financial, health & environmental point of view. As measurements are also used for the control of the quality of products and services there is usually a trend to enlarge the scope of legal metrology especially in countries where quality is subject to government control. And in almost every country a national metrology service ensures the technical application of legal metrology and constitutes an essential element in the economy of the country.

International Organizations on Legal Metrology

The weights and measures standards implemented in India are mostly deprived from the recommendations of the International organization of Legal Metrology (OIML) and it's obligatory on the part of India to do so, being a member country. It's also important to implement the OIML recommendations in order to make uniform systems of weights and measures in the member countries in order to promote the trade and other cooperation's.

Therefore to understand the reasons and dictum behind the system of weights and measures its significant to study the Meter Convention signed by India along with other countries and role , functions and projects of international Organization of Legal Metrology(OIML). Its also important to study the allied organization of OIML such as The International Bureau of weights and measures (BIPM) , General Conference of weights and measures (CGPM), International Committee of weights and Measures (CIPM), International Measurement Confederation (IMEKO) and the International Laboratory Accreditation Cooperation (ILAC) as most of the Indian Statutory bodies and government organization like National Physical Laboratory (NPL) and National Accreditation Board for Testing Calibration Laboratories (NABL) are associated with this International Organization for accreditation and Traceability.

Perspective of Consumer Protection

In order to study the implementation of weights and measures standards on packaged commodities and its impact on Consumer Protection, it is very important to understand various means of protection of the Consumers. In India so many tools are available in the hands of a common man to get his rights protected. The setup of government machinery are such organized, so as to make the task protecting its interest becomes easy.

Consumer Protection with the implementation of weights and measures standards it's important to study the various mechanism like functioning of Legal metrology Authorities and techniques like inter comparison of laboratories, Metrological Evaluation, Metrological control of weighing and measuring instruments, Market surveillance, Control of pre-packaged products, Labeling requirements, Standardization of pack sizes, Deceptive Packages, Metrological Control on Packaged Commodities and other Weights and Measures Standards Institutions and statutory provision.

It is also important to throw light on Consumer rights and other remedies available to him/her including education in order to study the impact on Consumer Protection of the process of implementation of weights and measures standards on Packaged Commodities. The various rights of consumers like consumer right to seek redressed against supplier of the various services, consumer rights against manufacturer of a product, Advertising practices that a supplier or manufacturer should adopt and the manufactures liability of defective product are relevant part of this studies and it's important to keep a focus on it .

As a part of resolve of Governments to protect the rights of consumer the Central Government has set up a Consumer Welfare Fund and the Schemes like Jagriti Shivar Yojana, District Consumer Information Centre, Consumer Club and involvement of Research Institution/ Universities/ Colleges etc. in Consumer Protection Undertaken.

Also to the Legal Metrology Department infrastructure there is a parallel set ups like different types of Consumer Courts which implements the provisions of Consumer Protection Act and Rules with the help of bodies like National Test Houses is accessible to the Consumers and therefore it is appropriately discussed as following. The Legal Metrology comprises all official rulings and it acts by means of the proper bodies to enforce laws related to measurements for Consumer Protection . In Particular, it has to make sure that:

- The units are of common use, in accordance with national and international rules; the corresponding standards are properly kept.
- The types of measuring instruments in use are of officially approved types or models.
- The measuring instruments are verified at preset periods.
- The bodies in charge of control actions are properly accredited and they carry out their duties under proper supervision.
- Measuring instruments and devices in use in the country comply with current legal regulations.
- Previously packaged products sold on the market comply with regulations on quantity or number of their contents.

The control by weights and measures is the activity by which the state intervenes through regulations on a given category of measuring instruments (mainly those used

for commercial transactions) or on certain measuring operations. (Related to public health, public safety and environmental protection).

It extends in several directions:

- The quality of instruments used in commercial transactions with the purpose of ensuring reliability of measurement and avoid fraud; it is a tool of economic regulation.
- It also works in function of the State by ensuring that state controls are safe, fair and effective.
- It helps the productive sector to be able to use reliable measuring instruments according to its needs.

Conclusion:

It is clear that the term, “ measuring instruments used in commercial transactions” has today a very wide meaning and includes such aspects as traffic control(radar in roads, speedometers on trucks and public transport) or public health (thermometers and scales for medical use, blood pressure devices) (OIML 1989).

We can also differentiate two types of metrological activities. The first is to investigate and verify equipment used in commercial measurements and can be considered a mechanical metrological activity. The second look to the uses of this equipment and includes all supervision activities. Supervision includes such activities as verification of goods stored for sale or pre-packaged, verification of cargo in products sold in bulk

(fuels, sand, gravel and others),. Investigation of denunciations of unfair practices, education of buyers as to their rights and obligations in accordance with metrological laws.

The impact of the action of implementation of weights and measures standards; is not seen clearly when the necessary co-ordination does not exist between the different involved parties, and this fact does not make a sound, coherent development of legal metrology which is not good for consumer protection.

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Foreign direct Investment in Retail sector: An Overview

Introduction

India is witnessing changing life styles, increased incomes, the demographic variability's and vibrant democracy. Indian retailing is expanding and is expected to reach at US\$637 billions by 2015. Modern retail is soon capturing 22% share in total retail by 2010 with the expansion of 12 millions outlets and provision of creating 1.5 millions jobs in 2 to 3 years. The industry is playing vital role in the economic growth of the country. The concept of shopping is moving in and around hypermarkets, supermarkets, and specialty stores and in other formats.

Retail Industry is one of the key upcoming sectors in India contributing major to employment generation. Retail in India is featured with street markets and convenience stores which accounts for 96% of retail business. Most of the stores are very small with an area of less than 50 sqm. But the organized retail, with emergence of new stores format, is recording phenomenal growth and will completely revolutionize retailing over next five years. Retail sector is contributing 10-14% to GDP employing over 7-8% of total work force. India is fifth preferred destination globally, estimating retail market from US\$350b (approx.) in 2008 to US\$430b (approx.) by 2010.

Changing life styles are promoting changes in retail environment. Time constraints and traffic congestion, increase in disposable incomes has created a need for new types of retail format. Getting the right product at right time at lowest possible cost is an advantage of consumers in the edge of retail transformation.

Division of Retail Industry: The retail industry is mainly divided into:-

- 1) Organized and
- 2) Unorganized Retailing.

Organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hyper markets and retail chains, and also the privately owned large retail businesses.

Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local *kirana* shops, owner manned general stores, *paan/beedi* shops, convenience stores, hand cart and pavement vendors, etc.

The Indian retail sector is highly fragmented with 97 per cent of its business being run by the unorganized retailers. The organized retail however is at a very nascent stage. The sector is the largest source of employment after agriculture, and has deep penetration into rural India generating more than 10 per cent of India's GDP.

FDI Policy in India: FDI as defined in Dictionary of Economics (Graham Bannock et.al) is investment in a foreign country through the acquisition of a local company or the establishment there of an operation on a new (Greenfield) site. To put in simple words, FDI refers to capital inflows from abroad that is invested in or to enhance the production capacity of the economy.

Foreign Investment in India is governed by the FDI policy announced by the Government of India and the provision of the Foreign Exchange Management Act (FEMA) 1999. The Reserve Bank of India ('RBI') in this regard had issued a notification, which contains the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000. This notification has been amended from time to time.

The Ministry of Commerce and Industry, Government of India is the nodal agency for motoring and reviewing the FDI policy on continued basis and changes in sectoral policy/ sectoral equity cap. The FDI policy is notified through Press Notes by the Secretariat for Industrial Assistance (SIA), Department of Industrial Policy and Promotion (DIPP).

The foreign investors are free to invest in India, except few sectors/activities, where prior approval from the RBI or Foreign Investment Promotion Board ('FIPB') would be required.

FDI Policy with Regard to Retailing in India: It will be prudent to look into Press Note 4 of 2006 issued by DIPP and consolidated FDI Policy issued in October 2010 which provide the sector specific guidelines for FDI with regard to the conduct of trading activities.

- a) FDI up to 100% for cash and carry wholesale trading and export trading allowed under the automatic route.
- b) FDI up to 51 % with prior Government approval (i.e. FIPB) for retail trade of ‘Single Brand’ products, subject to Press Note 3 (2006 Series)
- c) FDI is not permitted in Multi Brand Retailing in India.

Foreign Investor’s Concern Regarding FDI Policy in India: For those brands which adopt the franchising route as a matter of policy, the current FDI Policy will not make any difference. They would have preferred that the Government liberalize rules for maximizing their royalty and franchise fees. They must still rely on innovative structuring of franchise arrangements to maximize their returns. Consumer durable majors such as LG and Samsung, which have exclusive franchisee owned stores, are unlikely to shift from the preferred route right away. For those companies which choose to adopt the route of 51% partnership, they must tie up with a local partner. The key is finding a partner which is reliable and who can also teach a trick or two about the domestic market and the Indian consumer. Currently, the organized retail sector is dominated by the likes of large business groups which decided to diversify into retail to cash in on the boom in the sector – corporate such as Tata through its brand Westside, RPG Group through Food world, Pantaloon of the Raheja Group and Shopper’s Stop. Do foreign investors look to tie up with an existing retailer or look to others not necessarily in the business but looking to diversify, as many business groups are doing?

Global Scenario of Organized Retail:

Country	Share of Organized Retail (in percentage)	Share of Unorganized Retail (In Percentage)	Remarks
India	6	94	Immense Opportunity for the growth of organized retailing.
China	20	80	Organized retail growth phase is going on.
South Korea	15	85	Immense opportunity for the growth of modern retailing
Indonesia	25	75	Organized retailing is developed.
Philippines	35	65	Organized retailing is developed
Thailand	40	60	Organized retailing is highly developed
Malaysia	50	50	Organized retailing is highly developed.

(Source: Articles on Retailing in Business Line, www.thehindubusinessline.com)

Evolution of Modern Retailing in India

Decade /Years	Description
Early 1980's	Peddlers,vegetables,vendors Neighbourhood kiran store,sole clotting on consumer durables
1980-1990	Few organized retail players from textile industry – Bombay Dyeing,Raymond,S Kumars,Grasim
1991	Turning Point with liberalized economy,ie dilution of stringent laws ,NAZ,International players enter into Indian Market

Journey of Organized Retail in India

Year	Growth	Function
2000	First Phase	Entry,Growth,Expansion,Top Line forces
2005	Second Phase	Range,Portfolio,Former Options
2008	Third Phase	End to end supply chain management,Backend operation,Technology ,Process
2011	Fourth Phase	M&A,Shakeout,Consolidation,High Investment

(Source: A Report by Ernst Young for IBEF,www.ibef.org/download%5c Retail_220708.pdf)

Gaurav Path for Indian Retail

Year	Retail Market (\$US billion)	Retail Space (mn. sf.)	Organized Retail Penetration (%)S
2004	275	31	3
2006	300	52	4
2008	353	90	7
2009E	383	145	9
2010E	416	200	12

(Source: ASSOCHAM conference on Re-inventing retail in New Delhi on 26th September 2008, www.assocham.org/events/recent/event_271/vikas_visal.pdf.)

Economic Growth

The economy is characterized by high GDP growth and rising per capita income. The prime factor for its growth is service led sectors that have substantially contributed to GDP outstripping the agriculture sector. This rapid economic growth is positively affected Indian Retail sector.

Year	GDP (%)
2002-03	3.8
2003-04	8.5
2004-05	7.5
2005-06	9.4
2006-07	9.6
2007-08	8.5 APPROX.

(Source: Economic survey referred in Pratiyogita Darpan,Exam Oriented series I, code no.790)

GDP is expected to be 7.1 % for 2008-09 and 7% for 2009-10 as per CMIE report.

Year	Per capita in Rs(Per capita net national product) on Constant prices 1999-00
2002-03	17,101
2003-04	18,317
2004-05	19,325
2005-06	20,858
2006-07	22,553
2007-08	24,256

(Source:www.mospi.gov.in)

Urbanization-Rural and Urban Population Graph

Year	% Rural	% Urban Population
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	Population	
1901	89.2	10.8
1951	82.7	17.3
1981	76.7	23.3
1991	74.3	25.7
2001	72.2	27.8

Source: censusindia.gov.in referred in Pratiyogita Darpan,Exam Oriented Series-1,code790)

Brand Profusion:

Consumerism and increased brand conscientiousness has led to increased number of brands today. Today every product is branded. Sold, oils, flour which were earlier sold as a commodities is now branded. There is presence of al most all kinds of global brands in the present market situation.India has also share of strong brands like Titans,Mc Donells , asian paints,Itc,thumps up,whisky,kingfishers. The launches of more and more brands into the market increased the demand of shelf space and hence demand for retail outlets.

Changing Customer need and preferences

There are various reason for changing customer needs and preferences

1. Single family concepts
 2. Dual Income Concepts
 3. Limited to One children concepts
 4. Willing to spend concepts
 5. Brand Preference concepts
 6. Personal and Health Care concepts
- Major contributor to this variable is Indian Middle Class. They are investing a greater portion of their income on upgrading and diversifying their life styles, eating out and percentage of young population who are more ostentatious in their purchasing habits ,as this brand savvy urban population is likely to drive demand for lifestyle products – such as perfumes ,jewellery and watches.

Percentage of Population under 25 years of Age

Country	% of population under 25 years
India	49.50
Brazil	46.20
China	38.20`
USA	35
UK	32
Japan	28
Germany	26.90

(Source:HSBC Global Research referred in ASSOCHAM report on Retailing in India 2008)

Monthly Household Spending of Average Indian:

Items	% Spending
Food Consumption	32
Cloths and Jewellery	19
Saving	14
Leisure's and Entertainment	11
Education	9
Transport	5
Investment	5
Housing Rental and Mortgage	3
Overseas traveling	2

(Source: CLSA Asia Pacific Market study referred in www.assochem.org/events/recent_271/vikas_visal.pdf)

Household Spending as a share of GDP

Country	% of house hold spending
India	78
China	79
Mexico	92
USA	97
South Korea	93
France	83
Japan	94

Source:ASSOCHAM study on Retailing in India 2008

A large unorganized sector

Organized retailing in India is still at evolving stage and accounts for only 4 percent of the total market. The traditional segments comprising of Mom and Pop stores accounts for 96% of the total retails in India. Organized retailing will be increased phenomenally in coming four to five years. This shows that growth of retail sector is very much expected.

FDI: Global players have shown greater interest in this sector's number of reformed has been done to promote investments in retail sector.100% FDI in cash and carry through automatic route and 51% in single brand outlets through approval is permitted. Frenchies route is available for big operators. The Ministry of Finance has recently announced new FDI norms for enhancing the investment in this sector.

Increased Investments in Retail: An investment of \$35bn is expected in next five to seven years. As per estimate 88% of this investment will direct to urban areas.Modern retailers in India are working on number formats from supermarket to hypermarket to discount to convenience stores. Hypermarkets and discount stores are growing very fast.The share of Investment slated for Hypermarket,supermarket, specialty stores and cash and carry is 40%,28%,18% and 14% respectively. According to AT Kearney, India is ranked at 5th preferred destination for investors among 30 most attractive retail markets in world.

Types of Modern Formats: Characteristics of formats

Hypermarket	It ranges from 50000 -100000 sqft. Offers a large basket of products, ranging from grocery, fresh and processed food, beauty and household products, clothing and appliances, etc
Supermarket	Supermarkets, generally large in size(4000-25000sqft.) and typical in layouts, offer not only household products but also food as an integral part of their services. The family is their target customer and typical examples of this retailing format in India are Apna Bazaar, Sabka Bazaar, Haiko, Nilgiri's, Spencer's from the RPG Group, Food Bazaar from Pantaloon Retail, etc.
Department Store	It caters variety of consumer needs.It ranges from 10000 – 60000 sqft. Examples are Shopper Stop ,Pentaloon, Westicides, Ebony, Life Style,Dubai Based etc.
Speciality Store	It focuses on special market segments and generally ranges from 2000-5000 sqft.
Discount Store	Factory outlets provides an opportunities to get discount on MRP.Products category can be perishable /or non perishable.
Convenience Store	400-2000 sqft.
MALL	Largest forms of modern retailing ranges from 60000 sqft. To 700000 and above sqft.It provides ideal shopping experiences with products ,services and entertainment under one common roof. Examples are City Mall36,Pentaloon Pyramid and Shoppers Stop etc.

(Sources : www.iimcal.ac.in/community/consclub/ppts/retail.ppt (**PPT. of Lakshmi Narayana Swamy and Mudit Sharma, IIMCAL**), AND ICRIER Study on Impact of Organised Retailing on Unorganised Sector 2008)

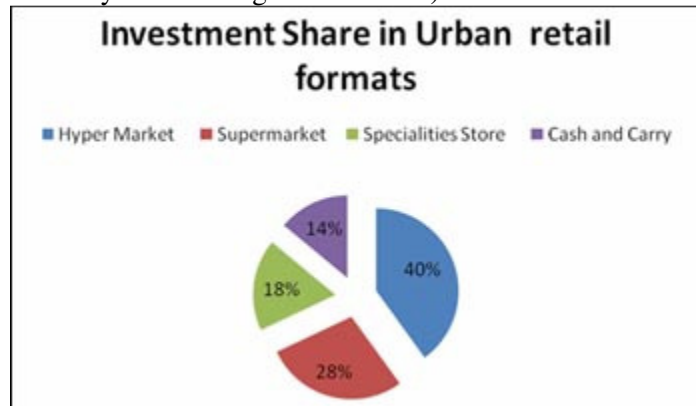
Retailers	Cities	Format	Stores	Expansion
BigBazaar	26	Hypermarket	36	225 stores by 2010
Spencer's	All India	Hypermarket	7	60 by 2008-09
Star India Bazaar	Ahmedabad	Hypermarket	1	2 more store are planned in Mumbai and Bangalore
Shoppers Stop	Mumbai	Hypermarket	1	23 stores by 2010
Vishal	28	Hypermarket	46	410 stores by 2010.

Megamart				
Reliance Retail	Hyderabad ,Delhi,Jaipur,Mumbai	Hypermarket	100	1000 hypermarkets.
Food Bazaar	28	Supermarket	49	250 stores by 2009
Nilgiri	16	Supermarket	29	170 by 2009
Sabka Bazaar	Delhi	Supermarket	25	Mega Expansion plan
Trumart	5	Supermarket	11	128 Stores by 2010.

((Source: Techno Pak Analysis on Retail Outlook 2007 and FICCI Retail Report 2007: Organised Retailing:Unfinished Agenda and Challenges Ahead))



(Source:ASSOCHAM study on Retailing in India 2008)



(Source:ASSOCHAM study on Retailing in India 2008)

City wise Urban investment in Retail expected in next five year:

City Type	% Share
AAA	30%
AA	17%
A	15%
B+	23%
B	6%
C	7%
D	2%

(Source: Techno Pak Analysis on Retail Outlook 2007 and FICCI Retail Report 2007: Organised Retailing:Unfinished Agenda and Challenges Ahead))

Urban Retail Investments expected in next five year

Types of City	Hypermarkets	Supermarkets	Others
AAA	25%	22%	53%
AA	31%	16%	52%
A	35%	13%	52%
B+	51%	14%	35%
B	67%	10%	22%
C	88%	12%	0%
D	88%	12%	0%

(Source: Techno Pak Analysis on Retail Outlook 2007 and FICCI Retail Report 2007: Organised Retailing:Unfinished Agenda and Challenges Ahead)

Organised/Modern Retailing:

Indian corporates major like Reliance, ITC, Bharti, Tatas, Rahejas, Piramals and Pentaloons have entered into the segments but more and more players are showing interest in USD350b(APPROX.) Indian Retail Market. Growth of organised retailing is limited to few metros,state capitals,tierI and tier II cities where no. of middle and higher income people is large and choice of high priced products they sought for.

Rural Retail forward market

Country rural market is offering great opportunities for Modern retailers for opening of stores in villages.46% of rich and well-off population is living in rural areas and 60% of them are living in 17% of total villages.It creates good scope for investment in rural areas in retailing.

Advantage Modern Retailing

- 1) Employment Generation
- 2) Increasing efficiency in Agriculture
- 3) Enhance shopping experience for consumers
- 4) Creating a positive social Change
- 5) Economies of Scale

Employment Generation: Modern retailing has the potential for generating employment of 2.5 millions people by 2010 in various retail operations and more than 10 millions in indirect retail activities including contract production and processing, supply chain and logistics, retail real estate development and management.

Increasing efficiency in Agriculture: The concept of middleman in food supply chain is matter of yesterday. Farmers are cultivating crops as per the demand of retailers. Customers are getting benefits of reduced pricing while the farmers are receiving higher returns for their produce. Only organized retail provides mass marketing of processed and package foods.

Enhanced shopping experience for consumers : Trends of shopping with entertainment is gaining momentum because of time and traffic congestion. Organised retails offers one stop shopping with many product baskets at single location. These formats adds experience of large scale purchase ,consumer preference, excellent ambience and choice of merchandising.

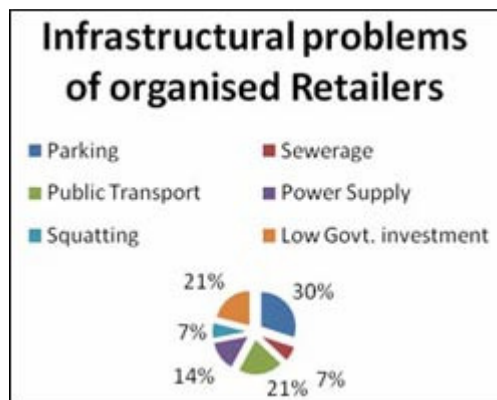
Creating Positive Social Change: Retailing leads to improvement in local infrastructure by providing adequate parking facilities ,ATM, a safe and secure environment which encourages the setting up of 24 hrs. convenience stores, a hygienic ambience to the consumer's etc. This is enabling positive social change in the industry.

Economies of scale:

They are going for vertical integration from outlets to establish malls.

Challenges to Organised Retailing

Challenges	Implication
Fragmented Supply Chain	High wastage and high product cost
Multiple Legislative Laws	Hinder fast expansion and increase overall cost.
Cumbersome Labour Laws	Limits organized retail business of 24*7
Escalating real estate prices	Higher operational costs
Complexity in tax structure	Rate, classification and procedure is different across the country
Shortage of Manpower	Beginning of specialized training centre and specialized course on retail
Cultural Disparity	Understanding customer choice and preferences is different
Industry status	Far away from benefits of Industry status



(Source: ICRIER Study on Impact of Organised Retailing on Unorganised Sector 2008)

Challenges: Lack of Trained manpower, Attrition Rate

Globus:

It has been launched by Rajan Raheja Group in January 1998. Started from Indore and 24th the new one at Nagpur, journey is continue with a mission to democratize fashion and be 'the' iconic youth fashion brand

in India. The store aim to create deep connections with the Indian youth through inspiring product design, signature store experiences and compelling marketing. The concept of the Privilege Club which is the best way to ensure 100% card to benefit ratio is the unique selling proposition of the store.

Product Mix: apparel for men, women, kids and accessories - work wear, campus wear, club and lounge dressing and genres Western, Indian and mix-n-match. A well matched sizing ensures a good fit for the Indian silhouettes.

Pricing Strategy : Amazing Price suited to every YOUTH.

Model : Department Store . At present the group is venturing into speciality stores.

Challenges Faced: Managing the expansion plans with supervising demands of consumers and keeping economic of scale high.

Mother Dairy :

Mother Dairy was established in 1974 with a view of making liquid milk available to city consumers. It is set up by National Dairy Development Board under first phase of operation flood programme. Mother Dairy also markets dairy products such as ice cream, dahi, lassi, butter cheese dairy whitner, dhara range of edible oils and safal of fresh fruit and vegetables frozen vegetables and fruit juices.

Mother Dairy Model:

Mother Dairy follows cooperative models. This model directs the formation of federation, by the help of village level societies and district level unions, whose prime responsibilities is the marketing of milk and milk products.

Pricing Strategy:

Mother dairy ensures that farmers get market price by offering quality produce and also provide the produce to the consumers at reasonable prices through minimizing costs.

Challenges faced: Company is facing competition from other organised retailers and increased imports. The quality of milk, low yields, falling cattle health are some major challenges faced by company.

Conclusion:

Retailing provides a crucial link between producers and consumers in modern market economy. Retail in India is most dynamic industry and represents a huge opportunity both for domestic and international retailers.

Modern retailing is not threat to independent Mom and Pop stores as most of the consumers said that they never stopped visiting kirana stores. They strongly agreed on coexistence of both is requirement of the day. Their frequency of going to kirana stores is reduced but its kind of opportunities for reorienting Mom and Pop stores for attracting more customers. So, organised retailing is beneficial for India because its not alarming to create conflict with unorganised stores but reshaping unorganised stores into budding/nascent organised stores.

Modern retailing has miles to go in India. The growth of modern formats has been much slower in India as compared to other countries and the development of this sector is restricted by the presence of regulatory and structural constraints.

Recommendations:

Certain steps are required to make Indian Retailing world class is mentioned below:

1. There is a need for setting up of Retailers Cooperatives which functions as distribution centres and warehouses. It will help the retailers to buy the products they want directly from original manufacturers in bulk quantity.
2. Mergers of weak retailers and buy out weak retailers by a stronger one are another important steps. This will give new retailers the desired leverages to be world class.
3. Networking of Independent firms believing the use of technology for business excellence and pressurizing suppliers and others channel members to use compatible technology.

Suggestion for Retail reforms :

1. Accord Industry Status to retail

Industry status should be given to improve retail development, to facilitate organised financing and to establish insurance norms.

2. Incentives for investments

Tax holidays norms for cold storage chains, infrastructure and investments in supply chain should be enacted.

3. Comprehensive legislation:

Comprehensive legislation should be drafted and enacted with futuristic approach.

4. Eliminating Archaic Laws

Laws, Essential Commodities Act, APMC Acts, Licensing restriction, differential taxes, stamp duties, should be simplified and put in proper place so that it would not hinder growth of retail sector. This will help in creating "Commodities Futures Markets".

5. Allow Foreign Direct Investment (FDI) in phased manner:

6. Rationalise the tax structure:

The current multipoint taxation should be rationalised. Government should introduce a uniform taxation system across the country to relax the law that hinders inter state flows of goods.

7. Streamline the process of clearance

8. Encourage PPP model for infrastructural development

9. Amend the existing cumbersome labour laws:

The existing labour laws need to be amended on an urgent basis in order to support the growth of organised retailing and to develop India as a sourcing hub.

10. Announce a national policy for retail:

The Government should announce a National Retail Policy that allows the coexistence of both organised and unorganised retail and address issues such as sourcing, contract farming, movement of goods across India and also defines clear cut guidelines for the functioning of retail sector in India.

11. Establishment of National Commission on Retail:

The national commission on retail must be established. The function of commission should be :

a) to set clear target for giant retailers for procurement.

b) to formulate rules on entry of foreign players and compliance with social safeguards.

c) to develop cooperative stores for eradicating the problems of limited marketing and promotions.

d) to facilitate the way of setting up Agricultural Perishable Produce Commission for ensuring the procurement prices for perishable commodities.

12. Reduce impediments to inter state movement of goods

13. Enforce uniform quality standards

14. Setup a regulatory body for the governing the operations of retail sector.

QUICK LOOK

"Just adding numbers or bringing foreign players doesn't ensure success unless you have operational efficiency and that will come only with time." Piyush Sinha, Professor-marketing, IIM-A.

"Organised retail will not harm the traditional Indian retailers. In fact, the two will co-exist to make Indian Retail story a success." Nirupama Soundarajan, Co-author, ICRIER report on Retail, Impact of organized retailing on unorganised retailing.

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